

RECRUITING, TRAINING & RETAINING

TALENT

Training and Skills Quarter Four Report

Including a summary of key 2019 data

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Training and Skills: Quarter Four 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 four of 2019. This report also summarises the findings for the whole of 2019.

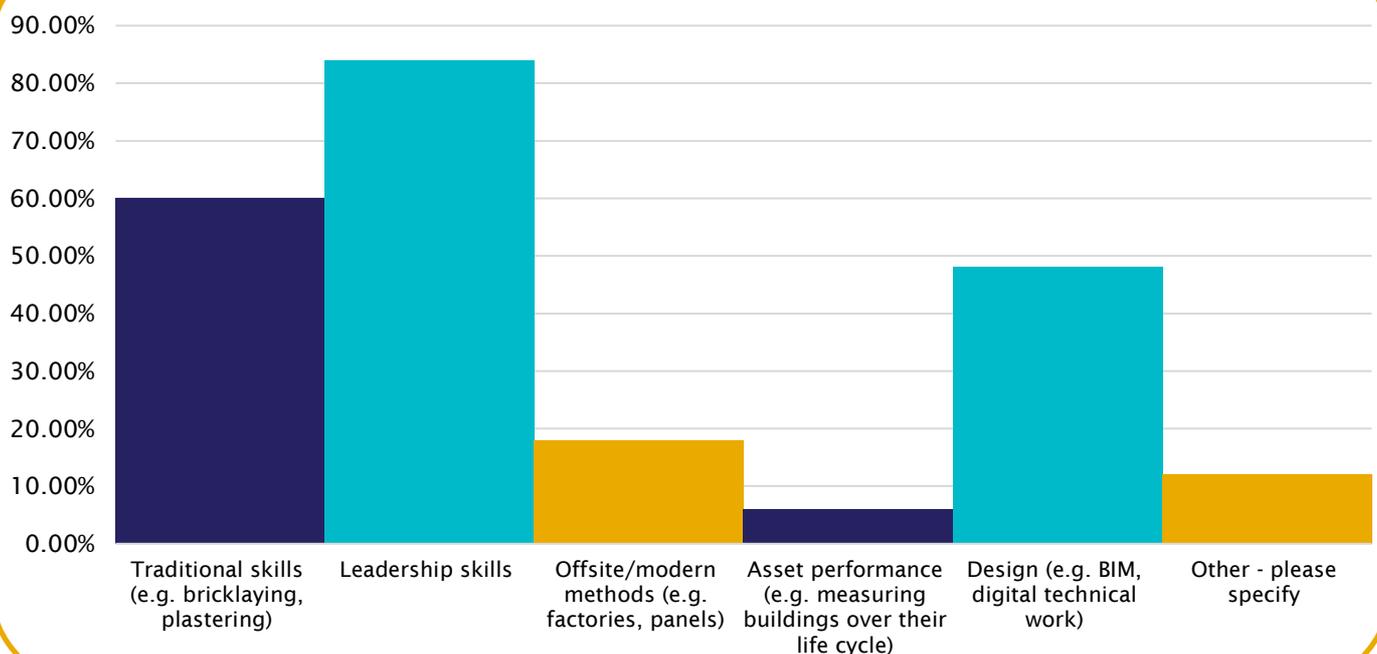
- 73%** Found recruitment this quarter about as challenging as the previous quarter.
- 67%** Of employers are seeing wage inflation as a result of challenging recruitment issues.
- 72%** Of employers identified leadership skills as a key training need for the immediate future.

In quarter four, recruitment for all companies has remained consistently difficult, and wage inflation continues to be the biggest issue as a result of this. Employers have identified leadership skills as priority training requirements.

1. Employer Reflections

- 1.1. This quarter, employers were asked questions around the training they provided to their own staff. Employers were asked to consider the purpose of the training being delivered and who the training was being delivered by. Employers identified their key training needs for the immediate future as well as their ability to meet them with satisfactory training.
- 1.2. When asked which statement best described their business, 67% of employers stated they had a dedicated training manager to identify and manage employees' training needs, offered "a range of training options", were aware of the training providers and the levels of funding available. 75% of these responses were from companies with over 250 employees. The smaller the company, the less likely they were to have a dedicated training manager.

