



ConstructionSkills Strategic Plan 2011-2015



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Who we are

ConstructionSkills is the Sector Skills Council for Construction, an industry which employs 2.4 million, contributes up to 8% of GDP and turns over in excess of £190 billion. A partnership between CITB-ConstructionSkills, CITB-ConstructionSkills Northern Ireland and the Construction Industry Council, it is UK-wide and represents the whole industry from professional consultancies to major contractors and the SMEs in their supply chains.

What we do

ConstructionSkills works with the industry and its clients to ensure the construction sector has the right skills, in the right place, at the right time.

Each ConstructionSkills partner brings knowledge and expertise across a range of activities, such as managing employer funds as an Industry Training Board, recognising the different needs within Nations, and engaging employers and learners in training. Working together the ConstructionSkills partnership provides leadership on skills for construction.

Using skills intelligence from the Construction Skills Network of research observatories, we predict future employment and training requirements and agree with industry the priorities for action. These are captured in our Sector Skills Agreement – a means to engage employers and their representative bodies, professional institutions, trade unions, delivery partners and Governments across the four Nations on the industry's key skills issues.

Our Strategic Plan

This Strategic Plan captures our outlook for construction over the next five years, the associated skills issues and priorities, and the solutions we will deliver in line with our core remit as a Sector Skills Council (SSC). The document also references further areas for delivery addressed by our individual organisations working in partnership, and by stakeholders through our Sector Skills Agreement. Further information on our plans and progress to date can be found at www.cskills.org.

Foreword from the Partners



Mark Farrar,
Chief Executive CITB-ConstructionSkills

This Strategic Plan reflects the enhanced ability to drive change that arises from the close collaboration, depth of understanding and breadth of experience across the ConstructionSkills partnership.

We lead the skills agenda for our sector, and alongside our stakeholders provide a clear and unified voice on the skills issues that matter most. This is critical as our industry continues to face a volatile economic climate, changing political landscape and emerging future skills needs.

As Chief Executive of CITB-ConstructionSkills I remain committed to ensuring our industry benefits from authoritative intelligence, robust standards and qualifications, and effective engagement with employers and their representatives in all four Nations.

The complementary knowledge and capabilities each ConstructionSkills partner contributes allows us to deliver solutions well beyond our core remit. Together the partnership truly represents more than the sum of its parts.

I hope that this overview provides you with a useful window into our future plans, as we move forward to address the challenges ahead and ensure our industry has the right skills, in the right place, at the right time to deliver a successful and sustainable future.



Barry Neilson,
Chief Executive CITB-ConstructionSkills Northern Ireland

As Chief Executive of CITB-ConstructionSkills Northern Ireland I will ensure that we play our full role as a partner in ConstructionSkills the Sector Skills Council.

We will work with our SSC partners to understand and address current and future skills issues for the whole of the construction industry in Northern Ireland. In the current challenging and changing environment we will do this by directly engaging with the Northern Ireland employers and their representative bodies and working in partnership with them to deliver training interventions that are innovative, directly beneficial, current, effective and of a high standard.

We will maximise the funding available to the industry to address its training needs. We will work to promote a positive image of the industry with fewer barriers to entry and which is attractive to a diverse range of stakeholders and new entrants.

Working in this manner we will help the industry to prepare for an upturn in the economy and will provide leadership for the industry both locally and nationally.

Graham Watts,
Chief Executive Construction Industry Council



While the headline focus for industry and clients over the next few years will concentrate on reducing costs in terms of both money and carbon, we must make sure that investing in current and future skills is equally prioritised. ConstructionSkills has a massive leadership role to play in the profiling of this message and in ensuring we are developing the skills required for the future. This Strategic Plan provides the vision and the agenda to meet these key challenges.

Our aim is to work in conjunction with 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 the agreed common skills objectives of the SSC. We have particular responsibility for addressing the skills needs of the important Professional, Managerial and Technical roles within construction and the built environment in order to enhance and optimise the business performance and effectiveness of the sector.

