

Build UK response to ‘*review of construction industrial training boards*’ call for evidence

Introduction

1. Build UK is the leading representative organisation for the UK construction industry. By bringing together Clients, Main Contractors, Trade Associations representing over 11,500 Specialist Contractors and other organisations committed to industry collaboration, Build UK represents in excess of 40% of UK construction.
2. Build UK is a CITB Consensus Federation representing businesses that pay 30% of the value of the total CITB Levy. In addition we represent a wide range of businesses that are in-scope to CITB but not eligible to pay the levy.

Executive Summary

3. The value of the contracting element of the construction sector is in the order of £90 billion, delivered by over 230,000 businesses that employ 10% of the UK workforce.
4. The nature of construction means there are often lengthy supply chains and the vast majority of the industry is made up of SMEs. As a result, cross industry issues such as Skills and Training have been traditionally dealt with by Industry Training Boards (ITB’s) and for the majority of Build UK members the relevant Training Board is CITB.
5. The labour force within the construction sector is mobile and transient and the subcontracting business model requires an agreed and consistent set of principles that transcend individual employers and meet the needs of the whole supply chain.
6. Without a pre-existing ITB, we believe that the industry’s current skills restraints would be more severely impaired and would call for the creation of a central body with a mechanism for delivering cross-industry support to tackle these restraints.
7. As the leading organisation for construction employers we have clearly presented our members expectations which are set out in this response to the call for evidence:
 - Payment of a levy is a fair way of supporting industry training and that any levy should be managed by a central organisation
 - The underlying purpose of CITB must be to, ‘support and enable construction employers to recruit, train and retain an appropriately skilled workforce, now and in the future’
 - But CITB needs to undergo significant reform to meet the needs of clients, employers, the workforce and society
 - Going forward, CITB should demonstrate its value to the industry and be accountable to those that pay the levy.
8. Earlier this year, CITB responded with an offer that we believe has the potential to effectively support employers in delivering the skills needs required by the industry to meet the requirements of both public and private sector construction clients.
9. **In our view, the original justification for a construction industry ITB still exists. If implemented fully, the CITB’s ‘Offer to Industry’ would provide the focus and structure to support the construction supply chain to meet the industry’s skills needs.**

Scope of CITB

10. Given the diverse range of businesses and sectors that Build UK represents across the construction supply chain, we represent businesses that are; in scope and pay levy, in scope, but do not pay levy or those businesses and sectors that are out of scope of the CITB.

11. We believe that the ITB Review provides an opportunity to review the scope of CITB and its relevance to smarter construction. The methods of delivering construction and infrastructure projects have changed significantly in the past 50 years and therefore CITB's scope should allow it to be responsive to the current and future needs of the industry, rather than limited by historic needs which no longer reflect current industry working practices.

Value and effectiveness of CITB

12. In its 'Offer to Industry', CITB has set out how it has supported industry, including the number of qualifications and apprenticeships it has supported.

13. CITB's role as a central body facilitates the industry to develop the skills it needs to deliver major projects. CITB provides a holistic offer which is tailored to the needs of the whole supply chain; providing support for both niche specialist skills and general training which is required by all tiers of the supply chain.

14. In addition to the support provided for training, CITB performs a number of other end-to-end functions which are often 'hidden' from public view. This includes:

- Writing and updating National Occupational Standards, National Vocational Qualifications and other qualifications and training
- Engaging with industry, government and accreditation bodies such as CSkills to ensure qualifications meet the needs of all stakeholders
- Identifying new policy and legislative requirements and supporting industry to update qualifications as required
- Developing course content and where required by industry, delivering the course
- Training and auditing industry assessors and ensuring qualifications are delivered to the required industry standard.

15. These actions are essential for the continued effectiveness of the industry's skills landscape as they provide a mechanism for employers to react to and amend qualifications in line with changes to working practices and government public policy change.

Role of CITB, Industry and Government

16. It is clear that the industry values CITB, however after 50 years of existence it requires significant reform to meet the needs of clients, employers, the workforce and society.

17. CITB had expanded to carry out numerous functions outside of its original scope and in 2016 our members made it clear that it had lost sight of its original objective.

18. Build UK consulted widely with its members and in November 2016, presented CITB with a clear remit which was **'To support and enable construction employers to recruit, train and retain and appropriate skills workforce, now and in the future'**. Our brief to CITB also outlined the specific functions that CITB should undertake, and are detailed in Appendix One. CITB was specifically asked to present a clear plan to the industry, setting out its role, the reforms it would make to meet the clearly set out expectations and the leadership arrangements it would require to deliver the reforms.

19. In January 2017, CITB responded with a focused 'offer', which addressed many of our members concerns and if implemented fully, would meet the expectations of our members.

20. Alongside delivering on this industry-led offer, CITB must demonstrate that it can provide a leadership role in the following areas:

- Regularly consulting industry on its priorities and providing updates on its progress
- Liaising with stakeholders to ensure a mechanism exists which allows the industry to develop and maintain qualifications
- Bring together stakeholders with common aims to ensure the consistent application

of training, products and services across the industry.