What are your key training needs for the immediate future?



- 1.3. Conversely, 17% of employers only conducted training when necessary to meet legal or regulatory requirements. A further 17% described themselves as aware of what training was available but struggled with funding and were often unsure of where to get advice from.
- 1.4. Whilst 33% of employers offered entirely formal training, the training offered by 61% of employers was described as a mix of formal and informal. 44% of employers described the training they offered as contributing towards their employees' continuing professional development and lifelong learning. 22% of companies stated that all of their training was conducted by external providers whilst the remaining 78% said only some of their training was delivered externally. No employer delivered all of their training in-house.
- 1.5. The majority of employers (84%) identified leadership skills as a key, immediate training need. This increased to 92% amongst employers with over 250 members of staff. Traditional skills such as bricklaying or plastering ranked second at 60% and design work, such as BIM training, ranked third (44%) as key training needs for employers over the coming months. Whilst 67% of employers could access satisfactory training to fulfill these needs, 22% could only meet them in part and 11% could not.

2. Skilled Workers

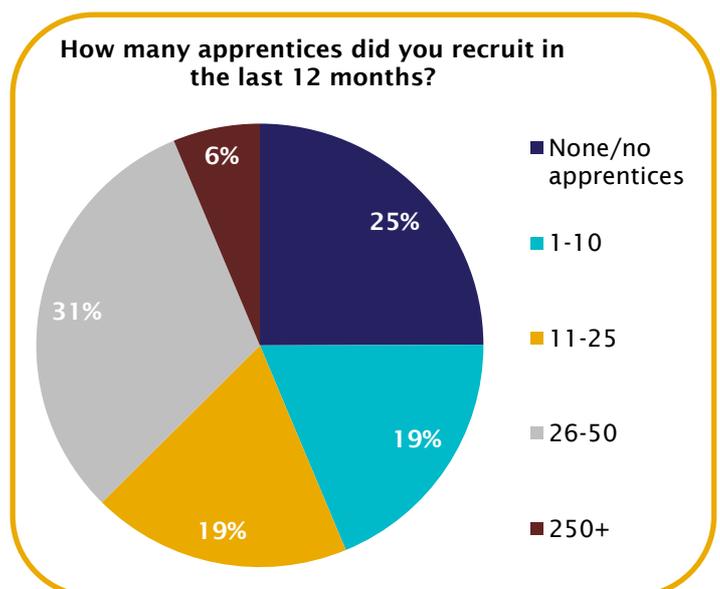
- 2.1. 88% of employers had attempted to recruit skilled workers this quarter. Of those, 7% rated their recruitment as very easy compared to the previous quarter, 73% rated it as around the same as the previous quarter and the final 20% rated recruitment as difficult.
- 2.2. When asked about the impact the shortage of skilled staff was having on their business, the biggest impact employers felt was the inflation of wages or having to pay a premium to get work completed on time by outsourcing or paying overtime (67%). 22% of employers were unable to expand or grow their business as a direct impact of recruitment challenges. Wage inflation was the biggest concern amongst employers regardless of their size.

3. Apprentices

3.1. During the last 12 months, 25% of employers had recruited no apprentices while 33% of employers hired between 26 and 50 apprentices in the last 12 months. All of the companies who recruited 26 or more apprentices (37%) were companies with more than 250 employees.

3.2. Over the next 12 months, employers expect to recruit 49 apprentices per company on average. This rose to 68 apprentices amongst companies that already employed more than 250 people.

