

RECRUITING, TRAINING & RETAINING

TALENT

Training and Skills Quarter Three Report

November 2019

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Training and Skills: Quarter Three Report

Build UK undertook a survey of its members to assess the provision of training, issues around recruitment and the skills needs of the industry during quarter three of 2019.

- 72%** Of specialist sectors believe there are not enough apprentices to fill their vacancies.
- 56%** Of specialist sectors found it difficult to access short duration training.
- 62%** Of employers are struggling to recruit because of a lack of candidates.
- 53%** Of employers are seeing wage inflation as a result of challenging recruitment issues.
- 36%** Of employers found recruitment this quarter even harder than in quarter two.

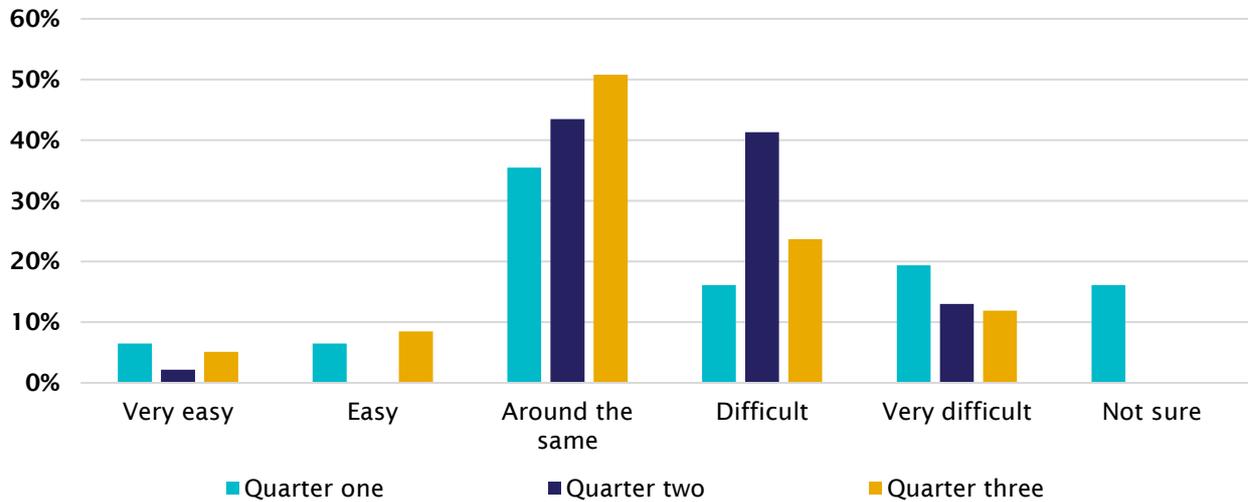
1. Specialist Training Provision

- 1.1 Build UK has been capturing training information from its Trade Association members, which represent over 11,500 specialist contractors. The findings suggest a lack of qualified assessors and availability of specialist training, is providing employers with challenges in providing the right training for their workforce.
- 1.2 All specialist sectors surveyed apart from one, offered an Apprenticeship or [Specialist Applied-Skills Programme](#). Across these sectors, over 80% of candidates successfully completed the programme. Despite the high conversion rate, specialist contractors had difficulty encouraging potential candidates to begin an apprenticeship in the first instance: 72% identified a lack of prospective apprentices to fill the number of places available.
- 1.3 For those sectors that offered Level 2 and 3 qualifications, just over half (53%) have between one and ten assessors with the highest concentration of these in the North East and the East Midlands. Only 28% of specialist sectors had an assessor based in the South East of Englandⁱ.
- 1.4 56% of specialist sectors have found it “difficult” or “very difficult” to access short duration training courses. The most commonly cited reason for this (78%) was that training providers were unwilling to run these courses because there were too few candidates to make offering them viable.

