

The Government's Annual Priorities letter to the CITB for 2019-20

Progress Report at February 2020

The Government has set out five clear priorities for CITB for 2019-20 plus a clear expectation for the completion of our reform programme following the 2017 tailored review of the CITB which has radically changed our role and focus for the better.

A brief update on CITB's progress against the Government's priorities is provided below:

1. Help the industry to develop the skills it will need to meet the Government's ambition to build 300,000 homes a year by the mid-2020s:

- *analysing future workforce needs (working with the skills advisory panels)*

The manifesto of the new Government makes a strong commitment to accelerated homebuilding, investment in infrastructure, and a zero-carbon economy. At the same time, a new migration system will increase the need for the construction industry to grow more of its own workforce. CITB has therefore modelled what the manifesto commitments mean for the additional skill needs of the industry. These are significant with many key trades already experiencing skill pressures. We will update our modelling when the new National Infrastructure Plan is published alongside the Budget in March and use this as a tool to work with Government on how best to address these needs.

We have also previously prepared and shared a paper on the Construction Skills Strategy. This focuses on six challenges: Migrant Workers, Modernisation, Attracting the Future Workforce, Entry Level Training (including Apprenticeships and T-levels), Access and Investment in the Right Training, and Accelerating Home Building. Following on from this work we have undertaken detailed modelling work for the Cross Whitehall Construction Skills Working Group. We are also undertaking similar work for the National Infrastructure Pipeline.

- *strengthening the skills partnership with the Home Builders Federation; work more closely with Homes England, the Federation of Master Builders, housing associations and small and medium-sized developers.*

We continue to work with the Home Building Skills Partnership (HBSP) and seek to encourage all partners to build an inclusive approach to supporting skills for this vital national priority. One example is that we recently held a significant event with local authorities offering support and guidance for the skills challenges they face in meeting local housing targets.

2. Support and help to drive the modernisation of the industry:

- *work with the Infrastructure and Projects Authority, procuring Departments, the Construction Leadership Council (CLC) and industry bodies to plan and deliver the skills and progression routes that will be needed by the construction sector now and in the future.*

The Government's commitments and the associated skills needs create an opportunity to drive forward modernisation in the industry. We agree that it is vital for CITB, CLC and the Government to work closely together on this. The foundation for our strategy on construction skills is to support the industry in its drive to modernise and improve productivity. Through our research, we are working with CLC through their skills

workstream to set out the opportunities generated by modernisation and identify what this means for the industry's future skill needs.

- *there should be a particular focus on the development of skills to support the adoption by the industry of digital technology and modern methods of construction, including those developed through the Transforming Construction Programme.*

CITB is supporting industry leaders to address the skills issues for offsite construction, digital skills and wider modernisation. Our current work has identified specific barriers to the development of future skills e.g. the need for comprehensive standards and qualifications. We have also agreed with industry a set of targeted funding commissions to shape programmes to address the barriers identified. These include an existing offsite funding commission to develop training, a digital skills funding commission to develop digital leadership skills and ensure that a wider workforce accesses the right training, influencing standards and training provision including immersive learning, and increasing support for leadership and management development. We also aim to contribute to net zero by developing the required actions on skills.

3. Help the industry to tackle current skills issues, adapt to changes in the supply of labour, including the challenges resulting from exit from the EU, and grow the UK workforce:

- *there should be a primary focus on supporting employers to engage with the apprenticeships programme and to develop the training that best meet their needs.*

The latest figures for England which are provisional for 2018/19 show that overall apprenticeship starts are stable in construction but level 2 have fallen over the last three years by around 23%. This is a major challenge for Government and CITB to tackle together – most of the funding for apprenticeships in England comes from large firms but most of the training in craft skills is undertaken in small firms. To help tackle this, CITB has increased its grant support for Apprenticeships and introduced additional support in the form of specific grants targeted at small employers. We are also developing the coverage of our Apprenticeship Service which supports learners through their apprenticeships. In addition, upskilling and re-skilling of mature workers from different industries will also be important in tackling the skills need.

- *support the implementation of the new construction T levels and the provision of work placements; and*
- *help to shape reforms to improve and grow higher technical education*

At the end of September 2019, there are 91 Apprenticeship Standards approved for delivery in the construction industry in England.

On T levels we are working with Government on: developing the transition offer; matching qualifications to construction employers' skill needs; supporting the planned review of existing FE qualifications and assessing the relationship between Apprenticeships and T levels.

We will strengthen our partnership with the further education sector by influencing the curriculum and how it is delivered, as well as creating better pathways from FE into employment. We will enable industry work placements to be delivered with links to the Learning Hubs created by the Construction Skills Fund. CITB has also already undertaken pilots on two key trades – bricklaying, and painting and decorating.

