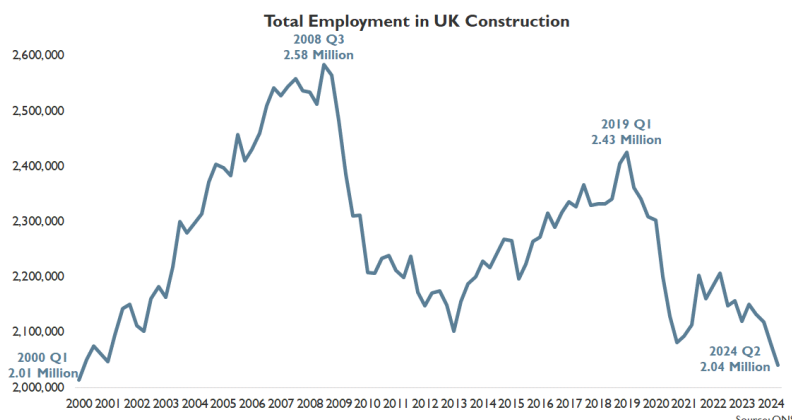


Aligning Education to Deliver Construction Skills

The Construction Sector directly employs 7% of the UK workforce

Construction workers are crucial to delivering economic growth, reforming healthcare and education, upgrading existing buildings, preserving our heritage, delivering safety, hitting net zero targets and meeting ambitious housing targets.

The sector is heading into a major skills crisis the likes of which we have never seen – this is not to be likened to previous shortages as now there is no ability to flex through immigration to alleviate it.



UK construction has lost nearly 350,000 workers between Q1 2019 and Q1 2024 - apprenticeship starts averaged 31,000 per year in the last 5 years and the dropout rate is over 40%.

We need a radical and urgent overhaul of skills provision to address this.

“Of all the issues that Westminster has neglected, technical education stands out.”

Andy Burnham, Mayor of Greater Manchester Combined Authority

Reforming our approach is about more than delivering for construction, it is about enabling construction to contribute effectively to socioeconomic growth in the UK. Construction is well paced to support:

- Social Mobility:** Construction is the second highest sector in terms of remuneration, it offers genuine and exciting career opportunities to individuals from all backgrounds, most notably, but not exclusively those following a technical education route
- Lifelong Learning:** Significant focus within the sector on careers and progression means individuals have the full range of possibility if they join the sector whether it be high paid skilled work or progression to management or business ownership.
- Regional Focus:** Construction is by nature a Regional Sector and can support wealth creation across the UK
- Economic Recovery:** By addressing skills gaps and promoting in-work skills development construction can support Government’s ambition to support economic recovery and reduce regional disparities
- Delivering Net Zero:** A new approach to managing both the embodied carbon of construction and the operational efficiency of buildings is fundamental to hitting net zero, but inherently reliant on attracting and effectively training the workforce.

The current situation

Construction is facing a major skills shortage due to a lack of new entrants, problems with suitability and quality of skills of new entrants, changes in immigration rules, erosion in the availability and quality of provision and some deep-rooted cultural challenges.

This shortage has increased project cost and will limit the sector’s capability to meet demand moving forward unless urgently addressed. The Construction Industry Training Board (CITB) calculates that at least 225,000 additional construction workers will be needed by 2027 to support anticipated growth.

The Finishes and Interiors Sector works within construction employing roughly 280,000 workers, 180,000 as skilled site workers. Every year we lose around 7,400 trade workers to retirement. Over and above this, data collected by CITB suggests an additional 6,000 workers need to be recruited per year. That means (in our part

of construction alone) we need to attract the equivalent of 12 Secondary Schools per annum. Changes to immigration rules exacerbate this with around 40% of site workers being from overseas.

Core Concerns:

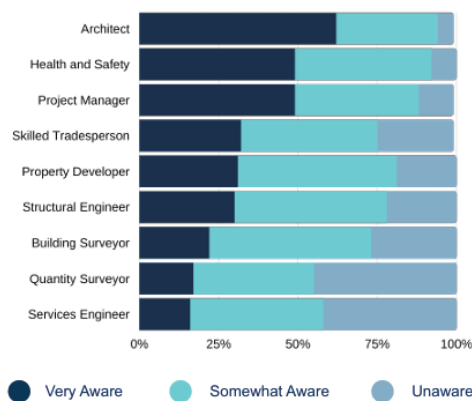
The Educations system is not meeting industrial needs.

There is a huge disconnect between schools and industry. Kids are leaving school without an appreciation of what construction is and contributes – we need at least 10% to want to work in construction. This means we need to instil an appreciation of all of the opportunities that construction offers.

There is a need for better schools careers advice and improved co-ordination of business programmes to engage with schools, students and their parents. As it stands, the process is too fragmented. There is no formal, consistent or clear way to deliver careers advice in any part of the UK.

