





Driving construction skills, growth, and jobs through Local Skills Improvement Plans (LSIPs)



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A stronger voice for construction employers

Unlocking skills to create jobs and growth

Construction is an engine of UK economic growth.

The industry contributes 8% of economic output, employing 2.7 million people.

It is responsible for delivering the housing, infrastructure, and net zero revolution required to level-up the country and transform how we live.

However, following the pandemic, construction faces a deepening skills crisis that threatens to delay projects, create wage inflation, and curtail growth.

The facts tell the story.

At the start of 2022 construction vacancies were nearly double the level seen in 2019.

Meanwhile CITB figures, published this month, show that to meet projected output industry will need to recruit an extra 225,000 workers by 2027.

And at the time of writing, the UK economy is in the grip of tightest labour market for decades.

That's why it is critical that Employer Representative Bodies (ERBs), aligned to UK government commitments, prioritise construction skills through Local Skills Improvement Plans (LSIPs).

Jobs

LSIPs have a unique opportunity to forge the employerled partnerships required to address the mismatch of training provision with employers' skills demands.

Forging these partnerships will drive growth and jobs.

The challenge is clear, research shows that just 22% of employers engage with colleges to support their recruitment needs, only 26% to support their training needs.

Training and skills provision needs to be affordable, high-quality, and accessible, with a focus on the 98% of SMEs and micro businesses that make up our industry.

By giving employers a greater say in relevant training, industry will begin to acquire the skilled workers needed to get the pipeline of work done.

Benefits of the guidance

This guidance identifies three themes and offers 11 practical recommendations for ERBs to solve construction skills issues in their community through LSIPs.

Aligning LSIPs to the construction industry's skills needs through this guidance will have multiple benefits.

LSIPs will be able to offer **local people** – school leavers, Further Education (FE) students, the unemployed and hard-to-reach groups – new careers opportunities, by linking key resources such as the industry's careers portal Go Construct.

Learners will be given access to work-placement opportunities and industry-approved training pathways to well-paid jobs through Talent View and CITB's Onsite Experience Hubs.

Crucial to LSIP's success will be how they provide apprenticeships, construction employers' preferred route to train the workforce. For 2022-25 CITB will be investing £764.3m through our grants and funding to support British construction. This includes helping employers support the costs of an apprenticeship.

This guidance will also enable ERBs to partner with established local construction employer training networks and use CITB data to form an accurate opinion of the training they need to prioritise.

FOREWORD

Partnerships

The *Skills for Jobs White Paper 2021* set out the employer-led, collaborative philosophy behind LSIPs.

This is an approach I'm all in favour of as one of my themes, since becoming CITB Chief Executive in September 2021, has been the importance of collaboration.

No one organisation can solve all industry's skills challenges. Partnership is essential. CITB is one of many players in the skills arena and our job is to put resources in place to turbocharge training. We are also committed to collaborating with other built environment sectors outside our scope, for example, engineering services.

I am pleased to say that CITB has worked with trailblazer LSIPs since their conception in 2021/22. We have provided them with access to labour market intelligence, employer networks and a range of funding, products, and services.

Based on this work, I am genuinely optimistic about the partnership we are looking to build with ERBs and LSIPs potential to deliver.

For me, LSIPs offer a lasting opportunity to develop systems that are collaborative, responsive and make skills provision more accessible.

I'd like to thank our partners supporting this guidance: the Department for Education and the Construction Leadership Council. I look forward to working with you, the construction industry, and our local communities.

Let's make LSIPs work.

Tim Balcon CITB Chief Executive ceo@citb.co.uk January 2023



About CITE

CITB is the Industrial Training Board for the construction industry in Great Britain. CITB's purpose is to support the construction industry to have a skilled, competent, and inclusive workforce, now and in the future. CITB is funded by industry to do this through the Construction Levy.

CITB has identified three central themes with 11 recommendations, that ERBs should consider adopting to support the construction industry's skills needs through LSIPs.



Theme one

Improve the capability of construction training provision.

