

ConstructionSkills

Strategic plan 2014-2018



ConstructionSkills

Who we are

ConstructionSkills is the Sector Skills Council for the UK construction industry, which employs 2.1 million, contributes up to 8% of GDP and turns over in excess of £201 billion. ConstructionSkills is a partnership between CITB, CITB-ConstructionSkills Northern Ireland and the Construction Industry Council; employer-led organisations that represent the whole of the construction industry from professional consultancies to major contractors and the SMEs in their supply chains.

What we do

ConstructionSkills works with employers and other representative bodies, professional institutions, trade unions, delivery partners, the UK Government and the Governments of Northern Ireland, Scotland and Wales by using insight and intelligence from the Construction Skills Network (CSN) of research observatories across the UK to forecast future employment and skills requirements and supports the UK construction industry and its partners to understand, anticipate and address key skills opportunities and challenges.

Employs

2.1m
people

Contributes

8% GDP

£201bn
turnover

Our strategic plan

This Strategic Plan has been produced in consultation with the industry and is informed by Governments' skills and education policies.

It captures our outlook for construction over the next five years, the associated skills issues and priorities, and the solutions we will deliver.

The Nations' and Partners' suite of plans

Our Strategic Plan provides an industry level perspective of the strategic challenges facing the sector and indicates how they are addressed by our three organisations working in partnership. The Strategic Plan informs the partners' individual business plans, which in the case of CITB comprise separate plans for Wales, Scotland and England. Further information on our individual partner plans and progress to date can be found at:

CITB: citb.co.uk

CIC: cic.org.uk

CITB-ConstructionSkills NI: citbcsni.org.uk

Our Industry Challenges

In consultation with industry we agree the Industry Challenges – this ensures that the activities we undertake, and those that we look to other stakeholders to deliver, address the most immediate skills priorities and training needs.

Leadership challenge – providing industry leadership on skills and leadership training for employers

Low carbon challenge – supporting the industry's future skills needs

Productivity challenge – supporting employer and industry competitiveness

Employer engagement challenge – recognising and responding to skills needs

Recruitment and retention challenge – keeping the pipeline of talent flowing

Education and training challenge – working with providers to deliver 'right skills, right place, right time'.



Partners' forewords

Adrian Belton, Chief Executive, CITB

Throughout the recession CITB has made the case for construction and its role in driving economic growth. With confidence now returning to the economy, the industry is seeing signs of skills gaps, which could be damaging if left unchecked. As an employer-led partnership that focuses on industry priorities, we're working to reinvigorate the image of the industry, to mitigate skills shortages and increase the number of quality apprentices to address today's skills gaps, and tomorrow's skills needs.



Our industry has changed. Energy security and green construction are combining with new technologies and techniques such as Building Information Modelling to challenge traditional views of construction skills. The needs of employers are also changing and we're working with Government to shape Apprenticeships so that we can inspire the next generation of construction workers, secure a pipeline of talent and help the existing workforce to upskill. This will ensure the industry is fit for the future.

As CITB's new Chief Executive, I am fortunate to join the organisation and industry at this exciting time. I am committed to ensuring our industry has the right skills, in the right place, at the right time to deliver a sustainable future. The ConstructionSkills partnership, with its effective engagement across all four nations, is well positioned and will play a vital part in addressing the skills challenges ahead.

Barry Neilson, Chief Executive, CITB-ConstructionSkills Northern Ireland



The economy in Northern Ireland is levelling out and we are looking forward to the future with a confident and more capable workforce able to embrace the opportunities arising as our industry regenerates.

Over the last three years, we have concentrated our efforts in supporting the industry to survive the economic downturn.

In addition to developing a qualified workforce at craft level; we have also worked with senior managers to increase capability in strategic planning and performance improvement.

Looking to the future, we seek an industry where skills, competence and a training culture are at the heart of each construction company, no matter how large or small, to continue to improve the productivity of the NI construction industry. We will continue to develop new interventions and programs focusing on Apprenticeships and leadership within the sector, to ensure the industry has the skills and strategic management to deliver efficiently and economically.

We will also address skills development in specialist areas such as heritage and sustainable construction methods. We continue to support the industry in developing the people it needs to meet the challenges now and in the future, and it is essential that the industry grasps this opportunity.

We are working closely with industry partners, stakeholders and Government to ensure a qualified and competent industry to ensure growth is sustained over the long-term.

