

## CITB-ConstructionSkills Wales response to the Enterprise and Business Committee's Inquiry into Apprenticeships in Wales

### Introduction

CITB-ConstructionSkills Wales welcomes the opportunity to provide evidence to the Enterprise and Business Committee on Apprenticeships.

CITB-ConstructionSkills is the largest representative body of construction employers in Wales, representing around 10,000 construction companies. Over 4,000 construction firms are actively involved in our networks, including through our Regional Construction Fora in South East, South West and North Wales.

As an Industry Training Board, CITB-ConstructionSkills is the lead provider for Construction Apprentices in Wales. Our own levy monies are invested in Apprenticeship training, and we are forecast to fund £4 million in Apprenticeship Grants directly to employers this year in Wales. Our training provision is highly rated by Estyn; the Managing Agency was placed near the top of the Work Based Learning Providers inspected in 2011.

As the Sector Skills Council for Construction, we represent every part of the construction industry in Wales, from architects to bricklayers, are we therefore feel we are ideally placed to comment on Apprenticeships in the sector.

We have consulted directly with our members and stakeholders from across Wales in drafting this response in order to reflect their views, through our three Regional Fora and our our Wales Construction Skills Group (WCSG). Members from the professional services group, CSN, Qualifications Advisory Group and Traditional & Sustainable Building Group are all represented at our WCSG, ensuring that views are heard from right across the industry.

### Response

**How effective is employer involvement in the apprenticeship system in Wales? Has this changed as a result of the current economic circumstances? Are employers able to find sufficient numbers of young people with the skills and aptitudes that they require? Do relationships between employers and training providers work effectively? Are apprenticeships still limited to certain sectors?**

A report released in October 2011, which was commissioned by ConstructionSkills and funded by Welsh Government's Sector Priorities Fund Pilot (SPFP), *Skills Provision for the Construction Sector in Wales – Research to inform Transformational Change*, found that the majority of employers (just over 80%) are satisfied with existing external training provision.

Among those employers indicating barriers to accessing external provision, only 6% of reasons given were due to the lack of local training provision and a further 7% due to the lack of relevance of existing training provision.

With industry having been through a particularly challenging period, with a 3% decline in quarter one of 2012, it is positive to note that the latest CSN (Construction Skills Network) LMI research report on future activity and labour demand is forecasting growth over the next five years, with overall labour demand forecast to increase by 12% in the period.

During the down-turn, industry demand for Apprenticeships in Wales has held up better than expected. The *Skills Provision for the Construction Sector in Wales Report* found that two

thirds of employers have either maintained the amount of training they are doing or have actually increased it during the recession (10% of employers). Around a third of employers have reduced overall training levels, with job-specific and technical training as well as Apprenticeships being cut back.

While providers and employers are happy with current provision, this is based on employers' past and current demands for training and does not necessarily take into account how training needs will change in response to emerging and future drivers of change. The issue of gaps within provision needs to be further explored with consideration to which skills employers feel they are likely to need in the future as result of changes underway across the construction sector. This will need to take into account emerging skills required in response to the low carbon agenda and the development of new technologies for energy efficiency and improved processes for more efficient construction.

The report also highlighted the industry's view that there needs to be a more tailored and demand-led approach to training provision. As both an Industry Training Board and an SSC, CITB-ConstructionSkills can bring together significant sectoral and management experience; knowledge that can be brought to bear on the issue of transforming learning provision in Wales.

As a training provider we have excellent relationships with our employers. Our training provision is particularly highly rated by Estyn; the Managing Agency was placed near the top of the Work Based Learning Providers inspected in 2011. Construction employers tell us that we provide effective help and support through our role as a Sector Skills Council and Industry Training Board. For instance, Jones Bros has commented: "Our plant operator's Apprenticeship scheme is run through ConstructionSkills and we would like to continue this way as we appreciate the accreditation and support we get through this organisation."

Our employers are clear that it is crucial that the construction sector, through CITB-ConstructionSkills, manages work-based learning, to the benefit of both the industry and Apprentices. CITB-ConstructionSkills is able to offer the full skill set required by the construction sector, and has been central in promoting work-based learning and actively supporting initiatives such as National Apprenticeship Week. Our employers are therefore committed to widening the availability of Apprenticeships, and look to CITB-ConstructionSkills for support and accreditation.

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### **Do social enterprises make effective use of apprentices?**

Engagement by social enterprises in Apprenticeship schemes is in its early stages, but there is a clear wish to engage with Apprenticeships. The concept of a social enterprise Apprenticeship has the potential to assist in developing capacity within the sector and providing the skills that will be required to move the sector forward.