21. However, CITB must not operate in isolation. Industry must take responsibility for, and continue to shape CITB's strategy. CITB should be held accountable to the industry to ensure it remains focused and fit for purpose. This will require a behavioural change in the way employers view the Levy and Grant system, away from the current view that training is a way of recouping Levy payment, to an acknowledgement that the desired outcome of effective training is a fully skilled workforce for the whole industry.
22. There is also a role for the Government to contribute to the success of the CITB by developing and maintaining a policy framework which allows industry to invest in training in new and emerging occupations.

Levy and Grant System

23. **Build UK members agree that payment of a levy is a fair way of supporting industry training. This support is based on any ITB demonstrating its value to the industry and being accountable to levy payers.**
24. In order for an ITB to support employers in delivering the skills the industry needs, a Levy is required to:
- Create and maintain a framework of training and qualifications
 - Achieve consistent standards across the UK
 - Support employers in delivering apprenticeships
 - Enable the delivery of training and qualifications at all levels
 - Meet industry's short and long terms skills needs
 - Prepare the industry to meet its future skills needs
 - Support the industry in recruiting and retaining its workforce
 - Support the workforce in developing and maintaining core and essential skills.
25. Without the levy, many employers would invest in training, but the advantages of a collective system would not be realised. The cost of training would rise substantially and ultimately the skills needs of the industry would not be met.
26. The advantage of a collective system is that there is the opportunity to:
- Eliminate or reduce duplication of training
 - Reduce waste
 - Control quality
 - Maximise the return on investment
 - Utilise collective buying power
 - Enable transferrable and transportable skills
 - Deliver consistent training across the sector
 - Train the workforce regardless of employment status
 - Identify and respond to skills gaps or needs
 - Respond to changes in legislation and/ or methods of working
 - Roll out new training more efficiently
 - Encourage innovation.
27. Build UK members support a grant scheme that effectively uses the levy to support employers of all sizes and ensure the industry has the skills to meet future infrastructure needs. The grant should support appropriate training, qualifications and skills to meet the industry's needs and could be used to encourage positive behaviours.

Reacting to Future Skills Needs

28. As the UK's housing, infrastructure and private development pipelines grow and develop, the industry will be required to adapt its skills portfolio to deliver priority projects. For CITB to be an effective Industry Training Board in the future, it must be responsive to these changing

needs. CITB could achieve this by:

- Interpreting project pipeline data to understand where future skills needs will be and incentivising the development and delivery of relevant skills
- Investing in the specific skills needed by the industry at that time
- Regularly reviewing the grant scheme to fund the training which industry prioritises at that time
- Developing innovative ways to support the supply chain with their training needs through access to standardised training, ensuring that the relevant skills are available in local labour markets
- Ensuring that training options are futureproofed and reflect future working practices within the industry.

Further Information

Build UK would be pleased to discuss any of the issues raised in this response. For further information, please contact:

Sarah Garry
Skills Manager
Build UK

E: Sarah.Garry@BuildUK.org

T: 0844 249 5351

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Appendix One

Expectations of Build UK members in relation to the Role and Priorities of CITB

Build UK members agreed that the underlying purpose of CITB should be to, 'support and enable construction employers to recruit, train and retain an appropriately skilled workforce, now and in the future', but industry must lead and take an active role in defining CITB's priorities. We believe that the role and functions of CITB should be:

Development of Qualifications & Standards

- Setting standards alongside industry
- Achieving the recognition of qualifications
- Achieving trailblazer standards
- Accrediting/recognising industry standard programmes.

Delivery of Training & Qualifications

- Ensuring quality provision of training & qualifications
- Ensuring sufficient capacity of assessors, verifiers etc.
- Supporting Training Groups or Hubs
- Supporting Specialist training.

Agreeing an Apprenticeship Strategy

- Determining industry requirements
- Agreeing trailblazer standards available for all occupations with relevant sectors
- Ensuring delivery system & network for apprenticeships
- FE capacity
- HE capacity
- Employer engagement & opportunities
- Supporting employers in accessing Apprenticeship Vouchers under the Apprenticeship Levy system.

Funding

- Facilitating an efficient & effective grants scheme
- Meeting industry's skills needs NOT paying grant for training undertaken
- Recognising industry standards/accredited training
- Capitalising on economies of scale
- Utilising training or delivery hubs
- Demonstrating ROI from the levy
- Facilitating an efficient & effective levy system
- Applying fairly & equally
- Operating alongside Apprenticeship Levy
- Securing external funding for the sector
- Supporting Training Groups and Hubs
- Supporting innovative training initiatives.

Providing Career Support

- Supporting employers in demonstrating & promoting career opportunities in construction
- Facilitating clear career progression
- Providing shop window 'Go Construct' for the benefit of employers
- Supporting a Construction Ambassador programme.

Communicating

- To be the central point of information of all construction related skills, qualifications and training issues and ensure industry is appropriately informed to make valid business decisions.

Undertaking Specific Skills Research

- To undertake appropriate research to identify both the current and future skills capacity and capabilities and inform the wider industry of its findings.