2. Skilled workers

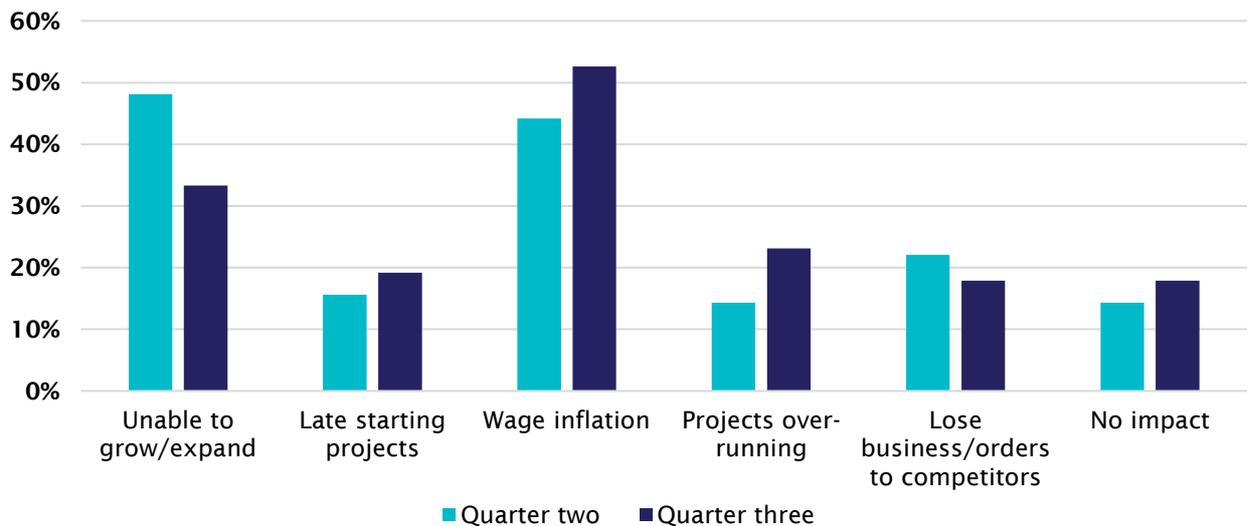
- 2.1 Build UK members continue to struggle with the recruitment of skilled workers, with ongoing negative effects on their businesses. The reasons for the ongoing difficulty revolve around the quality and availability of candidates.
- 2.2 During this quarter, 76% of respondents had attempted to recruit skilled workers, an increase from 16% on the previous quarter.
- 2.3 51% of respondents found the recruitment of skilled workers as difficult as the previous quarter, whilst 36% found it harder than in the previous quarter.

How would you rate the recruitment of skilled workers this quarter?



- 2.4 No company with over 50 employees rated recruitment as “easy” or “very easy” when compared to the previous quarter with only one exceptionⁱⁱ. No company with over 100 employees found recruitment “very difficult” in quarter three. This is compared to the 54% of companies with between 1-25 employees who found recruitment “difficult” or “very difficult”.
- 2.5 Of those who found it difficult to recruit, 67% cited a lack of candidates with the required skills and 62% stated there were not enough candidates to choose from.

What impact is the shortage of suitably skilled staff having?



- 2.6 Wage inflation has become the leading impact for employers (53%) citing a shortage of suitably skilled staff, an increase of 9% from quarter two. 33% of employers have been unable to expand their businesses this quarter compared to the 48% unable to expand in quarter two.

3. Recruitment of overseas workers

- 3.1 In June 2019, the government commissioned the Migration Advisory Committee (MAC) to carry out an in depth analysis of potential future salary thresholds and the range at which they could be set. In addition to the salary thresholds, the MAC has also been asked [to explore an 'Australian-style' points-based system](#) and how this might work in the UK. Build UK collected some relevant data and has worked with an industry wide group to respond to the MAC.
- 3.2 Over the last five years, 84% of employers recruited workers from the UK and the Republic of Ireland with 48% of employers having drawn staff from the European Economic Area (EEA). 20% of employers recruited from outside the EEA. When asked about recruitment over the next 12 months, UK and Irish workers were anticipated to be the largest group employed (70%), followed by EEA workers (38%) and non-EEA workers (14%). 30% of respondents said they did not know which countries they would be recruiting workers from during the next 12 months.
- 3.3 46% of respondents either agreed or strongly agreed that there should be no minimum wage under the current tier two (general) visa system. Respondents largely felt (71%) if a minimum wage threshold was introduced to the tier two (general) visa system, it should be applied universally across the UK with a few exceptions to keep it as simple as possible.
- 3.4 When asked about Government proposals to introduce an Australian points-style migration system, respondents felt language proficiency was the most important factor that candidates should hold, followed by the offer of a job and work experience. The three least important factors were expected salary, age and whether the migrant had studied in the UK.

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¹ This follows a survey of [Build UK's Trade Association Members](#) who represent a variety of specialist companies ranging from the asbestos to tiling sectors.

² 10% of companies with between 101 and 250 employees rated the recruitment of workers "very easy".