

Construction and Development
West of England Local Sector
Skills Statement 2018



Working together to develop the current
and future skills of the sector.



Local Sector Skills Statements provide up-to-date market intelligence from industry sectors; celebrating the notable achievements and expertise of businesses and education in the region compared to regional and national policy and research. They provide insights into: the skills challenges faced by businesses in 2017/18, possible solutions, and potential partnerships for stakeholders to collaborate in the region. The reports inform key priorities for: investment in training, education, careers advice and professional development in the West of England.



Produced and written by Business West

Business West is working in partnership with the West of England Combined Authority, West of England LEP and the region's universities and colleges through the Western Training Provider Network. The intelligence gathered feeds into the West of England skills strategy.

Construction

Local Sector Skills Statement 2018

Construction is a significant sector in the West of England. It is a key driver of economic growth, a generator of jobs and has a significant impact on enhancing the built environment. The construction sector plays a major role in the growth and successes of other sectors creating the facilities required for a modern economy, and the infrastructure needed for commercial and industrial growth, whilst addressing significant social issues such as a shortage of housing.

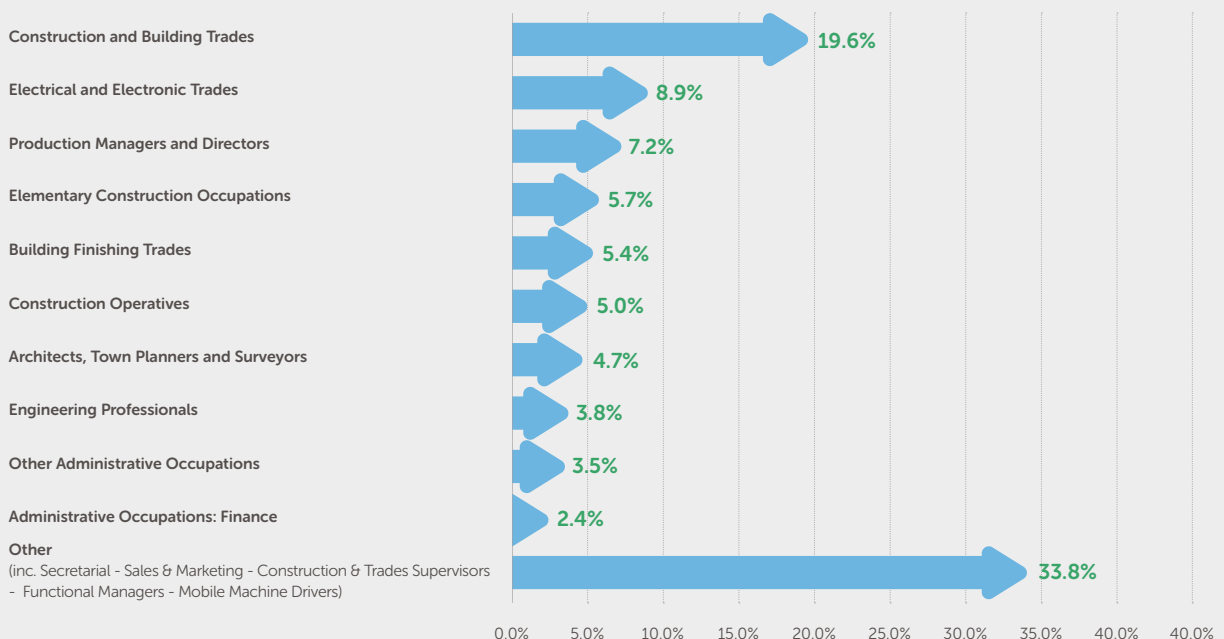
The UK's construction industry is continuing to perform well with output expected to grow by 1.3% over the next five years creating 158,000 new jobs. In the South West region construction output is predicted to grow by 2% in the 2018 – 2022 period, higher than the UK level of 1.3% with employment growth in the region (1% per year) also predicted to outpace the national average of 0.5 % ⁽¹⁾. This estimated growth is now more balanced than once forecast with 22 of the 28 occupational aggregates expecting to register job growth in this period.


The government is supporting this growth through the recently released sector deal. The construction sector deal will see £170million investment over

three years through the Industrial Strategy Challenge Fund and £250million of match funding from construction firms in the industry, bringing together the construction, manufacturing, energy and digital sectors to advance R&D and innovation. Although this additional funding will benefit the industry, there is still uncertainty as to whether the industry can find the match funding to make the most of the deal.