Key Drivers and Skills Issues

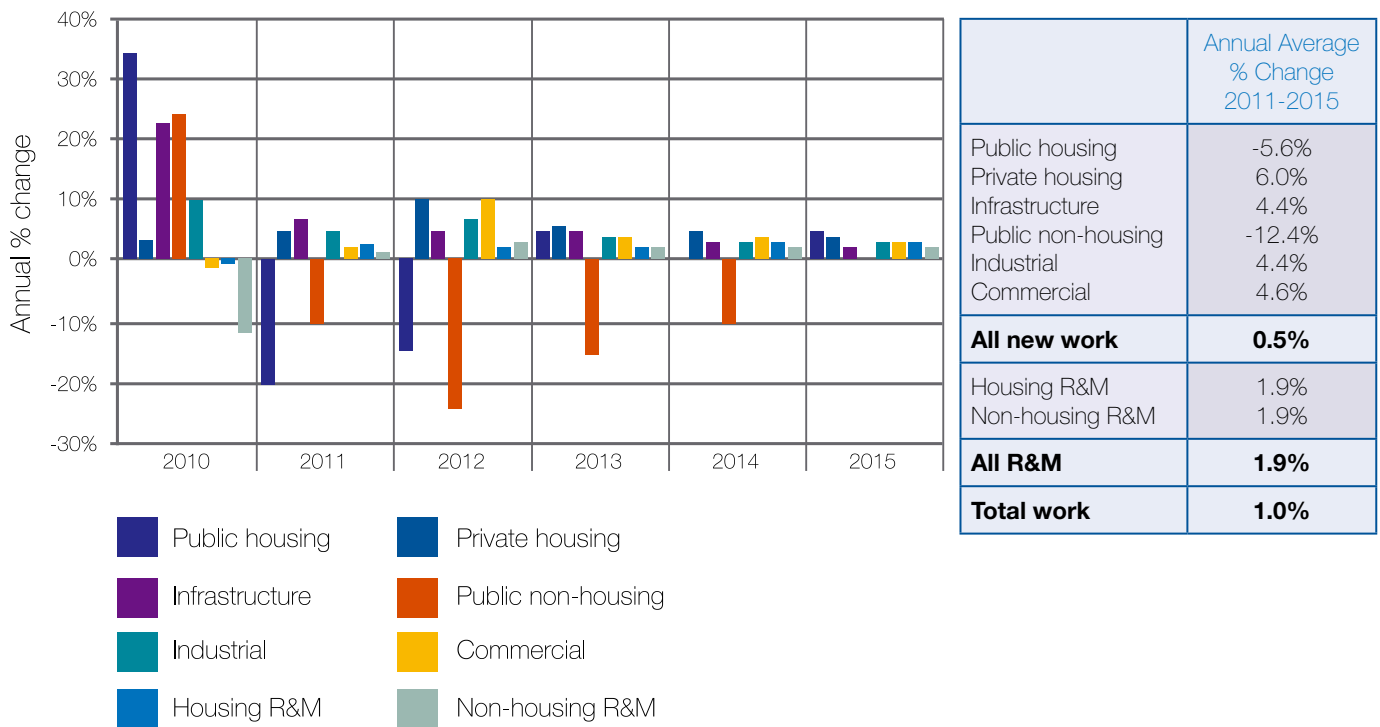
Construction Skills Network Outlook

Construction has been one of the worst hit sectors in the recession. The sector was amongst the first impacted by the credit crunch in 2007, and 2009 saw an unprecedented decline of 11.5% in output, the largest annual fall since 1974. Whilst there are tentative signs of improvement 2010 is only expected to show a halting of this downward trajectory and a full recovery remains some way off.

A buoyant performance from the construction industry in the first half of 2010 has proved difficult to sustain. Whilst a number of sectors – such as public housing, public non-housing and infrastructure – continued to fare well on the back of public sector investment the squeeze on government finances is beginning to tell. Added to this, concerns over the housing market recovery, continuing tight credit conditions, and weakening consumer confidence have combined to dampen prospects, particularly for private sector growth.