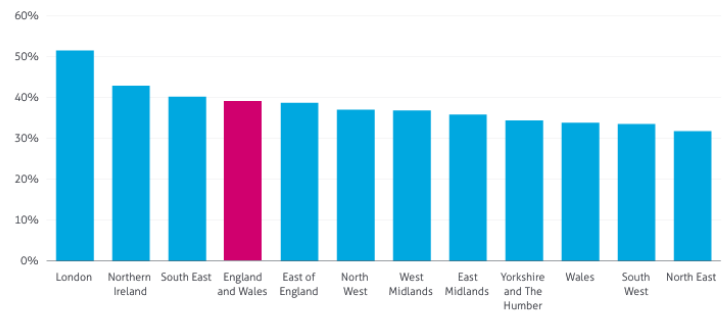
Perhaps worse, in post 16 education in schools, decent careers advice seems to be given less of a priority than driving the UCAS process which primarily targets consideration of degree options. We are failing the majority of young people that do not decide to go to University in this process.

How aware are you of the following roles?



Source: *Stace Next Gen 2022* - The Stace Next Gen Index is based on interviews with 810 people aged 16-18, living throughout the UK.

Figure 2 School leavers' entry rate to higher education by region, 2021



Source: Institute for Government analysis of UCAS end-of-cycle data resources, 2021. Note: Data from the Universities and Colleges Admissions Service (UCAS) covers the majority of higher education provision in England and Wales but is not comprehensive. Scotland is excluded from the analysis because of significant non-UCAS provision.

We have also seen significant reductions in numbers studying subjects that have traditionally supported construction recruitment. The number of students entering Design & Technology (D&T) qualifications has declined considerably in recent years. In 2009, there were 280,000 total GCSE D&T subject entries – but by 2020 this had fallen to 136,000. This is now seen as a dying subject and unnecessary overhead for schools which sends out absolutely the wrong message to children and hampers ability to recruit teachers. Teacher recruitment for D&T met just 23% of its overall target in 2021/22. There are currently fewer financial incentives on offer for D&T teachers, compared to other subjects such as maths and physic

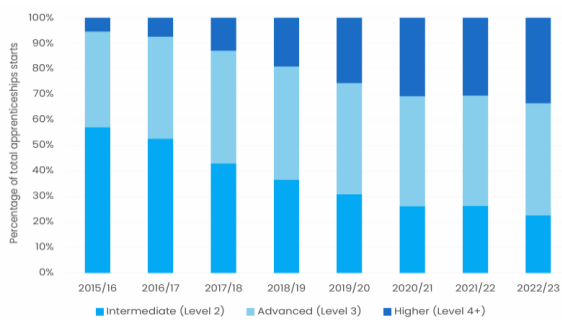
Apprenticeship Policy has focussed on higher level and degree apprenticeships at the expense of modern construction apprenticeships.

Despite ambitious targets, apprenticeship starts have fallen since 2017 in every region, across most trades and for almost every age group since 2017, but most dramatically for under 25's. Across all sectors, between 2017 and 2023, apprenticeship starts for under-19s declined 27% and by 13% for the 19-24 age group. The average apprentice is now over 25 and studying for a higher or advanced level apprenticeship. Only one in five apprenticeships is in a shortage occupation and construction trade apprenticeships have been amongst the hardest hit.

The focus on higher level apprenticeship in policy is positive, but it has been at the expense of Level 2 and 3 apprenticeships that are needed in the construction sector.

Figure 8: Apprenticeship starts by level

Source: House of Commons.¹⁰



96% of the apprenticeship budget is now being spent – up from 79% in 2017.

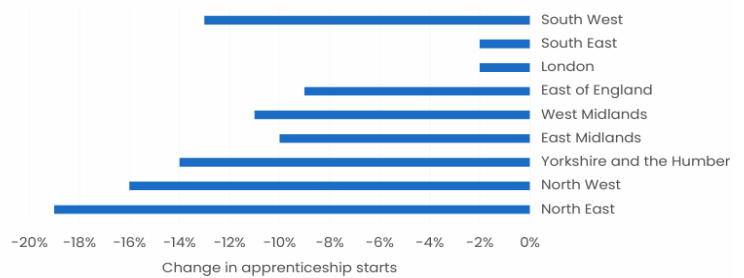


Figure 3: Change in apprenticeship starts by constituency 2022-23 compared to 2017-18

Source: House of Commons.¹¹

Investment in Further Education Colleges is simply not delivering for the sector

We are training people we don't employ. Vast numbers are studying construction related courses, but the significant majority do not go on to work in the construction sector.

- According to data from the Electrical Contractors Association: Classroom-based electrical courses do not produce qualified electricians - less than 10% of learners progress into an apprenticeship.

Across construction it is estimated that less than 20% of FE College learners studying for a Diploma end up working in any capacity in the sector.

This is compounded by salary levels of tutors in college limiting the pool that can be recruited.

It is further undermined by the need to “optimise” funding associated with a student engrained in the education system by retaining the students on Diplomas (that do not deliver a recognised vocational outcome).

The whole system of post 16 education is distorted by the competition for funding, at times to the detriment of the young people our system is trying to support and their future employers.