Graham Watts, Chief Executive, Construction Industry Council

As the UK emerges from a deep and protracted recession it is essential that ConstructionSkills enables the sector to tackle the serious skills shortages that have ensued, to meet demand and underpin growth.

The targets set by the Construction Leadership Council together with increasing environmental threats posed by climate change have considerably raised the bar in terms of the expertise and innovation needed to meet the challenges facing the built environment.



CIC has taken a leading role in facilitating the implementation of new digital technologies, better procurement processes and the green agenda into the sector and these changes have had far-reaching implications for new ways of collaborative working and new skills demands across all disciplines. We have particular responsibility for addressing the skills needs of the important professional, managerial and technical roles within construction and the built environment.

Our aim is to work in conjunction with our ConstructionSkills partners and other Built Environment SSCs, engaging the sector's professional community and education and training providers and liaising with Government and regulators, to achieve agreed common skills objectives. In so doing, we plan to enhance the capabilities of our people, thus enabling them to meet these challenges by accessing new opportunities.

Construction output

Growth is finally being felt in the private construction sectors, which are starting to see a long-awaited recovery, especially in the private housing sector. CSN forecasts predict the industry should see a moderate growth in output of around 2.2% a year on average over the five years to 2018.

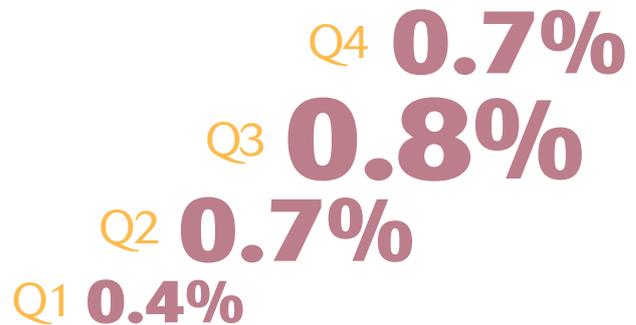
From the second quarter of 2013, GDP growth has accelerated, indicating that the outturn for the year as a whole is likely to have been much better than most analysts anticipated at the start of 2013. The growth in GDP has been robust: 0.3% in the first quarter, 0.7% in the second quarter and 0.8% in the third quarter, and it is expected to have performed at least as well in the final quarter of the year.

The Help to Buy scheme seems to have had a positive effect on consumer confidence, providing a major boost to the economy by kick-starting the housing market. However, there is concern that the recovery is being fuelled largely by consumer spending. Expansion in business investment, especially to the SME sector, remains still muted, indicating that consumers are driving spending by using their savings and increasing their debt. This trend is not sustainable unless disposable income starts to increase again.

There are three main reasons for this:

- Construction has been one of the worst-hit sectors, so it is recovering from a lower base than most other economic sectors

GDP growth 2013



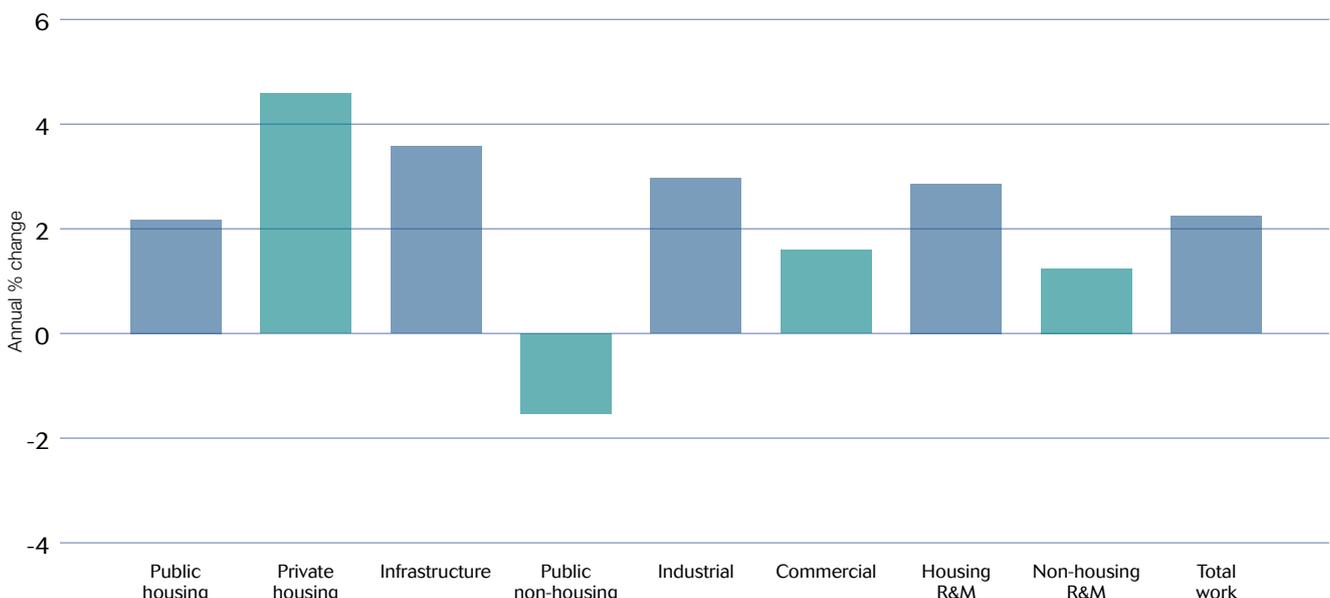
Source: ONS UK Output, Income and Expenditure – National accounts aggregates – 26 February 2014