Recommendations

- Target provision to meet future skills demand
- Increase employer engagement to develop agile and responsive training pathways
- 3. Make high-quality training easier to identify, more affordable and accessible
- 4. Encourage those with industry experience to teach.

Theme two

Help people have successful construction careers.

Recommendations

- Attract more people into rewarding construction careers
- 2. Increase apprenticeship starts and completions
- 3. Assist careers changers and construction returners.

Theme three

Enable industry to grow by meeting future skills needs.

Recommendations

- Target in-demand roles with bespoke skills and training support
- Create an inclusive work environment with health and wellbeing at its core
- 3. Build skills to support the transition to net zero
- 4. Encourage digital adoption across construction.

Theme one

Improve the capability of construction training provision.

1.1 Target provision to meet future skills demand.

Issue

Current training provision does not adequately meet changing construction employer demands.

Intervention

Commission an ERB-led training review based on CITB evidence and three-way dialogue with industry, training providers, and local leaders. This will identify how provision can be re-focused to meet current and future skills demand within the confines of the existing training infrastructure.

Signposting

CITB's Construction Skills Network (CSN) provides insights into the UK construction economy and its labour market intelligence. The data in the CSN reports included in this guidance provides the evidence base to enable ERBs to respond to skills pinch-points in high-demand occupations in their area. This resource offered by CITB acts as a first port of call for ERBs to identify employer demand at both a national and regional level. CITB is also able to work directly with ERBs to help them better understand construction skills demand in their LSIP area, bringing in expertise from adjoining sectors (for example, engineering services) where relevant.





Use the links below to find out about future construction skills demand impacting on your LSIP:

2023-2027 CSN, Five Year Outlook

United Kingdom

CITB Regional Data - England

North East
North West
Yorkshire and Humber
East Midlands
West Midlands
East of England
Greater London
South East
South West

1.2 Increase employer engagement to develop responsive training pathways.

Issue

Construction employers are not sufficiently engaged in the design and delivery of local skills and training provision. Our <u>research</u> has shown that only 22% of employers engage with colleges to support their recruitment needs and only 26% to support their training needs.

Intervention

Create employer-led strategic forums for priority industry sectors with a mandate to align provision and increase employer engagement in local training and skills systems. This vehicle would enable local training providers to fulfil their statutory duties to have ongoing and active regard to LSIPs. A key challenge for these groups will be how to understand and respond to the skills needs of local SMEs and micro employers, who make up over 98% of the construction industry.

Signposting

Many active local networks are already in place that would be able to support this approach in priority sectors. For example, CITB supports more than 50 Training Groups across England, bringing key employers of all sizes in their local areas to identify, access, and promote cost-effective training for construction employers. Our collaborative links with institutions representing out-of-scope but adjoining sectors (for example engineering services) mean that we can request to draw upon their local networks as well. CITB is also piloting an innovative new initiative - Employer Networks - which will put employers in the driving seat on how to address local skills needs using localised funding budgets that are managed by trusted, knowledgeable, delivery partners. There is the potential for this work to be strategically aligned with emerging LSIPs.

1.3 Make high-quality training easier to identify, more affordable and accessible.

Issue

Employers, particularly construction SMEs and micros, find it difficult to access affordable high-quality training. Work pressures, confusion, lack of knowledge about available training and funding, a mismatch of training with employer needs, and limited ability to engage with training providers, leaves many SMEs and micros disempowered in securing the training they need.

Intervention

Integrate key online training platforms into LSIPs to enable construction SMEs and micro employers to better access high-quality value for money training. These platforms already enable more funding support to be targeted to the needs of small and micros employers. Whether accessing funds for apprenticeship training, making training pathways easier to understand, or driving increased competition through the collective spending power of all employers, these platforms will prove crucial in enabling SMEs to benefit from the skills system.

Signposting

The Digital Apprenticeship Service (DAS) is designed to help employers access new apprenticeship standards, training provision and funding. The service enables Apprenticeship Levy payers to spend these monies, while non-apprenticeship-levy payers are entitled to 95% of the costs of apprenticeship training through the service.