Gender imbalance is impacting the sector's competitiveness.

The recent Rethinking Recruitment report from CITB reveals that women make up only 14% of the total workforce, a figure that falls to just 3% in frontline, site-based roles. Members of ethnic minorities also account for a mere 6% of the workforce despite comprising 14% of the wider working- age population.

Recommendations:

A well-funded National Careers focus is essential careers guidance is fragmented and the majority of kids leave school without a clear understanding of the range of job opportunities available. There are a myriad of websites funded through local authorities most offering generic, superficial information that don't connect to local job opportunities. Each school seems to adopt a different, inconsistent approach that at best engages a handful of local employers. Work placement programmes are seldom communicated to local employers in a structured way and in this chaos so many good opportunities are missed.

“High quality careers education, information, advice and guidance is vital to ensure young people can access jobs that suit their talents and aspirations. For those from lower socioeconomic backgrounds, this advice is particularly important, as they are less likely to have access to support from family and friends, or to have networks which provide an insight into a wide range of career options. Accessing independent and impartial advice on education, training and career paths is therefore a central plank of social mobility, empowering young people to make informed decisions about their future pathways.”

Ensure vocational skills are embedded and appreciation of key sectors is built into the curriculum across all subject. A structured approach to career guidance should encourage industry involvement and schools engagement. We recommend, through Skills England, establish careers forum with industry working groups that help to target a sectoral relevance in individual subject areas, bringing a more practical approach to learning that embeds appreciation of (in our case) the built environment and the design and construction process. This could also help bring individual “traditional” subjects to life by demonstrating relevance in real-world situations. This will also help to break the stereotype that construction is only for people who can’t go to University.

The approach Greater Manchester is embarking on recognises two-thirds of school leavers are being let down by an education system not designed for them. The Greater Manchester Baccalaureate – a new technical education pathway starting at age 14 designed to connect young people with high-quality opportunities across the fast-changing economy of Greater Manchester is encouraging. The concern with consultation on this thus far is linked to a fundamental misunderstanding of why construction qualifications are categorised as L2 and a misconception that this in some way means that they are not delivering opportunities at the right level.

Recognise the specificity of the construction skills landscape. Currently there is an academic fixation with L3 qualifications, this has the potential to undermine the importance of entry level qualifications in construction targeted at L2. These qualifications provide an essential gateway into productive and rewarding careers and should not be undermined in policy or funding decisions. Key to encourage employer investment and maintain interest of young people is to prioritise getting them productive fast.

Current qualifications are too rigid. Modular learning products should be developed structured to get apprentices and trainees productive more rapidly. Apprenticeships could be available through a number of learning channels (including online resources) and be combined with short courses used for individual upskilling short courses to accumulate a qualification over time (in a process similar to MBA courses).

Help break stereotypes that become self-reinforcing. Gender bias in construction needs to be addressed in early ages to ensure that the sector is not dismissed by those at working age due to misconceptions. Promoting the construction sector to young people, at an early enough age, will help to ensure that there is diversity across the sector, including attracting more women and ethnic minorities.

D & T should be reinstated as core subject, introducing a better pathway to technical careers. Local employers should be encouraged to support project-based work in these subjects to help address immediate teacher shortages.

Within this subject there should be greater focus on construction design. Consideration should be given too to implementing the House of Lords Built Environment Committee recommendation to create an English Built Environment GCSE to inspire the next generation of construction workers.

Parity of Esteem for technical education and apprenticeships is essential: Only when we achieve the parity of esteem between academia and apprenticeships will we be consistently able to attract the people we really need. Beyond the lack of structured careers support, the sixth form year is still built around the UCAS process which primarily funnels students to University – degree apprenticeships get mentioned, but traditional apprenticeships are still seen as the domain of the failing. Equivalent attention needs to be invested in presenting vocational pathways and investment is required to support apprenticeships so that a “clearing” system helps to match interested candidates with appropriate apprenticeship options in the local area. The full range of options should be presented through UCAS “clearing”, not simply a process of trying to funnel people onto another degree course where less good grades are required.

Support and funding for FE sector should be targeted courses that lead to jobs. It is vital that public funding prioritises industry-endorsed routes which lead to qualified workers status, including apprenticeships, NVQ and experienced worker assessments. A review of the focus on Diploma’s delivered through the Further Education is essential

The construction industry requires a range of skills which T levels, apprenticeships and work placements can provide, the approach to delivery is scattergun. There needs to be more work done to connect employers with colleges to raise awareness of the range of options and ensure effective work placements are delivered. Within this it is vital for construction that we address the myths regarding offering site-based experience due to perceived H&S considerations.

Competent teaching is a major challenge for quality provision. Where provision is available it is vital that the competence of teachers is sufficient to deliver at the right quality level. More incentive is required for seasoned industry professionals to teach by offering free conversion opportunities and benchmarking pay by industry levels.

To support provision of all qualifications teaching materials should be developed and tested before being made available for national uptake to arrive at 'blue-printed' solutions that avoid duplication of investment.

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