- Government-supported schemes to boost the housing market should continue to provide a boost to private house building
- The requirements to improve transport networks and replace ageing energy capacity will drive infrastructure activity to new historic highs over the lifetime of the plan.

Between 2014 and 2018, the strongest annual average growth is projected for the private housing (4.6%) and infrastructure (3.6%) sectors, although all sectors except public non-housing are expected to see some expansion over the forecast period. Even activity in the public non-housing is predicted to stabilise by 2016.

Average growth estimates by sector for the next five years are shown in the chart below.

Forecast annual average construction output growth 2014-2018 – UK



Source: CSN, Experian ref. CSN Explained, Section 3, Note 2

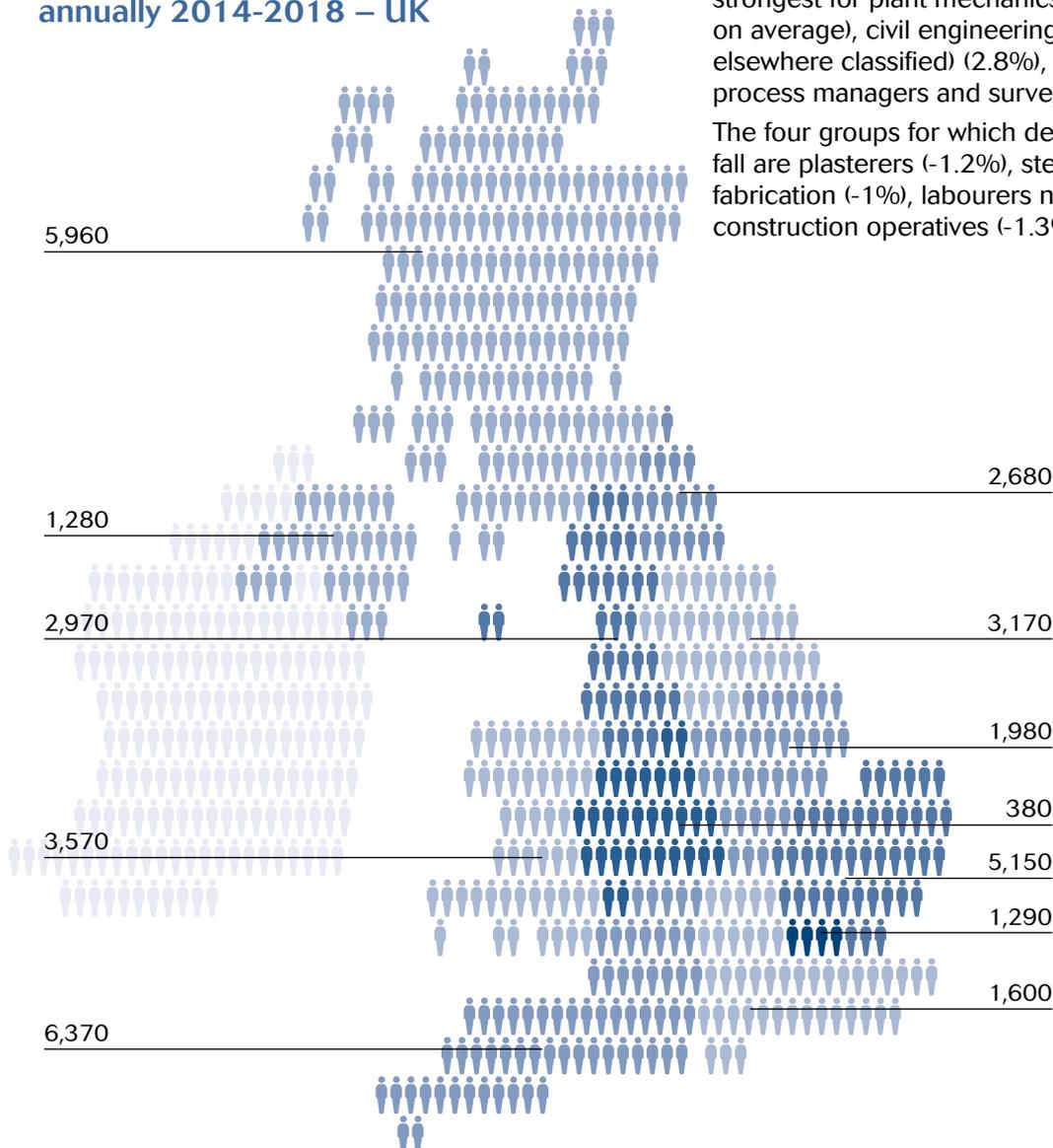
Employment and skills

Employment

Annual average output growth of 2.2% should lead to a rise in construction employment in 2014 for the first time since the financial crisis hit in 2008. From 2014, employment is projected to grow by around 1.26% a year on average over the five years to 2018.

By the end of 2013, construction output is estimated to have fallen by around 15% from its 2007 peak, while employment is likely to be down by 13%. Thus the gap between the performance of output and employment in the sector has narrowed since 2012, indicating that the issue of excess capacity and its impact on future employment growth has eased, though there are significant differences across the regions and devolved nations. The closing of the output/employment gap should lead to employment

Number of new recruits required annually 2014-2018 – UK



Annual recruitment requirement

2013 estimate

29,050

2014 estimate

36,400

in the industry starting to rise again from 2014 and to reach 2.6 million by 2018, although this will still be well down on the 2008 peak of 2.9 million.

The projected annual recruitment requirement (ARR) for the 2014 to 2018 period is estimated to be 36,400, an increase on the 29,050 put forward last year in the CSN forecast for the 2013 to 2017 period. This reflects the better prognosis for both output and employment.

Twenty four out of the 28 occupational groups are expected to show some growth in employment over the forecast period. Demand is expected to be strongest for plant mechanics/fitters (3.9% a year on average), civil engineering operatives nec (not elsewhere classified) (2.8%), and other construction process managers and surveyors (2.5%).

The four groups for which demand is forecast to fall are plasterers (-1.2%), steel erectors/structural fabrication (-1%), labourers nec (-0.7%) and non-construction operatives (-1.3%).