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### **Has the number of apprentices employed by local authorities, and the public sector generally, increased or decreased? Should the public sector be recruiting more apprentices?**

Anecdotal evidence suggests that there has been an increase in the number of Apprentices in the public sector, and there are examples of local authorities developing Apprenticeship programmes as part of their broader training strategy; for instance, Flintshire County Council's work with Deeside College. However, there is a lack of robust evidence to identify whether this increase is over and above the number of Apprentices that would already have been recruited regardless of the influence of factors such as social clauses.

There has also been a greater move to Direct Labour Organisations (DLOs) by local authorities which, although providing more Apprenticeships, do not provide wider skills and career enhancement.

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**The Welsh Government is encouraging Community Benefits clauses in public sector contracts which can be used to promote the employment of trainees and apprenticeships. Is this an effective mechanism for increasing the numbers of apprentices?**

Sustained demand for Apprentices is attributed by industry to a combination of social clauses being applied more vigorously within public sector procurement, and by the strong tradition within the sector in Wales to Apprenticeship training. Community benefit clauses are a good way to leverage a significant amount of training and employment opportunities as part of the procurement process.

The current emphasis placed on awarding a contract to the lowest cost supplier rather than on best value for money by public sector organisations does not take into account the real financial value of community benefits such as skill development and Apprenticeship placement targets, which our members believe are an effective mechanism for increasing Apprenticeship numbers.

Many Welsh construction companies already have a strong commitment to ongoing training and Apprenticeships, and wish to see a recognition and further encouragement of investment into the communities in which they live and work in the evaluation of tenders. Unless there is positive recognition then these types of investments will be marginalised or not made at all.

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**What is the average profile of an apprentice, for example age, gender, employment sector? Is this profile changing and, if yes, what are the reasons for this? The National Training Federation for Wales reports that the average age for an apprentice is 26. What are the reasons for this? Are apprenticeships generally successful from the perspective of the apprentice? Have apprenticeship completion rates changed in recent years? In practice, are apprentices guaranteed a job at the end of the apprenticeship?**

CITB-ConstructionSkills promotes careers in construction to adults and young people, both women and men, through a range of initiatives. As well as our involvement in the Women in Construction network, we work directly with schools to promote careers in construction through construction awareness days. Pupils are able to try their hand at a range of construction based activities from bricklaying, tiling and carpentry, through to recycling, highlighting the different career paths available to young people in the industry and reinforcing the message that construction is a viable career choice for women as well as men. Despite this, Apprenticeships in the sector are still predominantly taken up by men.

Generally the Apprenticeship experience is a positive one for the vast majority of Apprentices and employers. Completion rates have risen over recent years, partially due to the flexible nature of delivery, and Wales performs particularly well across the UK on comparative Apprenticeship completion rates. Most Apprentices maintain employment at the end of the Apprenticeship. It is becoming more common for graduates to be attracted to an Apprenticeship route, although this can cause funding support issues.

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**Do Careers Wales and Jobcentre Plus provide effective support for people wanting to find apprenticeships? Does the new Apprenticeship Matching Service, run by Careers Wales, work effectively?**

Our stakeholders have said they find that the Apprenticeship Matching Service provides a flexible recruitment process for employers and potential Apprentices in an efficient way. It also provides a good marketing tool that increases the understanding and profile of Apprenticeships. The Matching Service is a positive move which will hopefully develop further and demonstrate its effectiveness in due course.

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**Why do young people decide to be apprentices? What factors influence their decision?**

An increasing number of young people decide to become Apprentices as they wish to take the 'earn while you learn' approach. This is particularly the case because of the high number of young people not in employment; Apprenticeships not only offer a paid job but boost young people's self-esteem. Apprenticeships offer a clear route of progression within the construction sector, with a number of young people successfully progressing from an Apprenticeship to higher achievements.

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**Are apprenticeships an attractive option for young people of all abilities or are apprenticeships seen as a second best option compared with higher education? Are attitudes changing and if yes, what are the reasons for this?**

There is still disparity of esteem between Apprenticeships and Higher Education, but attitudes are changing as a result of the successes of Apprenticeship programmes and the options available for Higher Apprenticeships. The increase in Higher Education tuition fees across parts of the UK and the lack of graduate jobs is likely to have a further impact on attitudes towards Apprenticeships. Although Apprenticeships are open to all abilities, a realistic expectation must be maintained as to the attitude and skills that are required of a learner to succeed as an Apprentice.