However, tentative recovery is expected from the end of 2011 and private sector growth is set to feature. Infrastructure output growth early in the forecast period will be largely driven by transport projects, with focus shifting to energy later on. Building Schools for the Future and the Olympics will contribute for one more year, partially offsetting the decline in the public non-housing sector, before spending cuts and completions fully start to kick in. Demand is starting to return for new office, retail and leisure space, while retrofitting of energy efficiency measures and microgeneration could drive growth in repairs and maintenance to 2015.

Growth estimates by sector over the next five years are shown below:



Implications for Employment and Recruitment

A further drop in employment is expected in 2011 as latent effects of the recession continue to emerge. However, this is expected to be only marginal when set in the context of a total peak to trough decline of 10%. Over the next five years the workforce is projected to grow by just under 8%. Specialist trades and plant operatives are likely to experience increased demand in response to changing construction methods whilst traditional trades, such as bricklaying, may see only modest expansion compared to previous forecasts.

Growth in the UK's annual recruitment requirement is expected to be moderated by the pool of unemployed labour looking to come back into the industry once recovery sets in, and the significant levels of under-employment or part-time working is further expected to limit job creation. Nonetheless the projected requirement is for around 43,000 recruits per annum, representing about 2% of those employed, with wood trades and interior fit-out operatives projected to have the largest requirement.

National and Regional Outlook

As well as highlighting achievements, 'health checks' conducted by the national skills groups during 2010 identified a number of national priorities for attention; examples are shown below:

Northern Ireland

- Closer employer engagement
- Business improvement solutions
- Focus on essential skills
- Inclusive UK-wide approach, e.g. in recruitment and professional services

Scotland

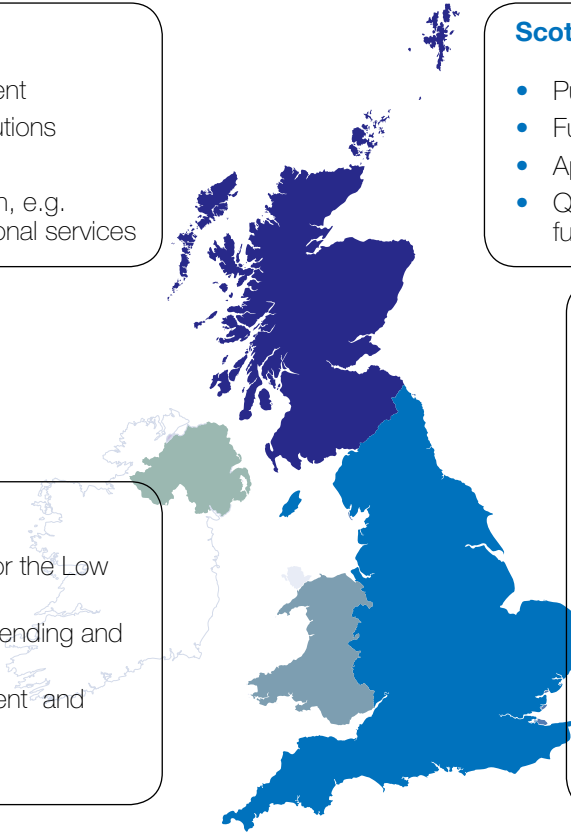
- Public sector procurement guidance
- Future skills information and advice
- Apprentice support in the downturn
- Qualifications developed in line with future skills needs

Wales

- Positioning and solutions for the Low Carbon Agenda
- Influencing Government spending and procurement strategies
- Leadership and Management and cross-professional working
- Apprenticeship models

