



28 November 2017

Mr James Dornan MSP
Convener
The Education and Skills Committee
T3.40
The Scottish Parliament
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Dear Mr Dornan,

RE: School infrastructure inquiry - Update

Further to your letter of 3rd October to Mr James Wates, the chair of the CITB Board, I am pleased to provide you with an update on our work, and address the specific recommendations contained within the Committee report.

As you will be aware, CITB fully supports the conclusions of the Cole report, and agrees with the importance of ensuring that workers have access to training which reflects modern construction techniques.

I can confirm that we have been collaborating with Skills Development Scotland to feed into the agreed set of wider actions currently being developed by Construction Scotland.

With regard to the specific recommendations produced by the Committee;

Recommendation 1: *The Committee recommends that the Scottish Government continues to support the CITB and the SQA to update training courses and qualifications in response to the Cole Report process and reports back to the Committee once it is complete.*

Professional Development Award (PDA)

Quality assurance in Scotland, for SQA approved qualifications, is led by SQA, to ensure that the training delivery is in line with the qualification specifications. SQA does this through its centre assurance process. Their 2016 report states:

The evidence generated by external verification activity for academic year 2015– 16 confirmed that all centres had an effective understanding of the national standards outlined within the NPA in Construction: Bricklaying units.

Staff at all centres set high standards for practical brickwork and supported candidates well.

The Professional Development Award (PDA) in Bricklaying (the training qualification used within the Scottish Modern Apprenticeship in Construction for apprentice bricklayers) was formally reviewed by SQA, assisted by CITB, in September 2016.

Contained within the qualification is a unit which specifically details the use of wall ties and how the ties are to be used in accordance with current building regulations.

SVQs/VQs

As part of CITB's role as a Sector Skills Council, we undertake regular reviews of the SVQs/VQ structures, to ensure that they reflect current standards and meet employers' needs.

The 9 craft SVQ qualification structures (including bricklaying), which are based on National Occupational Standards (NOS), are currently being reviewed, starting in Scotland as a result of changes made by SQA's regulatory practices.

In particular, one area that will be looked at in some detail is the installation of brickwork and associated ancillaries and brickwork components and accessories.

Once this review is completed, the PDA, which supports the underpinning knowledge for the SVQ, should be updated to reflect any changes made to the SVQs.

Recommendation 2: The Committee recommends that as part of its response the Cole Report, the Scottish Government explore with representatives of the industry, trade unions and Skills Development Scotland how to retain experienced bricklayers in the industry and attract more young people into the trade. In this light, the Committee recommends that the Scottish Government work with stakeholders and Scotland's skills agencies to ensure that training is available to meet demand in the coming years.

Construction Skills Network, 2017 - 2021

On an annual basis CITB, working in partnership with industry stakeholders, publishes the Construction Skills Network (CSN) report. This report provides a five-year forecast of labour market demand across all occupational sectors of construction and is based on predicted levels of Scottish construction output. This enables CITB to identify skills and training needs and work with industry partners to address these needs. Key figures include;

- All sectors, with the exception of infrastructure and industrial, are expected to experience growth.
- The housing sector will see both public housing (1.1%) and private housing (2.0%) on the up. Repair and maintenance of existing buildings is also expected to grow, with a year on year average rise of 1.1%.
- Due to the dip in projected output, a small drop in overall employment of 0.8% is expected.
- Despite this, Scotland needs 12,000 new construction workers (over and above Modern Apprentices coming through the system) to meet demand.

CSN for 2017 - 2021 can be found [here](#).

The refreshed report, looking at 2018 – 2022, will be published early next year and we will ensure that it is shared with the Committee.

Bricklaying support

CITB works with the educational supply chain within Scotland to ensure that training matches the demand side of recruitment. During the recession the training delivery network reduced the supply of courses as demand declined. However since we have come out of recession the supply side of training has kept pace, with a natural lag due to teaching timescales, with demand.

CITB, in its direct recruitment of bricklaying apprentices, has seen year on year increases since 2012 when industry began to make a delicate recovery after the economic downturn.

Year	Apprentice Bricklaying Starts in Scotland
2012	45
2013	77
2014	98
2015	142
2016	154

Given that an MA in bricklaying can take four years to complete, there will be a natural lag in time until they are in the industry.

CITB is not reporting a lack of training provision places for bricklayers. What we are seeing is a lack of uptake of the training vacancies available, combined with a lack of employment opportunities being made available for apprentices. Apprenticeship bricklaying vacancies must be linked with employers demand for new entrants.

With this in mind, CITB has commissioned research to look at skills needs at the regional level in Scotland. The first of its kind, the *Scotland Skills Analysis* is expected to be launched in early 2018 and should offer greater insight into regional needs, what provision is available to meet those needs, and ultimately prioritise CITB support. This will inform the careers work delivered by Go Construct (see below).

An early example of how this regional approach can benefit industry was through a jointly funded project with ASET Training Academy to establish a scaffolding training centre in Aberdeenshire last year. Since opening, there has been a 40% increase in scaffolding apprentices trained in the North of Scotland.