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**Are apprenticeships fully understood by those who have most influence on the choices of young people for example parents/carers, careers teachers in schools, teachers generally?**

Apprenticeships are traditionally viewed by some as a 'lower achievement' option, with the experience of our stakeholders across Wales suggesting that there are outdated opinions and a lack of understanding of the Apprenticeship programmes amongst many of those who influence the choices of young people. We would urge that career options be presented to young people in a totally transparent way that allows learners to find the best route for them.

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**Is there too much complexity and choice of programme?**

There are instances where there is too much complexity and choice, but this can be resolved through good support and advice.

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## **How effective is Welsh Government policy on apprenticeships? How does its policy of apprenticeships fit into its wider economic and skills strategies?**

In Wales, CITB-ConstructionSkills has been awarded a contract and receives funding via the Work Based Learning contracts to deliver Apprenticeships, which is procured by the Welsh Government and is supported by the European Social Fund (ESF). CITB-ConstructionSkills is proud to support the Welsh Government on highly successful initiatives, such as the Shared Apprenticeship Scheme and Pathways to Apprenticeships. The great successes gained through these initiatives are testament to what can be achieved through Apprenticeship programmes.

Wales leads the way across the UK in its support for and promotion of work-based learning. Despite this, although we recognise that in challenging economic times spending is constrained we feel that budget for post 16 education and training for the construction sector could be better utilised.

There is a strong tradition and commitment within the sector in Wales to Apprenticeship training. During the down-turn, industry demand for Apprenticeships in Wales has held up better than expected, with Foundation and Modern Apprenticeship starts for 2011-12 forecast to be nearly 900 when only funded for 650.

With demand for construction Apprenticeships growing unexpectedly this year and a cap on our contract with Welsh Government, at the end of the financial year we turned down employers wishing to take on Apprentices. CITB-ConstructionSkills was losing money on the contract, resulting in us planning to further restrict recruitment in 2012-13. At the end of the last financial year we had 70 Apprenticeship placements that we could not fund, primarily due to a reduction of 10% in our 2011-12 work-based learning contract. This included Jones Bros Civil Engineering UK, for instance, a company with its head office in Ruthin, who were unable to take on an additional six young Apprentices in Wales before the end of March. Examples such as this are an "opportunity missed" to secure employment for young Welsh people looking for work.

Our employers are clear that this cap on the number of construction Apprenticeships as an outcome of the cut in our Work Based Learning contracts is damaging to the sector, and must be addressed immediately. We have worked for a number of years to promote and highlight the benefits of Apprenticeships, and this capping of numbers runs counter to the recent efforts of the industry, with the backing and partnership of the Welsh Government.

Our employers welcome the Deputy Minister for Skills' statement in Plenary on 24 April:

*"I am looking to SSCs to be actively engaged with employers in Wales to make sure National Occupational Standards remain relevant, and in order to ensure the content of apprenticeship frameworks reflects evolving employer needs. Sector approaches are important, but central to our approach in Wales is engaging with employers one-to-one, working to understand their needs and providing a credible response".*

However, we would urge the Welsh Government to act on the advice of construction employers and respond to their training needs in addressing the capping of construction Apprentice numbers as a result of the cuts to CITB-ConstructionSkills' Work Based Learning contracts. With the current high levels of young people not in education, employment or training, now is the time to offer meaningful job opportunities to our young constructors and steer them away from a life of unemployment.

As the Industry Training Board for Construction we would welcome a greater parity of opportunity between the Further Education and Work Based Learning Apprenticeships.

Under the current system, a learner wishing to pursue an Apprenticeship in Construction can be turned away from an Apprenticeship opportunity yet still access a full-time Construction College course.

We are also conscious that the industry in Wales is demanding more flexible Apprenticeships together with a desire to make the Level 3 Apprenticeship the new 'norm'. This pressure has resulted in a continuing trend for more of Apprentices to progress onto the Level 3 Apprenticeship programmes, which again has put more pressure on our finances within a capped Welsh contract.

Our members believe that funding issues do not allow innovation in the Apprenticeship Framework. There is little creativity to solve issues between Level 2 and 3 and bridging to Technical level. For example, the A469 construction would provide the potential for more Technical Apprenticeships leading to Higher Apprenticeships through the inclusion of social clauses, however this will not be possible through the available funding. The current system does not incentivise the providers to take opportunities for innovation.