England

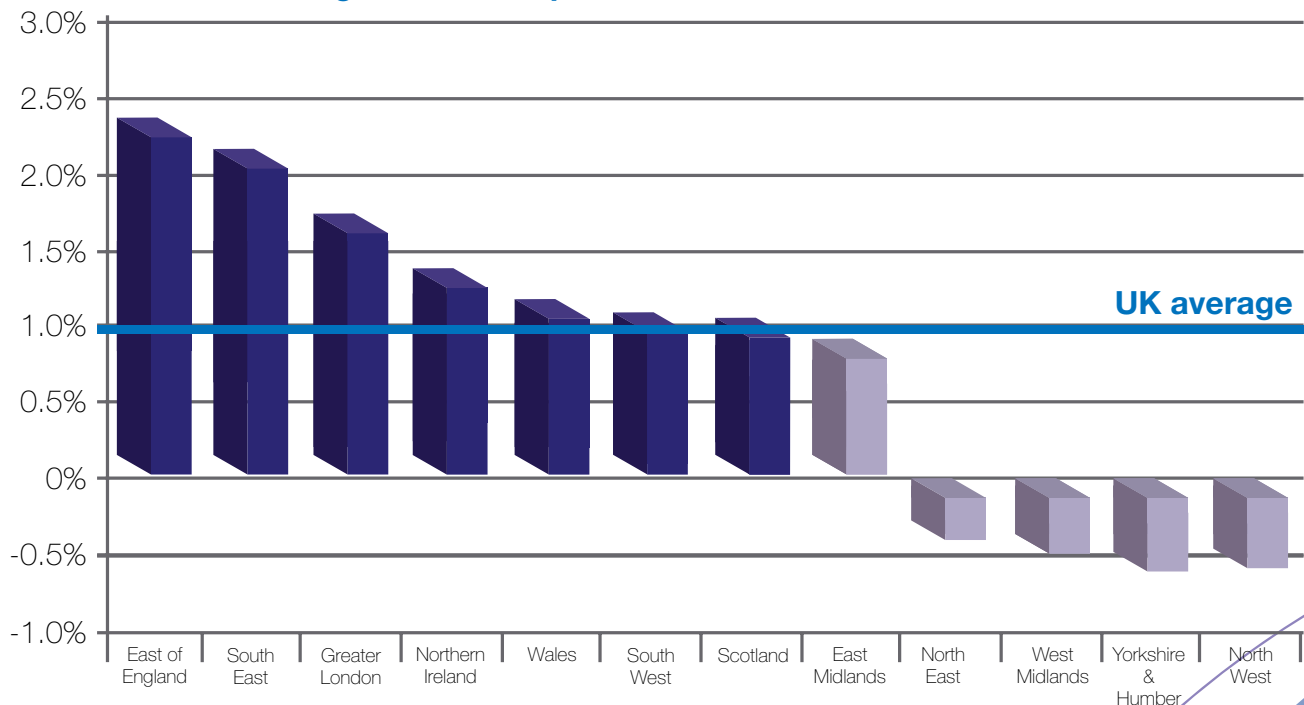
- Closer links between supply and demand for skills
- Better understanding of low carbon expectations and solutions for developing skills
- More emphasis on diversity
- Closer working with Higher Education
- Understanding and signposting funding opportunities
- Engagement at Local Government levels
- Apprenticeship models



Output Growth

The forecast for national and regional output growth over the next five years reveals some indications of a North/South divide. The East of England continues to show the strongest growth, prospects in the South East have significantly improved, and Scotland, Wales and Northern Ireland are on a par with, or slightly above, the UK average. However the outlook for most areas is lower than previous forecasts, most notably for the North West, Yorkshire & Humber, the West Midlands and the North East.

Average Annual Output Growth 2011-2015



Industry Outlook

2010 saw contractors retaining skilled staff and preserving capacity for the upturn through reduced working hours or underemployment. This means that significant excess capacity must be made up before future growth increases employment.

Unemployment has impacted all occupational groups, with continuing redundancies likely through 2011 and further jobs at risk as a result of public spending cuts. Evidence suggests that fewer employers are recruiting, construction vacancies have dropped sharply and work placements for apprentices and graduates are under threat.