Recruitment and Training in Scotland

While we agree that there continues to be a challenge in recruitment into the industry, it needs to be put within the context of the significant growth in apprenticeships numbers within construction which has occurred in recent years;

- In 2016 CITB Scotland directly delivered 1,925 Modern Apprenticeships, the sixth consecutive year of growth.
- The Construction & Related Apprenticeships framework was responsible in 2016/17 for 23% (5,934) of all Modern Apprenticeship starts, making it by far the most popular destination for young people undertaking an apprenticeship in Scotland.

However, in five years' time, around 10% of the industry workforce will have retired. Over the next decade, that total figure will be closer to 20%, at nearly 31,000 people.

Go Construct

In order to meet the recruitment challenge, we must look to attract more people into construction both through apprenticeships but also through new entrants, graduates, career changers and workers returning to the industry after the economic downturn.

There are over 150 different occupations within the construction industry. These range from joinery, plastering and bricklaying through to management, surveying and civil engineering.

However construction continues to struggle to attract a workforce which is reflective of modern society. Overcoming preconceptions about the industry, and societal barriers will be crucial if we are to attract the best and the brightest.



In conjunction with industry, we have launched www.goconstruct.org to make it easier for people to access information on how they can join construction and tackle some of the stereotypes about the sector.

Our [Construction Ambassadors Network](#) gives young people the chance to hear about the industry directly from those working in industry.

Aligning Funding to Workforce Skills

Alongside the need to train a new generation of construction workers, the sector also needs to develop the existing workforce if employers are to maximise future opportunities.

Both CITB and the wider sector have a role to play to encourage CPD to ensure that the workforce is sufficiently trained and not just qualified.

CITB's future approach to ensuring that skills training/CPD is readily available and meets the needs of the sector will be to introduce a set of training standards. These will be written by industry, delivered by the training delivery network and automatically linked to grant aid, through CITB approved providers, for those companies that are eligible to receive it.

The implementation of these CITB approved standards will ensure that the right training standards are made available and keep pace with changes within the sector.

Recommendation 3. The Committee recommends that the SQA and CITB meet with the SBF to discuss the new SVQ qualifications and take on board any remaining concerns the SBF may have.

As a result of a wide and detailed consultation with employers in Scotland, over 95% of construction employers told us they wanted to retain the skills test as a part of the SVQ. As a result of that consultation the Skills Test, newly regulated by SQA, is now formally incorporated within the SVQ award for all nine craft apprenticeships.

After that consultation CITB ensured a set of nine refreshed craft Scottish Vocational Qualifications (SVQ) were approved by SQA and included in newly refreshed Modern Apprentices frameworks which were presented and approved by the Modern Apprenticeship Group (MAG) in August ready for the new intake of apprentices.

The duration of the apprenticeship continues to be protected so that it can only be gained over a four-year period for new entrants. The refreshed framework will ensure the continued high quality training of apprentices.

CITB has improved its operational processes for the payment of grant and although mandatory registration with either SBATC or SPADAC has been removed for employers wishing to access CITB grants, we still recommend that they register with one of the bodies.

Both can provide advice and support on a range of issues to employers that are not within the remit of CITB, including enhanced terms and conditions for MAs beyond those set out by the Scottish Government.

Update on CITB

I thought it may also be useful to provide the Committee with some additional updates which have occurred since our last correspondence.

Consensus

We recently concluded our triennial consensus vote by industry to continue the construction levy. 14 federations and 4,000 non-represented employers were asked whether or not they support the proposed levy rate.



Final results from the independent employer survey and responses from Consensus federations reveal that 76.9% of employers across Great Britain support the Levy, representing 69.7% of the total value of Levy paid in.

The proposed Levy rate is planned to be set at 0.35% for all PAYE employers, down from 0.5% in previous years. The subcontractor NET CIS rate remains at 1.25%.

A full breakdown of the results can be found [here](#).

While we have been backed by industry, we heard and agree with the calls to reform, and are committed to modernising our organisation by renewing governance, ensuring accountability and improving outcomes.

ITB Review

The [Industrial Training Board \(ITB\) review](#) recently published by the UK Government's Department for Education set out a number of key challenges to CITB, not least the need to modernise, reform and develop new, more efficient and effective ways of support industry.

The ITB review was clear that CITB needed to focus on core business, become closer and more responsive to the needs of the construction employers and more accountable Governance.

In response to the ITB Review, CITB published its [Agenda for Change](#) which sets out six key outcomes we will deliver in the next 12 months to tackle our sector's skills issues.

Vision 2020: The Future CITB

In response to both Consensus and the ITB Review, we recently announced [Vision 2020: The Future CITB](#) which outlines our future offer.

Vision 2020: The Future CITB is a strategy that will shape CITB over the next three years into a simpler, more streamlined organisation. We will become a commissioner of outcomes that delivers the industry's core priorities.

The future CITB will use levy money to ensure a sustainable training and development market, only intervening to provide a service where it is unavailable on the market, or not to the quality level that is sought. We are very much in the early stages of developing these proposals, and we will be happy to keep the Committee updated on how they progress.

MA Recruitment 2017/18

I am pleased to report to the Committee that our direct delivery of Modern Apprentices under the new qualification arrangements in Scotland has so far seen a 4.3% increase compared to the same period in 2016/17.

My team and I would be pleased to further discuss any element of the above with you and the Committee or our broader role in supporting careers, standards setting and training and development across construction in Scotland.

I look forward to hearing from you.

Yours sincerely,

Sarah Beale
Chief Executive

Cc James Wates, Chairman, CITB