CITB's <u>Training Directory</u> is an online searchable database that provides details of construction related grant-eligible short duration training, delivered to defined standards developed with industry. It relates to the online Construction <u>Training Register</u>, containing records of construction workers' short duration achievements. Any employer can easily find achievements on the system, delivered and submitted by Approved Training Organisations.

The Employer Networks can support employers to identify the training they need and find the most suitable training provider.

1.4 Encourage those with industry experience to teach.

Issue

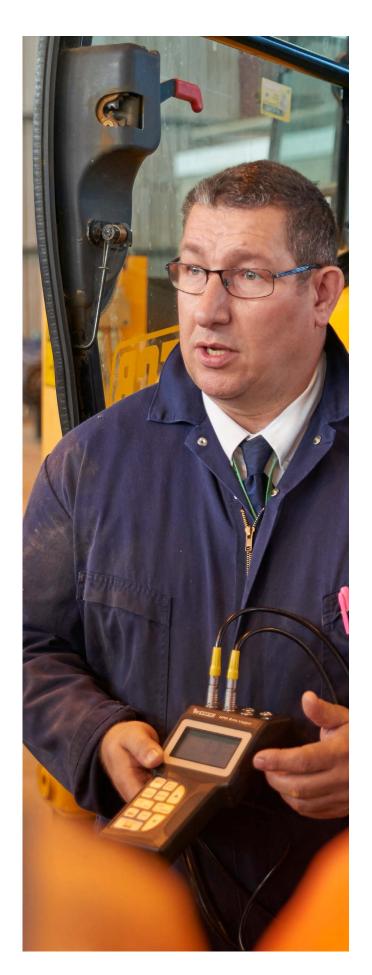
Recent data shows many staff vacancies (14%) with colleges and training providers struggling to fill vacancies in the FE workforce, with similar shortages in assessors. Pay gaps between the construction industry and FE sector often act as a barrier to more construction workers entering teaching.

Intervention

Develop a clear pathway for construction workers to transition into teacher and assessor roles in FE, founded on a learning culture embedded in local industry. Teaching offers an opportunity for employers to retain key members of their workforce for longer, while training the next generation of talent. Teaching and working onsite can be combined in a way both employers and employees can better manage through part time work initiatives. This can help bridge the gap between industry and teaching that new staff must make. As a result of the pandemic, flexible working is seen by employees as increasingly important. Flexible working is one of the attractive elements of teaching in FE, through the choice of full-time, part-time, evenings, or hourly work.

Signposting

LSIPs can plug into a range of resources provided by the DfE to support the development of local pathways to help the workforce transition into teaching and assessor roles in FE through its <u>Teach in FE</u> campaign. The campaign offers the opportunity for training providers to highlight available teaching opportunities and provides a range of support and materials for employees interested in teaching in FE.



Theme two

Help people have successful construction careers.

2.1 Attract more people into rewarding construction careers.

Issue

Construction workers are more likely to have found a job through their personal network and word of mouth rather than through competitive application. If workers without the right personal contacts don't get a chance to apply, industry misses their talent.

Intervention

Consider a Careers Awareness Plan with schools and colleges to ensure learners do not miss opportunities to enter high-demand local roles in the construction industry or other priority sectors through apprenticeships and other training. This plan should also engage careers changers, unemployed people, and hard to reach groups in partnership with key agencies such as Jobcentre Plus. The construction industry has developed a range of compelling digital resources to showcase exciting construction careers and how to join the industry. These resources emphasise industry's strengths, target messages at the right groups, and deploy different methods to attract recruits.

Signposting

<u>Go Construct</u>, the industry's careers website, had over a million views last year and provides accessible, digestible careers information and resources for anyone looking for a career in the industry, parents, or careers advisors.

<u>Talentview Construction</u> enables people to find first jobs, apprenticeships, and work experience. Individuals can select the areas they want to work, search for local opportunities, see the best way to apply and help employers find and contact potential new recruits directly. Employers can post vacancies, search for suitable local candidates, contact candidates directly and make contact with schools, colleges & training providers. Providers can connect students with employers looking

for new talent, promote apprenticeships, graduate roles, and career opportunities. Both these resources are already used extensively by DWP and the Careers Enterprise Company.