Significant opportunities exist to improve competence and upskill the existing workforce, to increase productivity, reduce reliance on lower skilled or migrant workers, and support the uptake of new methods and specialist skills. Changes in skills needs are particularly relevant for management and professional occupations, with increasing demand for higher level skills.

Political Landscape

Austerity Measures

Recovery across the sector is still vulnerable to macroeconomic factors with a gloomy forecast associated with Government spending cuts. Fears remain that the impact of austerity measures on major projects risks plunging the construction industry back into recession.

Reduced public spending adversely impacts activity levels which in turn leads to job losses. The drive for cost savings has also focused attention on simplifying and rationalising the number of skills bodies. Cuts continue to impact the education sector, with a shift from public to private funding and reduced Higher Education support potentially meaning less university students thereby risking damage to the economy.

Skills Reviews

2011 will see Government skills reviews across the Nations, focusing on a range of areas related to vocational qualifications and training, and particularly reflecting the contribution from a qualified workforce to economic prosperity and the need to equip workers with skills for the future.

Major skills reviews, such as *Investing in Skills for Sustainable Growth* in 2010 and emerging sectoral growth plans in 2011, present opportunities for ConstructionSkills to influence Government policy on industry's behalf, and ensure that construction continues to be seen as a priority sector.

Key Skills Issues

Risk to Industry Skills Base

Key skills lost through retirement and significant numbers leaving the industry due to the recession could undermine the long-term stability of the sector, reinforcing the need to keep the talent pipeline flowing.

Pressure on Youth Recruitment

Underemployment and the pool of unemployed workers will impact youth recruitment in an upturn. Firms cutting back on recruitment has created an oversupply of aspiring new entrants.

Focus on Higher Qualifications

Demand for higher level skills raises the qualifications bar and focuses attention on upskilling and the management training required to interface with other sectors and supply chains.

Key Skills Issues

Reduced Skills Funding

Reduced public funding for skills will impact the industry's investment in education and training, dampening a recovery in learner volumes.

Focus on Apprenticeships

Political attention focused on apprenticeships, increasing emphasis on recruitment and placements – highlighting the need for balance with upskilling and qualifying the existing workforce.

Government Skills Reviews

Key reviews of skills policy and education structures on the back of Government plans, the localism agenda in England and elections in the home Nations.

Apprenticeships Support

The focus on apprenticeships and related level of investment has increased in support of both youth and adult recruitment. SSCs have been cited as playing a crucial role and ConstructionSkills remains at the leading edge of development and delivery.

The need for apprenticeships and training to be embedded as part of public procurement guidelines continues to be highlighted.

Future Skills

Challenging targets have been set for carbon and waste reduction, impacting the outputs that are constructed, products and processes involved, and skills needed to respond.

The Government report *Low Carbon Construction* highlights the need for greater collaboration, co-ordination and integration across the sector, with clearer accountabilities as part of a co-ordinated structure.

Existing building stock represents considerable opportunities. The low carbon agenda has the potential to create a significant number of 'green jobs' post-recession, but will also require upskilling at all levels.

Specialist skills will be needed to meet the high specification and low energy requirements of future buildings and infrastructure. Offsite manufacturing has the potential to substantially increase as the industry moves from recession to recovery.

New ways of working will not always require new skills or create new jobs, but will often be in addition to or an amalgam of existing workers' skill sets. Increased multi-skilling is predicted.

Key Skills Issues

Changing Skill Sets

Modern methods requiring upskilling, re-skilling and multi-skilling within the existing workforce.

Demand for Specialist Skills

Increased demand for specialist, technical and professional skills to meet high specification and low energy requirements.

Raising Awareness

A lack of clarity, particularly for SMEs, on the impact of green legislation, the skills required, and the provision available.

Increasing Collaboration

Multiple stakeholders in the low carbon arena requiring greater clarity of role and better integration of approach.