Drivers of demand

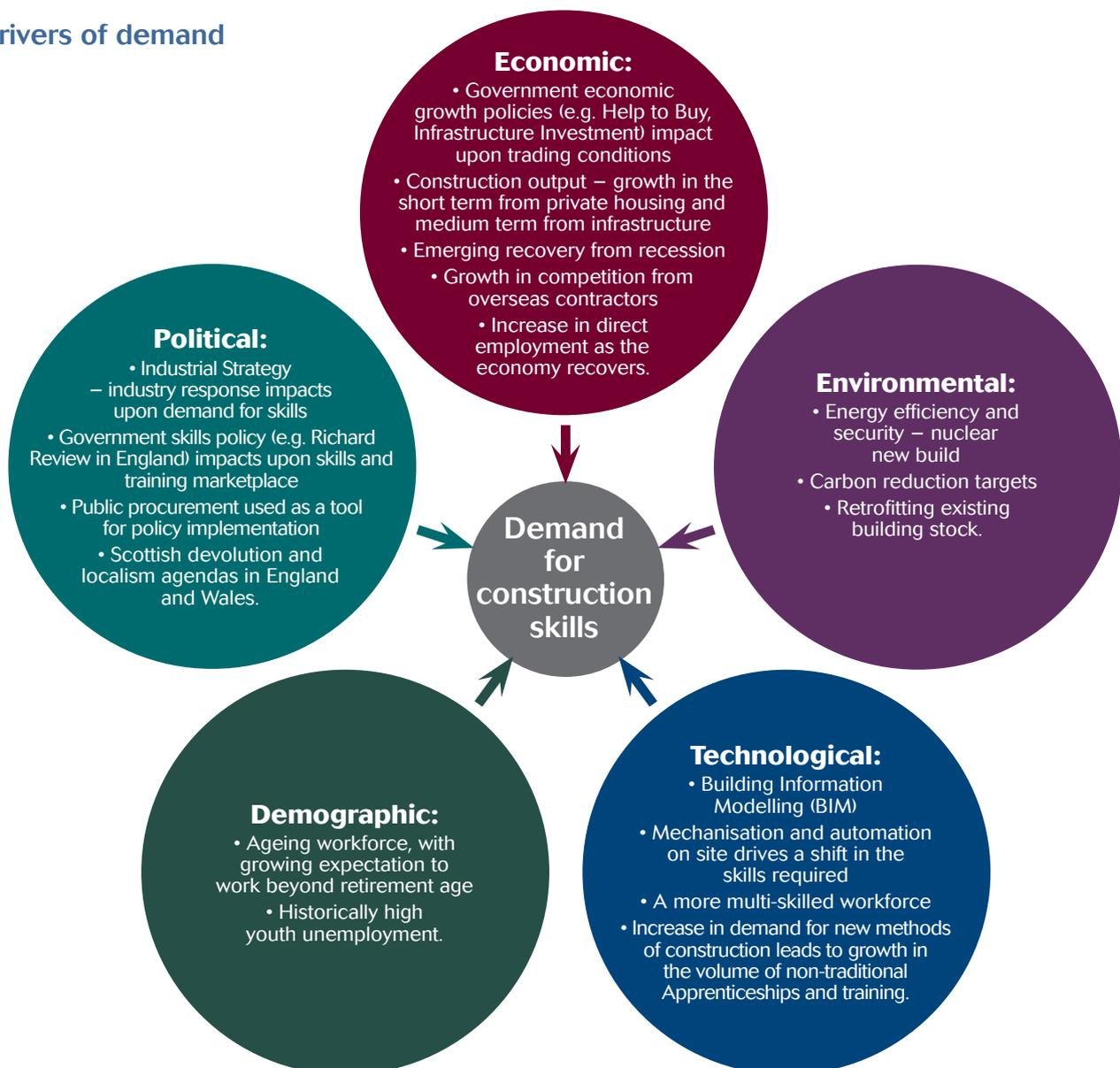
Drivers of demand for construction skills over the next five years include the economic recovery, environmental legislation, regulation, new and emerging technologies and the impact of these factors have on the shape of the construction industry, its workforce and consumer demand.

New skills will be needed to meet the high specification and low energy requirements of future buildings and infrastructure. The introduction of collaborative Building Information Modelling (BIM) and increased growth in offsite manufacturing are both set to play a pivotal role as the industry

recovery strengthens. Knowledge and understanding of new and emerging products and processes will be also essential to the delivery of requirements set by Government policy and procurement which influence consumer demand, with increased multi-skilling expected as a result.

The industry will need more assistance to navigate the changing skills policy and funding landscape, and higher level skills will be required by managers to operate businesses profitably in the increasingly competitive environment.

Drivers of demand



National and regional outlook

The strongest growth in construction output is expected in the South West of England and Wales, as both will benefit from new nuclear build projects during the forecast period. The third largest region of construction output growth is forecast to be the South East of England, which is again due to do better than the rest of the UK.

The South East of England benefits disproportionately from growth in the private housing market, which takes a larger share of output in the region than the UK average. Despite the South West of England and Wales being the strongest areas in output terms, they do not top the employment rankings. Infrastructure work has a smaller labour requirement than other sectors and so impacts employment much less than output.

England

The East of England has the strongest employment growth rate of 2% a year on average over the forecast period. This is due to two factors – a strong output growth rate and the region's higher than average share of the much more labour intensive repair and maintenance markets compared with the UK as a whole. All regions in England are expected to see employment growth except the West Midlands, where output growth of just 0.8% a year on average is not enough to drive expansion of employment given anticipated productivity gains.

Scotland

Scotland is projected to see annual average output growth of 2% over the 2014 to 2018 period, slightly lower than the UK average of 2.2%. Average growth rates are expected to be the same for the new work and repair and maintenance sectors. This translates into an annual average employment growth rate of 1.1% for Scotland. The annual ARR at 5,960 is the second highest in the UK.