Go Construct STEM Ambassadors are industry role models who already represent the sector in schools, colleges, and careers events across Great Britain.

Ambassadors attend careers events (virtual or in-person) on behalf of their employer to share with young people what it's like to work in construction and inspire them to join the industry.



2.2 Increase apprenticeship starts and completions.

Issue

Apprenticeships are construction employers preferred route to train a new skilled workforce. The number of construction apprenticeships is back to pre-pandemic levels.

Intervention

Run targeted engagement campaigns to showcase the range of available industry and government support for employers in construction and other priority sectors. Campaigns could focus on those roles in most demand locally, aligning with training provider capacity to deliver high-quality apprenticeship experiences in more flexible ways that better suit employer needs. A range of funding and resources are available from industry and government to encourage more construction employers to take on an apprentice. ERBs should get in touch with CITB teams in their area to see what construction apprenticeship support is available to aid the implementation of their LSIP. CITB Engagement Teams provide dedicated apprenticeship support for employers, making the apprenticeship journey simpler and supporting employers with their needs from recruitment through to completion.

Signposting

Apprenticeship Levy payers can now transfer or pledge unused Apprenticeship Levy funds to other employers to pay for their apprenticeship training and assessment. Large levy-paying businesses who pay the apprenticeship levy can pledge up to 25% of their unspent levy funds to a business of their choice. Through this mechanism, employers can apply to receive a transfer of funds to cover 100% of their apprenticeship training and assessment costs.

We pay grants for approved Apprenticeships for Level 2 and above that focus on core construction skills needed across the industry through an Apprenticeship Attendance Grant of up to £2,500 per year and a £3,500 Achievement Grant on successful completion of an apprenticeship. Additional support is also available for employers with apprentices who are required to 'Travel to Train', reimbursing 80% of accommodation costs for those who attend colleges

or training providers where overnight stays are required. Businesses can also apply for apprentice travel expenses where the cost exceeds £30 per week.

The Department for Education has provided guidance on the <u>apprenticeship flexibilities</u> training providers can offer to encourage more construction employers to take on an apprenticeship. This includes how to shorten the duration of apprenticeships where an individual has existing relevant knowledge and skills.



2.3 Assist careers changers and construction returners.

Issue

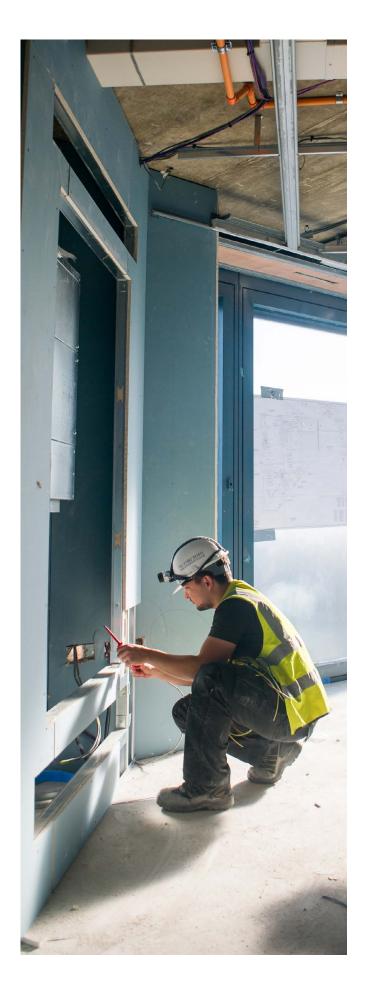
Bombarded construction employers need a one-stop recruitment shop to get the talented people they need to enter the construction workforce. Employers often feel confused by the range of interventions to support individuals to train and enter the workplace. Training needs to be relevant to individual employer needs and effectively balanced with work commitments.

Intervention

Partner with CITB to develop Onsite Experience Hubs as part of an LSIP to support career changers and returners from a range of backgrounds to enter the industry. By linking together employers, training providers, local authorities, LEPs, community agencies and other partners, hubs enable the development of employment and site-ready people from local communities.