Industry Priorities and Enablers

Recognising the research outlook, key drivers and skills issues, and direction from the ConstructionSkills Strategic Partnership Panel, the following skills priorities and enabling activities have been agreed in consultation with industry and stakeholders. **Industry Priorities** represent longer term aspirations to increase the sector's productivity and competitiveness, and meet low carbon targets over the coming years. **Enablers** reflect the more immediate skills issues for the SSC, partner organisations and stakeholders to address.

Industry Priorities

- **Productivity Challenge** – supporting employer and industry competitiveness through upskilling and improved levels of health, safety, competence and efficiency.
- **Low Carbon Challenge** – providing clarity and support on skills needs in response to increasing demands on industry and potential new markets opening up.

Enablers

- **Leadership Challenge** – providing leadership for the sector on key skills issues and quality standards, and addressing employers' leadership skills needs.
- **Recruitment Challenge** – keeping the pipeline of talented new entrants flowing.
- **Employer Engagement Challenge** – keeping in close contact with employers so that we understand their skills needs and shape solutions accordingly.
- **Education and Training Challenge** – working with schools, colleges, universities and other providers to ensure we strengthen the skills infrastructure and deliver 'right skills, right place, right time'.

Skills Strategy and Solutions

SSC Core Remit

As a high performing SSC our responsibility remains to:

- raise employer engagement, demand and investment in skills
- provide authoritative labour market intelligence for our sector, and
- develop national occupational standards and ensure qualifications meet employer needs.

These core SSC activities contribute towards a number of the industry priorities and enablers identified. Building on these we work across our partner organisations to deliver a range of sector specific solutions, supported by the additional resources we seek to secure.

Sector Skills Agreement (SSA)

Our UK-wide SSA is key to delivering our commitments as an SSC. Consultation with industry in agreeing the Industry Priorities and Enablers has been reflected in our updated SSA – 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.

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Productivity Challenge – supporting employer and industry competitiveness

- Qualifying the workforce, upskilling existing workers to raise qualification levels and increase effectiveness
- Improving health, safety and welfare awareness and behaviours, and levels of competence on site
- Understanding and addressing employers' business skills needs, supporting short term survival and longer term prosperity

Low Carbon Challenge – supporting industry's future skills needs

- Building knowledge on industry's future skills needs and translating this into practical solutions
- Working in partnership across the UK, Professional and Built Environment sectors on low carbon issues, to maximise influence over policy and funding for future skills

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

- Working with employers and their representative bodies, professional bodies, trade unions, delivery partners, clients, other SSCs and related bodies to develop an integrated approach
- Leveraging our authoritative research data to influence Government policy on industry's behalf
- Understanding and addressing employers' leadership and management skills needs

Recruitment Challenge – keeping the pipeline of talent flowing

- Promoting and delivering apprenticeships and pathways, influencing the construction-related curriculum, and supporting undergraduates in partnership with stakeholders
- Providing information, advice and guidance on qualifications and careers to potential recruits and their influencers
- Actively promoting equality and diversity

Employer Engagement Challenge – recognising and responding to skills needs

- Promoting the benefits of investing in training and development
- Diagnosing skills needs and providing or signposting solutions
- Extending our reach – particularly with SMEs, consultancies and trade bodies, and through working with employer groups