The West of England's construction sector is additionally supported by a large number of infrastructure projects including: the development of the region's enterprise zones and areas, HS2 and the neighbouring Hinkley Point C and Oldbury nuclear power station projects. Although situated outside

% of Total Jobs in Industry Group (2017)





of the West of England LEP area, the influence of Hinkley Point C and Oldbury will extend beyond the sites, with demand for new housing and facilities to accommodate the needs of its workforce along with associated infrastructure. The West of England Joint Spatial Plan lays out ambitious plans to meet the housing, employment and infrastructure needs up to 2036 supporting construction growth in the region.

The West of England has seen some significant investment in the provision of construction education and training with state of the art Construction Centres at both Weston College and Bath College. In addition, Weston College recently secured £3.3 million to create a construction and groundworks training centre to serve the region's needs, incorporating the demand from neighbouring Hinkley point C. The region also supports higher level learning in the construction sector through degree apprenticeship programmes recently launched by UWE.

The construction industry has recently been through a period of uncertainty with concerns over Brexit negotiations and additional market unease caused by the liquidation of Carillion. This has led to an increased focus on skills and employment and the need to increase productivity. CITB forecast that an extra 158,000 construction workers will be required by 2022 to meet UK demand ⁽¹⁾, identifying the need to boost apprenticeships and work placements to reduce the skills supply gap and accelerate the pace of modernisation.

Productivity remains a key challenge for the construction industry and in response to this the Construction Leadership Council will use the multi-million pound sector deal to: reduce time taken to build and refurbish projects by 50%; cut the cost of construction by 33%; reduce the trade gap between total exports and imports of construction materials by 50%, and halve the level of greenhouse gas emissions across construction by 2025. Despite strong growth, the construction sector experiences a number of skills challenges including that of: an ageing workforce, the emergence of new and

innovative technologies and the perception that the industry is a low-paid, low-skilled, manual-only occupation. The industry is rapidly moving towards a more digital design with more off-site manufacturing and growing use of tools such as BIM (Building Information Modelling). The growth of pre-fabricated / offsite manufacture potentially represents the biggest challenge the construction sector has faced in generations while the biggest barrier to the UK fully benefiting from the rise of offsite construction is an inadequately trained workforce.

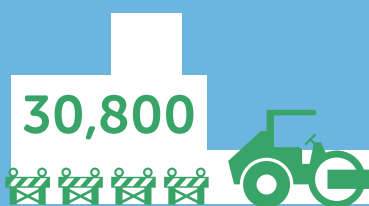
In the 2017 Industrial Strategy the government outlined plans to create a new National Retraining Scheme starting in 2018. The scheme is set to support people to reskill and will begin with a £64m investment for digital and construction training. CITB has also recognised these challenges and in a recent white paper, 'A New Reality: Immersive learning in Construction', urges the sector to embrace innovation and technology across the sector through immersive learning. This modernised method of learning embraces VR, augmented reality and uses game-based techniques to produce work-ready employees at the same time as transforming the perception of the industry to investors and young people. This new form of learning is thought to improve quality, efficiency and safety whilst developing the skills and attracting the talent that the sector needs to innovate, modernise, become more productive and deliver on the aims of the sector deal.

In line with the national picture, the construction sector in the West of England faces similar challenges. Coupled with this is the number of large scale construction projects that are planned in and around the West of England. Projects such as: the Enterprise zones, HS2, Hinkley Point C and Oldbury will increase demand for a skilled construction workforce. It has been indicated that at its peak the Hinkley point workforce will be the equivalent of 8.2% of the West of England workforce and will account for 14.6% of the peak West of England workforce demand ⁽²⁾.

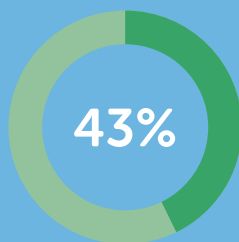
Key Facts

A summary of key facts both locally and nationally in this sector

In the West of England the demand for **total construction labour** is forecast to peak in **2021** at **30,800**.⁽²⁾



43% of the construction workforce in the West of England are self-employed.⁽²⁾



The UK's construction industry is expected to grow by 1.3% over the next 5 years, creating 158,000 new jobs.⁽¹⁾



Around **60 training providers** have delivered construction relevant FE courses in the West of England over the last 4 academic years with **4 main providers delivering 88% of provision**.⁽²⁾



74.6% of construction respondents to the Business West Skills and Training Survey 2017 had no knowledge of how to use apprenticeships to upskill existing staff.⁽⁶⁾



47% of respondents to the Business West Skills and Training Survey 2017 forecast an increase in employee numbers over the next 12 months.⁽⁸⁾