Signposting

Onsite Experience Hubs are designed to provide a one-stop recruitment solution for construction employers on construction sites across England. These well-suited candidates can then be linked to employers' vacancies, and because they have gained some initial experience on construction sites, often with the recruiting employer, and have the necessary introductory training and health & safety credentials, they can be productive immediately. Onsite Experience Hubs are <u>already operating across</u> seven areas in England.



Theme three

Enable the industry to adapt and grow by meeting its future skills needs.

3.1 Target in-demand roles with bespoke skills and training support.

Issue

The construction industry is grappling with a huge challenge in building sector-specific skills to grow as it recovers from the pandemic. The large-scale re-skilling and up-skilling of the existing workforce will be crucial to increase productivity, modernise construction methods, create a digital evolution in the industry, and achieve net zero.

Intervention

LSIPs should align with the Construction Leadership Council's sector-wide <u>Industry Skills Plan</u> for construction to best meet the future skills needs of construction employers across their local area. As part of this plan, industry is developing a roadmap of the upskilling and re-skilling pathways the construction industry requires to meet changing future skills demands. In addition, a range of funded training interventions are available now to enable the industry to adapt and grow, from the leadership and management skills to drive change to the new knowledge, skills, and behaviours all construction roles will need to do this.

Signposting

Construction Skills Bootcamps, part of the National Skills Fund, are designed to support economic recovery and address skills gaps with free Level 2 and above construction training courses for adults (19 and over) for 16 weeks. Employers can work with training providers to develop and deliver Skills Bootcamps to support a wide range of training interventions to help the construction workforce upskill, re-skill and formalise qualifications.

CITB Skills and Training Fund aims to help micro, small and medium-sized construction companies to deliver high quality learning and development experiences to employees. Small businesses can apply for funding of up to £10,000, and medium-sized firms up to £25,000. It supports a wide range of training or activities that help to develop either construction skills or management skills.



3.2 Create an inclusive work environment with health and wellbeing at its core.

Issue

Women, minority ethnic groups, people with disabilities and those who openly identify as LGBTQ+ remain heavily under-represented in construction. For example, <u>CITB analysis</u> has shown that women make up 14% of the workforce and workers from ethnic minorities just 6% – despite respectively accounting for 50% and 14% of the total working age population. Physical health is given significant priority by the industry, but construction workers need greater mental health support.

Intervention

ERBs should ensure LSIPs contain measurable commitments for priority sectors to improve workforce diversity through training and recruitment programmes. In addition, employers should champion fair, inclusive and respectful workplaces. The industry's Fairness, Inclusion and Respect (FIR) programme can support this work. An open and inclusive environment within industry will help retain a skilled workforce and improve productivity through improved staff engagement and loyalty. It will also attract workers from more diverse backgrounds to join the industry.

There also needs to be a coordinated approach to rolling out mental health support across the construction industry that LSIPs can support. CITB has published comprehensive research outlining the coordinated approach needed to support mental health across construction. Poor mental health is inextricably linked to physical health, which in turn impacts performance and quality, and ultimately affects productivity, creativity, and morale. It makes the industry less attractive to work in, it makes businesses less profitable and damages their reputation. More importantly and tragically, it blights, and costs lives and means that many people are working while invisibly suffering from stress, anxiety, and depression.

Signposting

A <u>FIR Toolkit</u> to explain the principles of Fairness Inclusion and Respect has been developed by the construction industry's FIR programme for construction employers. It comprises e-learning programmes, toolbox talks and a resource library that is freely available to any individual or company who want to use it.

Building Mental Health, provided by the Lighthouse Club and Mental Health First Aid England, backed by industry, and funded by CITB, has helped train over 260 Mental Health First Aid Instructors. These instructors have, in turn, trained over 3,000 mental health first aiders in the construction sector.