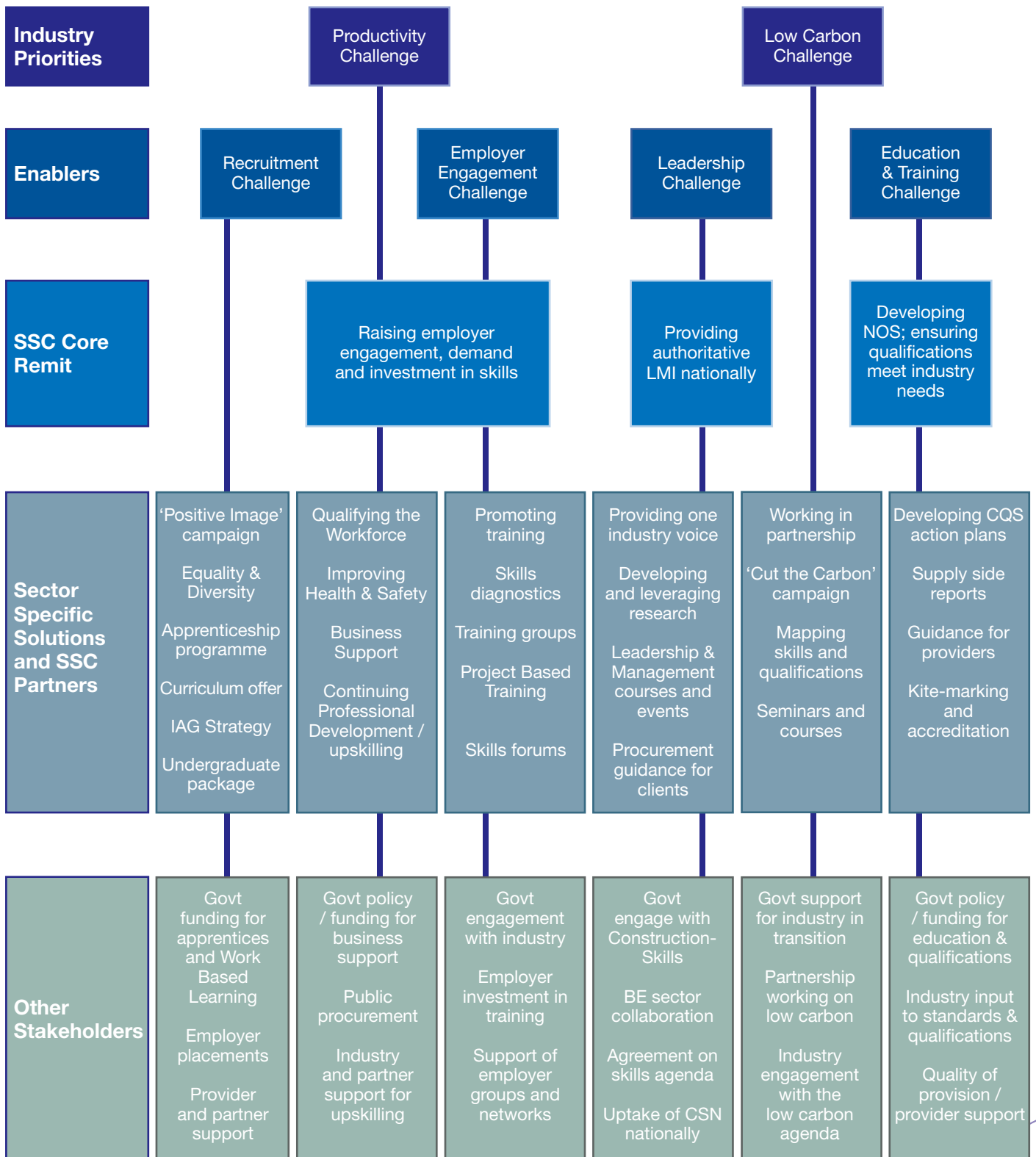
Education and Training Challenge – working with providers to deliver 'right skills, right place, right time'

- Demonstrating and utilising an authoritative understanding of skills provision to influence funding decisions
- Working with providers across the learning lifecycle to ensure industry's current and future skills needs are met through the supply of sufficient, affordable and quality provision
- Developing accreditation schemes to give confidence to our employers about education and training provision

Delivering Skills Solutions

Activities and Accountabilities

The table below sets out the **Industry Priorities** and **Enablers** in terms of which activities will be addressed as part of the SSC's core remit, which will be delivered by partner organisations in line with the SSA, and what is expected from other stakeholders across the industry, Government and the Education sector.



Delivering Skills Solutions

Examples of the activities we will be undertaking to deliver against our core remit as an SSC are shown below. As indicated these contribute to addressing a number of the industry skills challenges identified, demonstrating our role as a leader on industry skills issues, a standard setter for qualifications and provision, and an employer-driven body working in partnership.