- *consider the implications of the Grenfell Tower fire*

CITB is working with the cross-industry group which reports to Dame Judith Hackitt on the implications and the industry response. We are ready to develop the required standards and qualifications and to make suitable training available to address the issues identified by the Grenfell disaster. A specific example is that we are working with the National Federation for Roofing Contractors on developing the standard and training for Rain Screen Cladding for High Rise Buildings.

- *improving the industry's poor record on diversity*

This is a long-standing and vital challenge and there are some signs of progress - the number of women starting apprenticeships in construction rose by a quarter to 1320 in the third quarter of 2018/19. In addition, most of the Hubs in the Construction Skills Fund are outperforming on their targets to attract under-represented groups and we are funding a number of them to deliver matching services to progress learners to apprenticeships. We are also seeking to make it easier for women to join construction as one of the groups targeted by our Pathways to Construction funding commission.

We have developed a major 'Future Made' careers campaign, which has tested well with its target audience. We will launch it this year and use this to transform attitudes to careers in construction. We will step up our work with the industry to change its culture, both through an ongoing funded Fairness, Inclusion and Respect programme led by one of the major trade associations (CECA) and by delivering research that helps employers to benchmark their efforts against others in the industry and other sectors.

- *work with officials to consider how existing onsite training approaches, including the Construction Skills Fund pilot, can be used to identify alternative pathways into and progression routes within the construction sector*

We are very grateful for the funding the Government has made available through the National Retraining Scheme for the Construction Skills Fund. The CSF Learning Hubs have prioritised providing work experience and onsite training to these groups and we are now establishing pathways to support their progression into apprenticeships. We are currently working with a number of the Hubs to develop matching services to progress learners from diverse backgrounds into apprenticeships.

The CSF has been well received and embraced by the construction industry. The six month evaluation shows the scheme is performing ahead of all of its key targets; with the number of learners 6.35% higher than planned at this time, 42% of learners having gone into a job or sustained engagement with an employer (vs target 30%), with 57% of learners coming from non-traditional routes or under-represented groups (vs target 45%).

With the success of this model CITB is investing levy funds to scale up this model to the wider industry, through the Onsite Training Hub programme which extends the programme into rural England, Scotland and Wales which fall outside of the current CSF programme.

4. Deliver a communications programme that captures and clearly showcases the results industry levy has achieved to improve skills and the retention of skills for benefit of the industry:

We have taken some important steps by introducing a quarterly publication showcasing CITB's achievements and progressing against its business plan targets and our reform agenda. More recently we have produced a monthly email providing updates against the

major programmes and projects to inform the CITB Nation Councils. We are conscious that we still need to gear up significantly our capability and effectiveness at 'telling the CITB story'. This will be a major focus for us as we begin a consultation on our new three year strategy and the Consensus consultation process for the new 2021 Levy Order.

5. Effectively prepare for the summer 2020 Consensus process:

- *preparations to include the development of a clear narrative about the respective roles of the industry and the apprenticeship levy.*

We have established a Levy Working Party that has made proposals for a new Levy Order on which we will consult industry alongside seeking its views on our future strategy. We have reviewed our mechanisms for establishing industry support for the levy proposal – the Consensus process – and have planned a number of improvements to the survey and are now working with the Prescribed Organisations to establish that they have robust plans.

We face a major challenge in relation to the operation of the construction industry levy and the Government's apprenticeship levy, with 900 of our c20,000 levy payers now paying what they see as a double levy. We are working closely with DfE officials to articulate a clear narrative about the respective roles of the two levies but this will undoubtedly pose a risk that large levy payers will choose to vote against the industry levy in the 2021 Consensus vote.

6. Agenda for Change, implement the remainder of the reform programme so that CITB is strategic, efficient and focused on future skills needs, including:

- *concluding the reform of CITB's Board structure by recruiting a finance expert*

We have supported the DfE Public Appointments Team with a recruitment campaign for two Trustees. We expect appointments will be made in Spring 2020.

- *transferring operations to the new Head Office*

The new head office, Sand Martin House at Fletton Quays, Peterborough has been leased and is now in occupation.

- *divestment of assets, including the Bircham Newton site*

We have made substantial progress on this important agenda, with divestment of CSkills Awards and the Construction Plant Card Scheme completed. The sale of sites for the National Construction College at Erith and Birmingham is nearing completion. It will take a little longer to get the right deal for industry at Bircham Newton in Norfolk and Inchinnan near Glasgow.

We have also outsourced a number of our head office services. These contracts went live in February and March 2019 and are now fully operational.