3.3 Build skills to support the transition to net zero.

Issue

Construction and the built environment accounts for around 40% of UK emissions. Up to 95% of emissions from the built environment over the next 30 years could come from buildings that exist today. As a result, significant retrofit work will be required on around 27 million residential and two million non-residential buildings to reduce emissions over the next 30 years. In addition, the carbon impact of new homes and construction techniques will need to be reduced.

Intervention

The Construction Leadership Council (CLC) has developed the Construct Zero change programme and a performance framework to set out how the sector will commit to and measure progress towards Net Zero. LSIPs should actively support the development of the skills, capabilities and expertise required to support the industry transition to Net Zero. The construction industry and CITB is keen to explore opportunities to work collaboratively as part of LSIPs to pilot and roll-out new approaches to ensure the industry can grow new jobs and upskill the existing workforce to meet this challenge. In addition, there are a range of interventions already in place to support construction employers to benefit from opportunities in the green economy. CITB's Net Zero Action Plan explores how CITB will work with industry to meet UK Government net zero goals. The CITB report, Net Zero and Construction -Perspectives and Pathways, provides a steer on the skills and training needed to deliver retrofit, a major part of achieving Net Zero.

Signposting

The Supply Chain Sustainability School offers e-learning modules, various training resources and provides an online and in-person community for construction employers to improve their workforce's knowledge, skills, and behaviours in 'greening' the built environment. An employer can simply register and find out how the school can help their business gain a competitive advantage. A free Carbon Calculator aims to support employer supply chains to calculate greenhouse gas emissions embedded in their supply chains.

Go Construct and Talentview for construction help new recruits to find training opportunities supporting the industry's transition to net zero in construction. For many, particularly the younger generation, sustainability is just as important as job satisfaction and earning a good salary. It is vital that the industry showcases key opportunities in construction to meet the UK's net zero commitments. This can be achieved by highlighting roles in the industry such as <u>sustainability specialists</u>, <u>environmental engineers</u>, <u>ecologists</u> and <u>environmental advisors</u> in addition to the important contribution all roles in the industry will need to play.



3.4 Encourage digital adoption across construction

Issue

Construction employers need to understand the benefits of embedding digital practices to improve productivity and profitability. Margins are strained and wage costs going up, so it's vital to make use of technologies that relieve these pressures. CITB research has found that rather than having the skills for specific pieces of technology, underlying skills, and knowledge such as problem-solving, data skills and a broad digital literacy are the most important skills the industry needs to adopt. A purely top-down approach will not succeed in the sector without digitally enabling small and micro enterprises across the supply-chain.

Intervention

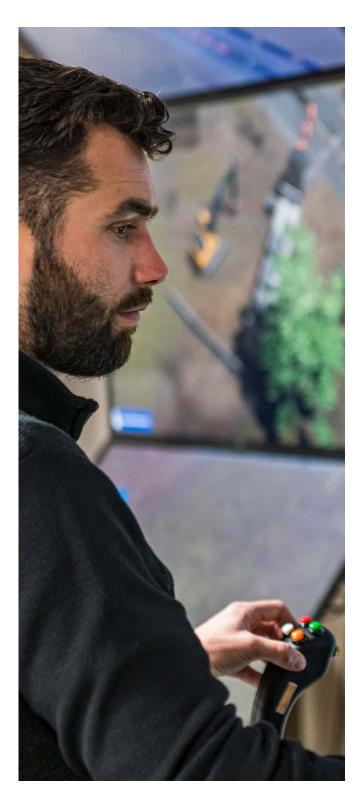
Work with the construction industry and CITB to ensure construction employers are aware of the benefits of digitalisation and have access to high-quality resources to support digital integration into their business model. This is about developing flexible attitudes, creative and problem-solving mindsets, and a range of other softer skills alongside an understanding of tech and data. CITB has a range of best practice models that LSIPs can adapt and share with construction employers in their area to encourage uptake.

Local employers can also work with industry through the Construction Leadership Council in the development of a cross-industry digital competency framework to meet future skills demand. LSIPs are an opportunity to foster conversations between local training providers and construction employers to signpost construction as a career destination for learners on already existing non-construction specific digital skills courses. This can be complemented by providers and employers coming together to discuss how existing courses can be modified to deliver construction-relevant digital skills, and how new courses can be created.