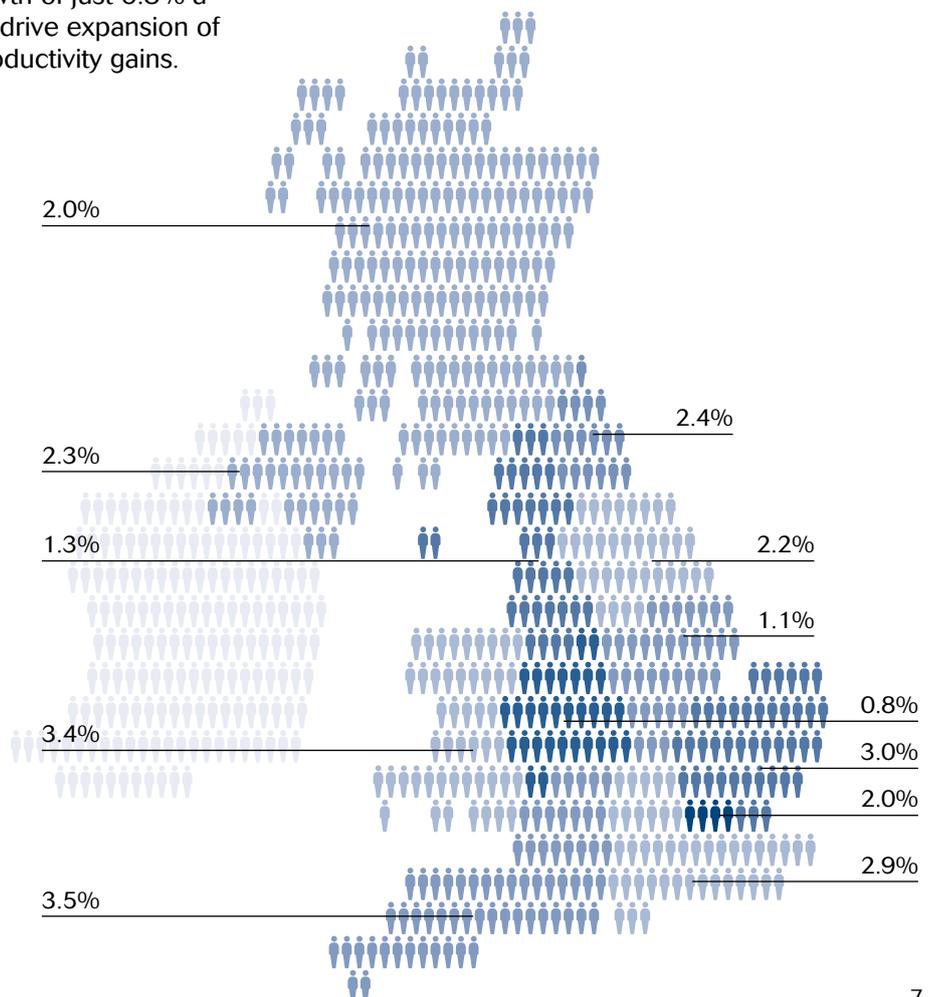
Wales

The Welsh construction industry is expected to see output rise at an average rate of 3.4% per year over the five years to 2018. However, this strong rate of growth is significantly dependent on the start of the main construction work on the Wylfa nuclear power station project, towards the end of the forecast period. Excluding Wylfa, the annual average output growth rate would fall to 2.5%. Construction employment in Wales is expected to expand at 1.8% per year on average over the same period with the ARR being 3,570.

Northern Ireland

Construction output in Northern Ireland is estimated to grow at an annual average rate of 2.3% over the five years to 2018, roughly in line with the UK as a whole (2.2%). New work is expected to fare better than the R&M sector over the forecast period (2.5% vs 1.8%). However, Northern Ireland has suffered one of the severest falls in output in recent years, estimated at around 40% in real terms over the 2008 to 2013 period, so activity will be rising from a low base. Employment is predicted to grow at an annual average rate of 1.1%. The ARR for the 2014 to 2018 period is estimated at 1,280.

Annual average output growth by region 2014-2018 – UK



National priorities

Scotland

- Youth employment and Modern Apprenticeships
- Communicating the benefits of sustainable construction
- Retrofit solutions for the existing housing stock
- Building stronger engagement with education providers in support of priority areas
- Cross sector collaboration with education, energy and tourism.

