

## **Proposed Scrutiny Review on Construction Skills - Briefing Note**

### **Intelligence**

Using business intelligence from CYC Business Intelligence Hub and the Construction Industry Training Board (CITB) research for Yorkshire and Humberside would provide the data for forecasting growth and development of the sector, including detail of the specific roles likely to be needed to accommodate new building programmes. CITB's latest labour market forecast predicts that the industry will show some green shoots of recovery from 2015/16 with increased demand for roles in wood trades, bricklaying, flooring and tiling, and plant operatives.

From a wider strategic perspective there is an understanding that construction growth may be the key to overcoming the impact of the recession. In particular, the CITB has welcomed the Government's new Industrial Strategy to deliver a 'Construction 2025' action plan for sector growth which focuses on five pillars for growth:

- People - a talented and diverse workforce
- Smart - an industry that is efficient and technologically advanced
- Sustainable - an industry that leads the world in low carbon
- Growth - an industry that drives growth across the entire economy
- Leadership - an industry with clear leadership from the industry to exploit its strengths in a global market

This strategy should also inform the direction of travel for the review. As the construction industry has contracted due to the recession, any predictors of local growth are also set against a backdrop of continuing low productivity.

The scope of the scrutiny review should take into account local recommendations already identified through analysis provided by CYC via the Business Intelligence Hub and other reports (DJD, Arup, Ekosgen) to improve productivity:

- **Improve staff and management skills** across the entire industry by increasing the number of **apprenticeships** and other courses teaching these skills. The industry suffers from skills shortages.
- Create and emphasise opportunities through the planning system for apprenticeships and training opportunities on large development sites. This **productive planning** element should be strengthened through planning policy.
- Help the industry prepare for changes in **technology and innovation**. Construction is typically seen as a “low-tech” industry with low levels of investment in Research and Development. Research and development (R&D) is considered as an important input for innovation activity.
- Promote and learn from local examples of **modern methods of construction** (MMC) and the importance of this particular technological advance for the whole sector and future skills needs for the sector.
- Promote York’s Construction Sector through the Internationalisation Strategy to reach new markets and enhance exporting of skills and knowledge to overseas markets.
- **Create an industry led, task and finish group**, led by senior industry figures from across the city, to identify and implement sector specific actions to increase productivity.
- Work with **local education providers**
- Work with **potential employees** to give them the skills and qualifications needed to take-up any potential opportunities.

### **Partners to help inform the review**

The York construction sector is well placed to meet the challenges over the medium term. Most employers have shown willingness (and readiness) to comply with various environmental and sustainability requirements and many York firms have been winning international contracts and taking part in international collaborations.

The role of higher skills and in particular, management capabilities are vital in ensuring growth of the sector in response to these challenges and others. Strategic partners from within CYC and beyond- starting with the Learning City York Manager, whose role it is to work at a strategic level with stakeholders within the city to pull together partnerships around learning and skills delivery for both young people and adults- responding to key objectives for the city and working to identify and fill any gaps in provision and relationships. These partnerships are wide ranging and encompass Jobcentre Plus, learning providers such as York Learning, York College etc. Skills Funding Agency and Department of Work and Pensions employability and learning contract delivery partners.

Higher York Forum - dedicated to providing and developing higher level skills in the city

Local Apprenticeship providers- including the support of the Apprenticeship Providers forum for York and Selby, which should be able to respond around questions of capacity for apprenticeship and other vocational work based training

Leeds College of Building often picking up more adults wanting flexible construction craft courses but who are unable to gain apprenticeship positions.

Local contacts from CITB can help mobilise partners and employers for new business and training needs. Local construction training providers who offer National Plant Operators Registration Scheme (NPORS) and the Construction Plant Competence Scheme (CPCS) as well as CSCS card training.

Local Construction Employers & Recruitment Agencies can offer insight into construction skills gaps, recruitment and selection issues etc. Coyle Recruitment would be an ideal starting point as they have been involved as an intermediary on large scale recruitment for construction projects in York.

Promotion of the learning and training offer needs to be targeted and consistent and the model for this is already in place through existing channels. For example, York Learning already work with national construction sector skills partner CITB to promote our specific learning offer, the construction industry as a whole and also link through our provider network forum to ensure that school pupils and college learners are fully briefed about apprenticeships and other training opportunities in the sector from a range of different providers. For adults and young people seeking jobs, regular careers and vacancy events around construction can be delivered in a targeted manner with support from our partners at Jobcentre Plus and National Careers Service.

## **Challenges**

York and North Yorkshire have a large amount of SMEs which obviously preclude mass recruitment drives. York has 611 construction related companies, 99.7% are SME's (Employing under 250 employees), with 85% of these (521) employing under 10 people. The recruitment and selection of staff in the sector has to be elastic, able to expand and contract according to demand. Many companies take on external contractors- small businesses and self employed trades people to fulfil their requirements. Ongoing work already begun to support SMEs to take on apprentices could be scaled up further – There is 1FTE post at CYC, (funded by Leeds City Region) to generate new apprenticeship opportunities with SMEs.

There are significant amounts of York residents that would need pre employment/pre apprenticeship training in employability and functional skills that are linked to the construction sector before they would be able to benefit from more substantial training and work based learning opportunities. With additional funding, York Learning could devise and implement an Information Advice and Guidance (IAG) and skills strategy which would target and engage with both longer term unemployed, young people etc, as well as connecting those nearer to the labour market with appropriate job opportunities.

Our learning and skills pathway would put together IAG and employability training around careers in construction.

Coupled with practical short training sessions to boost employability in this sector such as focused health and safety training, we can ensure thorough preparation of individuals for the Construction Skills Certification Scheme (CSCS) card requirements for all levels of construction operatives. In addition, specialist functional skills delivery that uses knowledge of the construction industry as a learning context could be attached to the programme, providing an opportunity for learners to recognise the importance of literacy and numeracy achievements as entry requirements for apprenticeships and higher level vocational training.

Work experience as both a tool for promoting the industry and as a way of linking unemployed low skilled individuals to a relevant learning and work journey would be a key success factor in connecting people to jobs and opportunities. As a national training provider as well as sector skills agency CITB offer a range of training opportunities, including a work experience project for 16-18 year olds to gain an insight into the construction sector. These opportunities need to be expanded.

Robust procurement processes are also critical- ensuring that successful local firms offer employment opportunities to local residents, ranging from short work placements, traineeships, and ultimately to apprenticeship roles would help support a sustainable vision of employment and reinforce the city's message that we are prioritising inclusion for all.

There would be the need to establish and manage a training fund for residents as there are some obvious funding gaps for potential employees of the industry –all of whom would require compliance with CITB schemes of regulation, which fall outside of the remit of public funding.

All those wanting to work on construction sites need this card or an alternative from an affiliated scheme, which is normally aimed at those with existing competencies in various construction crafts. All licences have an expiry date – usually between 2 and 5 years before renewal is required. All participants who wish to pursue any career in construction will need a health and safety test, and a subsequent CSCS card reflecting their skills level. For those wishing to qualify or renew plant machinery licences, there are additional CPCS licences that are required.

Training and qualification in these are separate to other vocational qualifications in construction and there are no public funding bodies that would pay for theory and practical tests for this as a matter of course. However, some Further Education colleges may be able to provide NVQ training to allow trained operators to become competent operators but this would be in addition to specific competency training required for separate plant machinery items.

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