Signposting

CITB has set out for industry how construction employers and their workforce can be supported to develop the required approaches to successfully digitalise their approach to work in <u>Unlocking</u>
<u>Construction's Digital Future: A skills plan for industry.</u>

A number of <u>Skills Bootcamps</u> are available in digital courses such as digital leadership, coding, artificial intelligence and creative computing. CITB funds various projects offering digital skills and training, including <u>Digital - Supply Chain Sustainability School, Construction Digital Leadership</u> and thinking of digitalising your construction business? <u>Digital Construction Skills</u> are here to help.



ENDORSEMENTS

CITB and partners

CITB has been supported by the Department for Education (DfE) and the Construction Leadership Council (CLC) to ensure consistent best practice between employers, industry, government, and training providers is presented in this guidance.

Trailblazer pilots

In 2021/22 CITB worked closely with LSIP trailblazer pilots to offer support to help meet the construction and built environment industry's skills needs as a priority sector.

ERBs can provide value through the articulation of specific skills and jobs employers need, and how they are expected to change due to innovation. The LSIP itself is likely to identify areas for more detailed engagement between employers and providers. CITB can facilitate conversations with local construction employers and employer networks to do this.

Cumbria Chamber of Commerce

Local Skills Improvement Plan for Cumbria

As the lead ERB for Cumbria, the Cumbria Chamber of Commerce, focused a small number of priority sectors for in-depth activity. This includes the built economy, with CITB playing a leading role in supporting the activity in this chosen priority sector. CITB was one of seven ERB partners working on the LSIP through membership of the LSIP Employer Representative Body Group. Cumbria Chamber of Commerce established the group to ensure the plan is genuinely employer led, while working constructively with the range of stakeholders.

"Working with the CITB brought significant value to our LSIP Trailblazer. Although as a Chamber we have members in the construction sector, CITB brought engagement and trusted relationships with many more businesses in the sector, as well as their own specific knowledge and understanding of construction issues and opportunities. This provided a depth of understanding that we could not have achieved on our own. CITB worked with our ERB group to help drive the project and deliver a well-received and workable LSIP report which Cumbrian stakeholders are now implementing."

Suzanne Caldwell, Managing Director, Cumbria Chamber of Commerce

Doncaster Chamber of Commerce

Local Skills Improvement Plan for South Yorkshire

Doncaster Chamber of Commerce selected CITB as one of seven employer organisations to create sector specific case-studies based on employer engagement. This allowed the Chamber to reach businesses outside their networks and create new relationships.

"CITB have been a key partner in the development of the LSIP Trailblazer in South Yorkshire. Their evidenced based research and engagement with construction employers, in addition to their knowledge of the construction sector, has helped to develop an LSIP plan that will drive construction skills and training opportunities across South Yorkshire. We look forward to continuing this partnership over the next phase of the LSIP."

Daniel Fell, Chief Executive Office, Doncaster Chamber of Commerce



MORE ABOUT LOCAL SKILLS IMPROVEMENT PLANS

The *Skills for Jobs White Paper 2021* set out an employer-led approach aimed at making provision more responsive to local skills, labour, and economic needs. At the heart of this approach, LSIPs will determine how local provision needs to change to help people develop the skills they require to get good jobs based on current and future employer skills demands.

LSIPs aim to provide employers a stronger voice in shaping local skills provision, as part of a more dynamic partnership with Further Education (FE) providers, local leaders, and other stakeholders. ERBs will lead the design of LSIPs to clearly articulate employers' skills needs, and the changes required in local provision to meet them.

Statutory reforms have been introduced to ensure training providers respond to the needs identified within LSIPs, outlined in recently published government guidance to support ERBs in their design.

Based on this, LSIPs offer a lasting opportunity to develop local skills systems that are more responsive, increase collaboration, and ensure skills provision is more accessible. For this approach to be successful, LSIPs will need to drive employer engagement, especially amongst SMEs, in skills development and training.