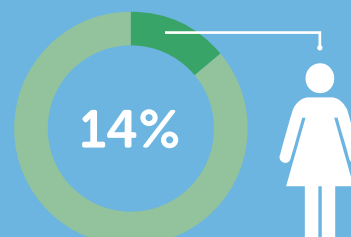
The government has pledged to provide £34m to expand innovative construction training programmes across the UK.⁽⁴⁾



During 2017-2018 CITB supported over 1.2million training days with investment of more than £181.9m in grants.
(Source: CITB)



Women make up around 14% of construction industry professionals.⁽¹⁾



In the 2016/17 academic year, West of England apprenticeship starts in the Construction, Planning and Built Environment sector fell from 1,010 to 950.⁽¹¹⁾





Notable Achievements

Local Sector Skills achievements in 2017

Bath College £2.7m construction skills centre opened.

Weston College recently secured £3.3m of capital funding for a Construction and Groundworks training centre.

University of West of England launched the Higher level Quantity Surveying and Civil Engineering Degree apprenticeship programmes.

City of Bristol College recently secured £6m of funding to build a new Construction Skills Centre adjacent to their South Bristol Skills Academy campus providing training for around 850 people over three years, through apprenticeships and other learning routes.

In 2017/18, **Skills West** supported education providers at a series of events aimed at young people and careers advisers to inform of the sector challenges, needs and landscape. These included the Pathways to Professions advice events, Ambitions + at SGS College, Bath College Careers Fair, sector-based talks to students at SGS College and dissemination of the local sector skills statements to all colleges in the region.

Skills West hosted a number of industry events covering topics such as construction/ green building techniques and explored questions such as, 'What skills do education providers need to be teaching in order to develop competent, work-ready students?'

Skills West partnered with **SGS College, City of Bristol College, Bath College, Weston College** and **WTPN** to host an Apprenticeship Levy event for employers. Following this, a recruitment event was held for potential new recruits, from industry, interested in transferring into teaching and/or assessing.

CITB - As the Industry Training Board and a partner in the Sector Skills Council for the construction industry in England, Scotland and Wales, **CITB** uses the Construction Levy to ensure sufficient training and skills development, incentivising employers to train through the Grants Scheme. The funds are aligned across three strategic priorities – Careers, Standards and Qualifications, and Training and Development. During 2017-2018 CITB supported over 1.2million training days with investment of more than £181.9m in grants.

Skills Priorities for 2018

Priority One

1. Improve Careers Education Information Advice and Guidance (CEIAG)

- *Reflecting on how the objectives address diversity and equality*



Issue

The construction sector continues to be challenged by the poor perception of the industry. In the recent Business West Skills and Training Survey, 32.8% of respondents from the construction sector felt that the biggest barrier to people choosing a career in this sector was the poor perception of the industry. Construction is still seen as a traditional, dirty, low-paid, predominantly male, manual occupation that lacks opportunities. CITB has invested heavily in reversing this perception through its 'go construct' website which promotes and showcases the range of opportunities and high-level job roles within the industry. Women into Construction continues to provide support and promote the industry to women wishing to work in the sector. However, there still remains a need to promote the modernisation of the construction sector to make it more attractive to young people.

Objectives

- ▶ Promote progression pathways to both young people and those already employed within the construction industry through targeted campaigns with all stakeholders.
- ▶ CEIAG for the construction sector needs to make clearer links to the digital and tech industries to showcase the transferable skills and the new and emerging skills that are needed for a modernised construction sector.
- ▶ Support and promote new immersive learning techniques adopted by training providers in the construction sector to both young people and those already employed within the sector.
- ▶ Encourage more STEM graduates and specialists to enter the industry – drawing from more digital and tech specific courses.
- ▶ Engage with schools to support and promote STEM learning making clear linkages to the range of roles within the construction sector.
- ▶ Education and business to support the work of National Careers Service and Careers Enterprise Network Advisers to further develop and improve Labour Market Intelligence (LMI) and ensure that materials are available to both offer support and guidance for careers advisers and practitioners.
- ▶ Work with Young Apprenticeship Ambassadors Network to improve knowledge of Apprenticeships in school leavers.
- ▶ Encourage partnerships with employers and the Department of Work and Pensions to help individuals to access pre-employment training. (Explore models with Skills West pre-recruit and train and sector based work academies).