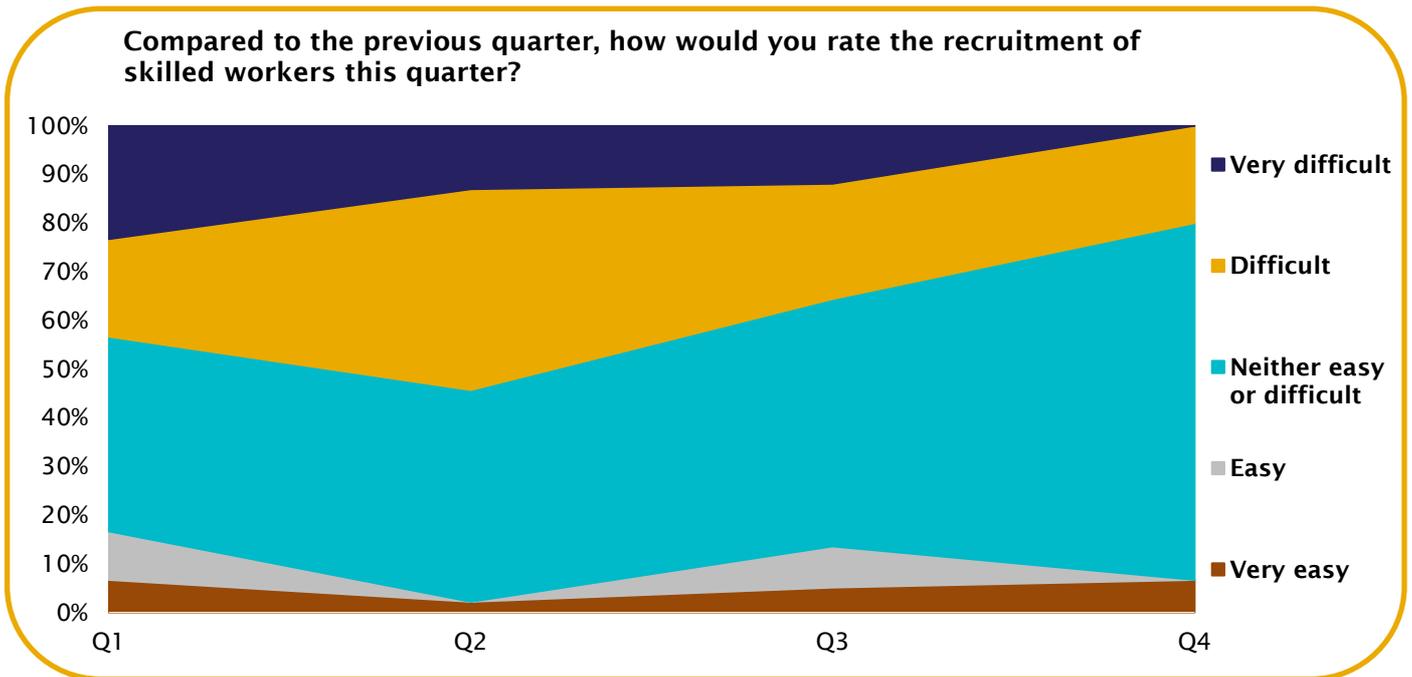
3.3. In terms of securing a training provider and end point assessment organisation, 31% found this to be easy or very easy, 44% thought it was neither easy nor difficult and 25% found it difficult or very difficult. When asked about the reason for the difficulties, employers noted a lack of providers, distance or no provider existing at all for the apprenticeship.



2019 in Review

4. Skilled Workers

4.1. Over the course of 2019, Build UK has collected training and skills data on a quarterly basis. The information below uses the data from all four quarters, to set out some key themes and trends from 2019.



4.2. It is significant that more employers attempted to recruit skilled workers as 2019 went on: in quarter one 61% of employers attempted to recruit skilled workers, this dropped to 60% in quarter two but grew to 76% in quarter three and 88% in quarter four.