Northern Ireland

- Closer employer and stakeholder engagement
- Improving industry skills and productivity
- Supporting business survival skills
- Upskilling for sustainable construction methods.

Wales

- Developing Regional Skills Fora – activities and outcomes
- Delivering Joint investment strategy projects
- Introducing the Client Based approach to achieve community benefits
- Working with partners to deliver new learning activities for schools.

England

- Closer links between supply and demand for skills
- Robust standards and qualifications
- Skills solutions for infrastructure projects such as nuclear, rail and tunnelling
- Engagement at local Government levels
- Post Richard Review Apprenticeship models
- Advanced and Higher Apprenticeship programmes
- Building Information Modelling skills needs
- Public sector procurement guidance
- Sector and place based approaches for skills and training
- Supporting the Industrial Strategy: Construction 2025.

Delivering skills solutions

Nation and partners' activities and accountabilities

Showcasing the contribution to the Sector Specific Solutions that underpin the six key challenges of leadership, low carbon, productivity, employer engagement, recruitment and retention, and education and training.

CITB-ConstructionSkills Northern Ireland

Leadership

Working in partnership with industry bodies to:

- Deliver business improvement seminars to address business survival skills during the recession
- Provide leadership through research and development of future industry activity and training needs
- Deliver a new management and leadership training programme.

Low carbon

- Delivering innovative knowledge transfer projects for NI construction workers to train in Germany on energy efficiency in buildings.

Productivity

- Qualifying experienced construction workers to NVQ Level 2 using a choice of assessment methods
- Developing occupational specific health and safety publications for construction workers
- Working in partnership with the industry and specialist sector employers and associations to identify, address and access funding to meet their training needs.

Employer and stakeholder engagement

- Delivering employer engagement events across Northern Ireland to provide advice on training and its benefits
- Raising employer awareness of the services we deliver to them
- Developing industry initiatives in partnership and individually with industry bodies, our Board and Committees
- Facilitating industry ambassadors to work with local schools to promote careers in construction.

Recruitment and retention

- Participating in careers events across Northern Ireland
- Developing innovative ways of promoting and facilitating Apprenticeship training
- Engaging with industry to recruit apprentices and provide them with suitable work experience
- Managing the delivery of six inter-college apprentice SkillBuild competitions and a regional final
- Preparing candidates for skills competitions at regional, national and world levels.

Education and training

- Supporting the GCSE in Construction qualification through bursaries and a student text book
- Providing training resources to all Essential Skills tutors in Northern Ireland tailored for construction workers requiring Essential Skills training in IT, numeracy and literacy
- Delivering an undergraduate development programme to prepare students to enter the industry
- Supporting short course training to meet industry needs.



CITB Alba Scotland

Leadership

- Engaging proactively with the Scottish Government, local authorities, hubcos and utilities to champion the priorities of the industry as a key sector and leverage matched funding through the Joint Investment Strategy
- Supporting the development of the Scottish Advisory Committee for the Construction Scotland Industry Leadership Group.

Low carbon

- Developing retrofit solutions for existing housing stock, and working with Further and Higher Education providers to advance research and development in this area
- Raising awareness of the benefits of sustainable construction to a range of Government, client, education and industry stakeholders
- Developing Modern Apprenticeship frameworks and training to address the future skills needs of the industry.

Productivity

- Working with the Construction Scotland Industry Leadership Group to establish benchmark data on the current levels of innovation
- Encouraging collaboration across the industry, focusing on joint approaches to innovation and sharing best practice to improve productivity.

Employer engagement

- Forging strategic links and working collaboratively with other key sectors of the economy such as energy and tourism to understand and deliver the infrastructure they require
- Promoting innovation, collaboration and the sharing of best practice across the industry to allow businesses to improve their competitiveness.

Recruitment and retention

- Promoting and celebrating the successes of the Scottish construction industry, to help attract talent and investment into the industry
- Engaging with Careers Scotland and other Government bodies to deliver targeted campaigns to promote construction career opportunities
- Working with the professions to highlight the Modern Apprenticeship technician route into construction.

Education and training

- Maintaining Modern Apprenticeships completion levels
- Developing the client and programme based approach to increase training and Apprenticeship numbers
- Building stronger engagement with colleges and universities to facilitate increased knowledge transfer and learning into industry.