Skills Priorities for 2018

Priority Two

Improve the quality and responsiveness of local education and training provision



Issue

In response to the previous Construction Local Sector Skills Statement, training providers in the West of England now offer a wider range of flexible learning options to those currently working in the sector, to enable and encourage personal and professional development. However there remains a shortage of qualified construction tutors with demand expected to rise. Nationally there is now a need to modernise the training techniques used by the sector. CITB has highlighted the need to embrace innovative and digital forms of training in order to attract young people to the sector and provide them with the new skills sets required. This is supported by the national Industrial Strategy that has pledged £64m to improve digital and construction training.

Further opportunities are presented through Offsite construction, the manufacture and pre-assembly of construction elements or components in a factory environment prior to installation onsite. Currently, offsite accounts for less than 10% of total output, but this will grow as firms invest in prefabricated manufacturing factories and other offsite technology. The sector requires a more flexible skillset across construction to adapt to the dynamic demands of offsite construction.

Objectives

- ▶ To evolve a new skills and training landscape alongside the more traditional pathways that enables and supports the implementation of innovative techniques and technologies.
- ▶ Create, support and encourage projects that develop innovative digital learning techniques and bring national capital investment to benefit the West of England.
- ▶ Support and encourage employers to work closely with training providers to develop immersive learning solutions to cover key issues such as the cost / value of training and recruitment and retention of staff.
- ▶ Ensure employer participation in future curriculum design and development at entry level through to higher and degree level.
- ▶ Encourage development of new approaches to flexible learning delivery to minimise impact of staff taking time out from their job.
- ▶ Continue to respond to local demand and anticipated workforce growth related to large scale construction projects in the region.
- ▶ Support FE recruitment programmes to increase the supply of qualified construction tutors in the region.

Skills Priorities for 2018

Priority Three

Increase apprenticeship starts and availability of higher apprenticeships

- *Reflecting on how the objectives address diversity and equality.*



Issue

In the 2016/17 academic year apprenticeship starts in the West of England construction sector fell. National take up of apprenticeships since the introduction of the apprenticeship reforms in 2017 have declined. In April 2018 the government announced that employers paying the Apprenticeship Levy will now be able to transfer their funds through their supply chains. This could have a positive impact on the construction industry in the West of England where the majority of construction businesses are small, micro or self-employed. Apprenticeships are not a new phenomenon to this sector however and in the recent Business West Skills and Training Survey, 68.3% of respondents in this sector had no knowledge of new apprenticeship standards and 74.6% had no knowledge of how to use apprenticeships to upskill existing staff. Given the need to retrain or repurpose staff and the ability for larger businesses to transfer their levy through supply chains, this is something that needs addressing to move forward.

Objectives

- ▶ Training providers, employers, CITB and local stakeholders need to work together to raise the profile of apprenticeship opportunities at all levels within the sector for both new entrants and the existing workforce.
- ▶ Education providers to promote higher and degree apprenticeships not only as an entry route into the sector but as a pathway for career progression and for workforce development.
- ▶ Encourage large construction firms to transfer unused levy funds to smaller businesses in or outside of their supply chain to build a stronger workforce.
- ▶ Support small, micro and self-employed businesses to understand the apprenticeship reforms and the additional funding rules around transferring apprenticeship funds.
- ▶ Increase community based awareness and opportunities to engage local people from non-traditional backgrounds into a construction apprenticeship.
- ▶ Support collaboration between education and industry to create work experience models and bridging programmes into apprenticeships.

Skills Priorities for 2018

Priority Four

Engage SMEs in upskilling and retaining staff to ensure increased productivity and sustainable growth



- Encouraging SMEs to consider best practice in staff welfare.

Issue

The construction sector traditionally has high levels of self-employment. Nationally 40% of the construction workforce is self-employed. This percentage is even higher in the West of England where nearly 43% are self-employed, an increase of 18% since 2012. In the West of England area 93% of all construction businesses are micro sized (employing less than 10 people). The majority of growth in the region has been due to the increase in micro-sized businesses, accounting for 96% of growth from 2012 – 2016. Clearly these businesses have a huge impact on the sector and therefore must be supported, consulted and encouraged to collaborate in tackling the skills challenges faced by the industry in terms of attracting, retaining, re-training and re-purposing talent.

Objectives

- ▶ Strategic partners must promote collaborative working locally across supply chains.
- ▶ Innovative and accessible training must be developed and promoted locally to the existing workforce to respond to changing demand and emerging skills sets within the construction sector.
- ▶ Education must engage with smaller construction businesses in the development of new training or curriculum to ensure its relevance and accessibility to the region's construction economy.
- ▶ Education providers and Skills West to continue to work with the sector to identify skills requirements and explore best use of apprenticeship standards to support progression, retention and growth within existing workforce.
- ▶ Support small construction businesses with methods of developing, re-training and re-purposing their workforce to enable them to remain responsive to changes in demand within the region.
- ▶ Future Bright, Skills West and other local business engagement programmes to ensure businesses are aware of the support for in-work training and apprenticeships to upskill their existing workforce and support in-work progression for all employees. Ensuring best practice and learning is shared between businesses.