4.3. Over the course of 2019 Build UK members were asked to rate how easy or difficult they found the recruitment of skilled workers compared to the previous quarter. The graph above illustrates three points:

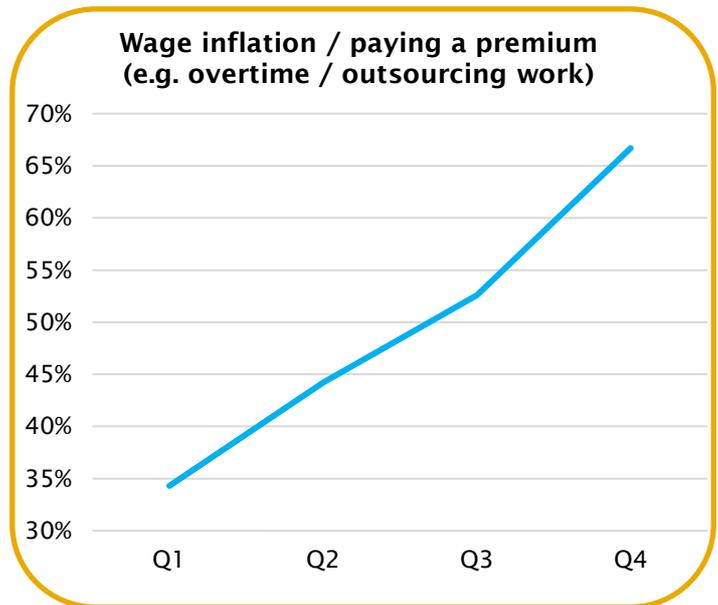
4.3.1. Quarter two was the most difficult for recruiting; 54% of employers found quarter two to be either difficult or very difficult to recruit compared to quarter one. 41% found recruitment difficult, while 13% found it very difficult.

4.3.2. Those finding recruitment easy or very easy did not exceed 14%. For construction employers there has been no easy quarter for recruitment in 2019: only one in every five employers found it easy or very easy, at the best of times, to access the workers they needed.

4.3.3. As the year progressed it became increasingly harder to recruit: whilst the percentage of employers who suggested the recruitment of skilled workers was either difficult or very difficult shrunk after quarter two, the number of employers rating the quarter as neither easy or difficult by comparison rose. This suggests the recruitment of skilled workers has become more difficult for some employers, but also remained difficult over the course of 2019. What was considered difficult at the start of 2019 is now accepted.

4.4. As employers found it increasingly difficult to recruit over the course of the year, the number of employers experiencing wage inflation almost doubled: 34 % of employers raised this as an issue in quarter one, compared to 67% in quarter four.

4.5. 30% of employers were unable to grow or expand their business as a result of a shortage of skilled staff in 2019. The number of employers who had not experienced any problems recruiting staff declined, from 23% at the start of the year down to 11%, demonstrating that more employers have become affected in some way by the lack of suitably skilled staff.



5. Apprentices

- 5.1. Although 26% of employers believed there were too many apprentices, 58% said there were not enough apprentices in 2019 to meet industry needs.
- 5.2. Looking at specialist training sectors represented by Build UK's Trade Association members, the number of these sectors who felt there were not enough apprentices was much higher: 86% felt that there were not enough apprentices to meet industry needs.
- 5.3. On average, 67% of those who began an apprenticeship in any specialist construction occupation, successfully completed their course, meaning one in three did not go on to complete their training. The lack of completions could be limited by a number of other factors. A lack of assessors may be preventing some apprentices from undergoing their end point assessment: 36% of specialist sectors had between one and five assessors while 67% of sectors said the number of assessors available was not enough to meet their needs. Only 17% of sectors said they had enough assessors to meet their needs.
- 5.4. Direct employers not working in specialist sectors generally had less trouble finding an end point assessor: a combined 26% found it difficult or very difficult, compared to 39% who found it easy or very easy to find an end point assessor.
- 5.5. Opinions on the apprenticeship levy have remained largely consistent across the year, with slightly more employers viewing it as a useful tool for helping businesses gain access to the right talent. Over the course of the year: when asked whether the apprenticeship levy was a satisfactory tool for helping businesses gain access to the right skills 50% of employers rated it as satisfactory, 20% suggested it was useful and 7% said it was very useful.

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