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**Education and training, including apprenticeships are devolved matters, but employment law is not. Do young people have sufficient rights and access to apprenticeship training? If not, how could the situation be improved?**

This does not currently present significant problems in access to and the operation of Apprenticeship programmes, but a more joined up approach to link all these activities together would only be beneficial.

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**Are the Sector Skills Councils (SSCs) promoting and supporting apprenticeships effectively? How does the capacity of SSCs affect their performance in this area?**

We would urge local authorities and the Welsh Government to engage further with Sector Skills Councils, including CITB-ConstructionSkills. SSCs bring relevant business expertise from members and institutions (for example ICE Wales, CBI Wales and FSB Wales) to the discussions surrounding Apprenticeship provision in Wales, which in turn ensures that the relevant skills are passed on to new learners and the number of training places available is sufficient. This has the obvious benefit of being advantageous to both employers, learners and the nation as a whole.

Relevant Sector Skills Councils should play a more formal and structured role in consulting with local authorities and further and higher education institutions to formulate a collaborative, sectoral approach to transforming learning provision in Wales.

SSCs have an invaluable role to play in providing Labour Market Intelligence, which is vital in planning for Apprenticeship provision. Through the Construction Skills Network (CSN), CITB-ConstructionSkills is able to collect and produce comprehensive information on the future training and skills requirements of the industry, across the UK and Wales, and provide decision makers with accurate, up to date, and representative information on the current and future skills training needs.

Engagement with employers through Sector Skills Councils is essential to ensure that the specific skills needs of industry are met. Construction is unique in the range of skills that the industry covers, from painting and decorating through to specialist low carbon technologies. Employers are best placed to advise on their specific skills needs and to ensure that training provision addresses the full range of skills requirements.

We are unable to comment on the capacity of other SSCs, however some of our stakeholders who work with a number of different SSCs have told us that performance is variable across the SSCs, with the more traditional Apprenticeship sectors such as Engineering and Construction being more responsive with the best support and performance.

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### **Is European funding being used to support apprenticeships effectively?**

The use of European funding is a welcome addition as it increases the available funding for Apprenticeship programmes and therefore helps to support the commitment to increase the number of places available. Employers can, however, be frustrated by the amount of documentation required which presents an administrative burden.

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### **Are there examples of good practice apprenticeship systems in other countries that Wales can learn from?**

Wales is leading the way in some innovation in Apprenticeship programmes, but there are examples of best practice in countries such as Germany, through the Meister programme, and also in Norway, Finland, Denmark and Sweden. Welsh construction employers also support some elements of the Scottish Apprenticeship programme.

## **About CITB-ConstructionSkills Wales**

CITB-ConstructionSkills Wales is the Industry Training Board and Sector Skills Council (SSC) for the construction industry, and has been working to deliver a safe and professional construction workforce in Wales for 40 years. CITB-ConstructionSkills is the largest representative body of construction employers in Wales, representing around 10,000 companies.

### **CITB-ConstructionSkills' role as a Sector Skills Council**

CITB-ConstructionSkills is tasked by the UK Government to ensure the UK's largest industry has the skilled workforce it requires. It is UK-wide and represents the whole industry from professional consultancies to major contractors and SMEs. In Wales, ConstructionSkills works with the Welsh Government, training providers, educational institutions and employers to ensure the industry has enough qualified new entrants and the existing workforce is fully skilled and qualified, in addition to improving the performance of the industry and the companies within it.

### **CITB-ConstructionSkills' role as an industry training board**

CITB-ConstructionSkills Wales offers a range of services and support to those within, or looking to enter, the construction industry. This involves company development support for construction businesses in addition to a range of training and qualifications for adult and younger learners, including apprenticeships and college courses to on-site assessment and training for those already working within the sector.

## Regional Construction Fora

In late 2009 and early 2010 ConstructionSkills Wales established three regional construction fora for Wales. These are based in North Wales, South East Wales and South West Wales and have brought together employers from the built environment sector, colleagues from ConstructionSkills Wales and Assembly Members from the corresponding areas to ensure that those AMs are kept up to date with the work that the sector is doing in their area as well as some of the concerns that employers may have. The regional fora are vital in supporting the work of ConstructionSkills Wales on a Wales-wide level, providing valuable feedback from employers on the ground in each part of Wales.

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If the Committee would like further information about the work of CITB-ConstructionSkills Wales, please contact [bobbie.davies@grayling.com](mailto:bobbie.davies@grayling.com)

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Wyn Prichard,  
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Director