Meeting the Leadership Challenge

Working collaboratively within the SSC footprint and increasingly across the wider Built Environment with groups such as BESA, we look to leverage our collective influence and authoritative industry skills intelligence to secure the best deal for the sector. This involves:

- conducting skills surveys across the four home Nations
- providing the industry with high quality labour market intelligence on skills so that it is able to make best use of its own resources and influence resources held by others
- refining Professional Sector LMI and relating it to skills needs and learning provision
- working with Governments and local authorities to influence policies and funding that impact on the construction industry and in particular on education and skills
- championing key sector skills themes such as sustainability, health & safety and diversity
- launching and leveraging skills manifestos and engaging with cross-party groups.

Setting Standards and Developing Qualifications

ConstructionSkills continues to deliver a dynamic Construction Qualifications Strategy (CQS) supported by home Nation action plans that meet industry needs and regulatory requirements. Key areas include National Occupational Standards (NOS), apprenticeship frameworks and other measures aimed at influencing Higher Education Institutions and promoting CPD and lifelong learning. This involves:

- delivering the four Nations' CQS action plans and setting up qualifications groups
- developing and maintaining NOS to targeted levels
- developing apprenticeship frameworks including Advanced Technical and Higher Apprenticeships
- developing standards and qualifications for professional, managerial and technical roles, including the development of Foundation Degrees
- developing the interrelationship between academic, vocational and professional qualifications and progression between them
- delivering an annual supply side report and analysis of Higher Education, Further Education and Work Based Learning providers.

Engaging Employers on Skills Needs

We continue to engage with industry across the four Nations and at a local level through our national and regional skills groups and employer panels. This provides insights into contextual skills issues to combine with our research findings and stakeholder feedback. Engagement activities include:

- engaging employers proactively on industry trends and implications for skills
- delivering employer engagement events to increase awareness of our services
- working with BESA members to address Further and Higher Education issues
- developing dedicated Professional Sector newsletters, web coverage and networking
- working with professional institutions to agree priorities related to the skills challenges.

As indicated on the previous page, these core SSC activities are underpinned by a range of industry, Government and commercially funded solutions delivered by the individual organisations, in line with the skills challenges identified by the SSC. Further details are contained within the respective national and partner plans.

Measuring our Progress

The performance indicators for ConstructionSkills align with the SSC core remit and sector specific solutions outlined. These measures and the associated targets provide a basis for tracking and reporting key areas of delivery and the related outcomes. The following tables of indicators refer.

Core Remit

Core Products	Performance Indicators
Providing authoritative LMI	Production and submission of UK and national sector skills assessment reports
	% of stakeholders satisfied with LMI
Raising employer engagement, demand and investment in skills	Number of employer representatives involved in the governance structure
	Increase employer participation by consulting with and developing new frameworks for the specialist sector
	National action plans reviewed / agreed with each of the four Nations
Developing NOS; ensuring qualifications meet industry needs	NOS: occupational coverage
	Number of NOS reviewed
	% of all qualifications populated onto the Qualifications and Curriculum Framework
	Apprenticeship frameworks: progress against targets for SASE/W compliance

Sector Specific Objectives

Skills Challenges	Performance Indicators
Productivity	% of workforce at each qualification level
Leadership	Accuracy of CSN forecasts
	% of managers qualified to level 4 and above
	% of stakeholders who believe that ConstructionSkills is successful in influencing Government policy and funding
Recruitment	Number of apprentice starts
	Number of apprentice completions
	Diversity: % of workforce from target groups – Female and BME (manual and non-manual)
Employer Engagement	Total number of active Project Based Training interventions
Education and Training	Time to develop VQs from inception to accreditation
	% of stakeholders rating ConstructionSkills at 6-10 for successfully developing and promoting NOS
	% of stakeholders who believe that ConstructionSkills is successful in influencing the supply of training

The latest partner and national plans feature the underlying key deliverables and targets that contribute towards performance in these areas.

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