CITB Cymru Wales

Leadership

- Working with the Welsh Government to maintain construction as a key economic sector and develop with stakeholders practical cross-sector solutions to support economic recovery in Wales
- Delivering the Joint Investment Strategy with DEST, the Welsh Government and Construction Futures Wales programme
- Working with the Welsh Government to introduce a Client Based approach in Wales to support the industry to achieve community benefits
- Working with professional institutions and key sector stakeholders, to develop joint working agreements, to focus on our respective strengths to deliver partnership solutions for the industry and those who work in it.

Low carbon

- Delivering the Sector Priority Fund 'Sustainable Construction Learning Sites' project.

Productivity

- Delivering partnership programmes through BEST and WEST funding to provide bespoke training and skills solutions
- Delivering the National Skills Academy for Construction programme in Wales.

Employer engagement

- Developing training groups and regional forums to deliver skills programmes in their regions
- Developing the Welsh governance structure through the Welsh Construction Skills Group and regional forums as the key focus point for the sector in Wales.

Recruitment and retention

- Developing the Construction Ambassador programme in support of the image of the sector
- Working with professional institutions, Welsh Government and stakeholders to deliver a cohesive programme for schools including new learning activities and support for transition into Apprenticeship
- Working with the Wales Diversity Group to ensure programmes engage a diverse range of candidates.

Education and training

- Exploring the opportunity, need and support from stakeholders for a construction college in Wales
- Promoting the case for and developing shared, higher and technical Apprenticeships in response to industry skills requirements
- Delivering the Sector Leadership Fund 'Enhancing Leadership and Management in Construction' project.

CITB England

Leadership

- Engaging proactively with Government at national and local levels, to champion construction being recognised as a key priority sector
- Providing one voice for the industry on skills needs at local level through a construction Local Enterprise Partnership network that supports manifestos aligned to the Industrial Strategy: Construction 2025
- Delivering the employer led Employer Ownership of Skills (EOS) programme.

Low carbon

- Raising awareness of the benefits of sustainable construction to a range of Government, client, education and industry stakeholders
- Supporting the development of effective training solutions for emerging skills needs (green and nuclear) in collaboration with industry.

Productivity

- Developing an evidence base on the productivity impact of the National Skills Academy for Construction (NSAFC) programme delivery and project based approaches
- Supporting the development of effective training solutions for emerging skills needs (BIM and innovation in construction) in collaboration with industry.

Employer engagement

- Promoting innovation, collaboration and the sharing of best practice across the industry to allow businesses to improve their productivity, competitiveness and growth
- Offering employers a single point of call for business support and development across the sector.

Recruitment and retention

- Enabling potential entrants, and their influencers and advisers to access relevant sector careers information
- Developing new Apprenticeship models, including shared Apprenticeships that are relevant for industry needs and the skills funding landscape.

Education and training

- Opening a construction university technical college in the West Midlands
- Influencing educational standards to support a joined up curriculum, in partnership with vocational education providers
- Supporting the delivery of training through the employer-led EOS and NSAfC programmes.

Construction Industry Council

Leadership

- Working with Governments' departments and agencies on policies impacting on sector skills issues in the professional community
- Facilitating projects identifying skills relating to the introduction of Building Information Modelling (BIM) into the sector.

Low carbon

- Supporting the development and introduction of 'green' skills into the sector through the Green Deal initiative, and Green Construction Board.

Productivity

- Working with Government departments and industry BIM policy and its implementation.

Employer engagement

- Working in partnership with the professional community, including through CIC member professional institutions on sector skills issues.

Recruitment and retention

- Providing online guidance in relation to professional careers and progression issues
- Liaising with professional occupational groups on the potential development of Advanced and Higher Apprenticeship programmes.

Education and training

- Managing, maintaining and developing National Occupational Standards for professional, managerial and technical roles in the built environment
- Leading a Higher Education Forum for the construction and built environment sector in order to provide a focus for interchange with higher (and further) education providers on matters relating to national HE policy consultation and impact and the industry skills agenda
- Developing Advanced and Higher Apprenticeship programmes as required by the professional community
- Providing advice and guidance to education and training providers, awarding bodies, professional bodies and the industry on higher level qualification and skills issues and needs.



The following performance indicators are used to monitor ConstructionSkills and industry progress in delivering skills solutions.

Performance indicators
% of stakeholders satisfied with Labour Market Information
% of workforce from target groups: Female <ul style="list-style-type: none">- Non-manual- Manual BME <ul style="list-style-type: none">- Non-manual- Manual
% of workforce at each qualification level