Skills Priorities for 2018

Priority Five

Support SMEs to be inclusive and effective in staff recruitment

- *Reflecting on how the objectives can address diversity and equality.*
- *How to build the talent pipeline in the region.*



Issue

In order to meet the increased and changing demand for talent in the construction sector in the West of England it is important to attract and retain a wide cross-section of the community. Construction employers, training providers and wider stakeholders must work to promote the sector and the opportunities it can provide in order to meet the demand of large construction projects in the West of England.

Objectives

- ▶ Continue to support Women into Construction campaigns to promote opportunities at all levels, making the sector and its career opportunities accessible and visible for women and other under-represented groups.
- ▶ Support employers in providing work experience, work placements and a pre-recruitment training to provide real-life insights into working in the sector.
- ▶ Skills West to continue to encourage businesses to work across school and community groups in the most deprived areas of the West of England to illustrate the various career paths and entry routes into the sector.
- ▶ Provide and promote clear progression routes to both new entrants and the existing workforce to enable effective talent management and succession planning, working with organisations that focus on the improvement of inclusion, social mobility and diversity in the sector.
- ▶ Encourage small construction businesses to provide apprenticeship opportunities at all levels.
- ▶ Support the work of existing careers advice programmes, Careers Enterprise Advisers and other organisations to deliver relevant engagement (digital as well as events) that promotes a range of career opportunities across the sector to influencers and students in all secondary schools, further education colleges and universities in the region.

Potential Partners

Regional Centres of Excellence and Research

Bath College Construction Skills Centre
Weston College Construction and Engineering Centre of Excellence (CECE)
University of Bath – Department of Architecture and Civil Engineering
University of Bristol – Department of Civil Engineering
University of the West of England (UWE Bristol) – Department of Architecture and the Built Environment.

Key Training Providers

City of Bristol College
City of Bath College
Weston College
SGS College
University of the West of England (UWE Bristol)
CITB (Construction Industry Training Board)

Professional Networks and Organisations

CITB (Construction Industry Training Board)
Construction Industry Council SW
Constructing Excellence SW
Engineering Construction Industry Training Board (ECITB)
Construction Leadership Council

Endorsed by:

West of England LEP
CITB

“Building engaging, dynamic partnerships that help the construction industry to attract, train and retain its future workforce is essential. This comprehensive report focuses the need for a strategic and integrated approach to drive forward employment and skills solutions. These outcomes which are taking place as a result of the joined up efforts are real and will have a lasting impact upon the local economy and industry.”
Catherine Bullough South West England Partnerships Manager CITB.

Reference Documents

- 1) CITB Industry Insights – Construction Skills Network Forecasts 2018 – 2022
- 2) WECA / CITB Construction Skills Gap Analysis for the West of England Combined Authority & Local Enterprise Partnership, July 2017
- 3) ONS/NOMIS (2016) Annual Population Survey Workplace Analysis Jan 2016 – Dec 2016
- 4) Industrial Strategy: Building a Britain fit for the future, November 2017
- 5) CITB white paper - A New Reality: Immersive Learning in Construction, September 2017
- 6) CITB – Faster, Smarter, More Efficient: Building Skills for Offsite Construction. Research summary and action plan, April 2017
- 7) Construction Leadership Council – Sustainable Building Training Guide – Learning outcomes for standards, qualifications and training.
- 8) Business West Skills & Training Survey 2017
- 9) Emsi - economic modelling 2018 courtesy of Prospects Services
- 10) West of England Joint Spatial Plan, November 2017
- 11) FE Data Library <https://www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships>

Supporting Research Documents

- a) Tech Nation Report 2017/18
- b) 2018 Creative Industries Federation Report
- c) West of England Combined Authority Business Plan, 2018/19
- d) West of England Combined Authority Operating Framework 2018/19
- e) Industrial Strategy: building a Britain fit for the future, November 2017
- f) The Grand Challenges, Policy paper, May 2018 <https://www.gov.uk/government/publications/industrial-strategy-the-grand-challenges/industrial-strategy-the-grand-challenges>
- g) Careers strategy: making the most of everyone’s skills and talents, December 2017
- h) Careers guidance: for further education colleges and sixth-form colleges, February 2018

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