

House of Commons Sub-Committee on Education, Skills and the Economy – CIOB submission

The Chartered Institute of Building submission to the House of Commons Sub-Committee on the Call for Evidence on apprenticeships

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Executive Summary

- Given the range of opportunities presented by our country's construction programme, we are clear that there is a real and genuine impetus to ensure apprenticeships in the sector are seen as meaningful and rewarding career paths for all.
- Crucially, we need to ensure training programmes in the sector are better linked to the nature of jobs available in order to reduce the drop-out rate for apprenticeships and training courses. To improve uptake we need to take a multifaceted approach to the issue by focusing on building greater awareness of the opportunities available whilst simultaneously introducing measures which boost appeal.
- Improving the quality of the careers advice available is paramount if the industry is to overcome some of the skills issues that exist and realise its full potential.

1. About the CIOB

1.1 The Chartered Institute of Building (CIOB) is at the heart of a management career in construction. We are the world's largest and most influential professional body for construction management. We have a Royal Charter to promote the science and practice of building and construction for the benefit of society, which we have been doing since 1834. Our members work worldwide in the development and conservation of the built environment. We accredit university degrees, educational courses and training. Our professional and vocational qualifications are a mark of the highest levels of competence and professionalism, providing assurance to clients and other professionals procuring built assets.

1.2 Professionalism at all levels and stages within the construction industry is at the core of our work. We play a leading role in the development and continued improvement of standards in the industry at a national and international level. We recognise the challenges facing the built environment, such as the unprecedented skills shortage in the professions, the ageing workforce and the complexity of developing policy, and we work with government and industry to outline and implement solutions.

2. The target of three million apprentices by 2020, how the Government proposes to achieve this and how this may affect the 'skills gap'.

- 2.1 The ongoing skills shortage in construction is well documented with the latest figures from the Construction Industry Training Board (CITB) indicating that construction will need to find 232,000 new recruits by 2020 across a multitude of roles from the trades through to senior management. One of the biggest threats to the government's construction and infrastructure programme is the skills shortage in construction. The approach to tackle this needs to be all-encompassing; apprenticeships will play a vital role within this mix but without significant investment in construction, we will be unable to deliver the significant pipeline of projects necessary to provide for a rapidly growing population.
- 2.2 The CIOB welcomes the government's commitment to increase the number of apprenticeships. The target of delivering three million over the course of the next five years is ambitious and will certainly challenge business and industry.
- 2.3 Whilst we support efforts to increase the number of apprentice starts, we are clear that apprenticeships need to be challenging and based on the highest possible standards. To this effect, quality should not be comprised in the interest of numbers. Crucially, training programmes in the sector must be linked to the jobs available in order to reduce the drop-out rate for apprenticeships; industry input into structure and courses is vital.
- 2.4 To enable a more efficient use of the opportunities presented by our country's construction programme, we need to see a genuine commitment to help the industry overcome some of the issues around its image. Without measures designed to boost the appeal of apprenticeships, we caution success against the government's proposals and the desire to reduce skills shortages.
- 2.5 Without genuine buy-in from employers and Further Education (FE) colleges, we believe the proposals are unlikely to succeed. In order to reduce the skills shortages, the employment opportunities available in the sector must be meaningful and coincide with courses run by FE colleges. Even then, it is likely that colleges will not be fully able to service the needs of smaller businesses because of a reduction in student funding.
- 2.6 Following the Richard Review of Apprenticeships, the CIOB has been active in supporting and promoting the Trailblazer system, in the creation of the Construction Site Management Trailblazer¹. However, we have concerns about the uptake of Trailblazers for Small and Medium Sized Enterprises (SMEs). This issue is heightened due to the fact that the vast majority of businesses in the construction sector are classified as SMEs.
- 2.7 Given the requirement for employers to write standards, submit them for approval, apply directly for funding and ensure delivery, this is understandable. Larger firms are likely to have training managers and in-house academies capable of managing this, whereas smaller companies are likely to find the whole Trailblazer process time-consuming and complicated. For this reason, we remain cautious of the effect of Trailblazers in niche fields of the industry, where SMEs are less likely to be in a position to form large consortia groups and submit standards for approval. A solution needs to be found to ensure we do not lose these organisations from the apprenticeship market. We believe measures which assist SMEs with the administration aspect are paramount.

¹ [Construction Site Management Trailblazer Apprenticeship Standard](#)

2.8 Although we are supportive of Trailblazer Apprenticeships we do have concerns that they may in fact cause greater skills shortages in certain sectors – which are heavily dominated by SMEs.

3. The proposal for an apprenticeship levy and how this may be implemented.

3.1 The government's three million apprenticeship target coincides with the introduction of the new 'Apprenticeship Levy' which was announced in the Chancellor's Autumn Statement and Spending Review. Currently numerous construction businesses already pay the CITB levy which collects funds from construction employers and reinvests the money in the industry to help training and skills development at every level of the supply chain. It is in the interest of larger companies to have a high skilled supply chain that is flexible. The levy is also useful for SMEs which tend to operate within smaller profit margins, making training much more difficult.

3.2 In principal, the CIOB supports the use of the levy to drive up apprenticeship intake but awaits further details. Most importantly with two separate levies to pay, the industry will require clarity as to whether it will be expected to contribute to the Apprenticeship and CITB levies or not.

3.3 Additionally, clear and robust guidance will be crucial to the success of the levy. Employers will need to be notified of the requirements of the new levy and how they can utilise the levy to its full potential.

3.4 Further information on the CIOB's positioning can be found in the consultation on the [Apprenticeships levy: employer owned apprenticeships training](#) submitted in October 2015.

4. The institutional architecture of current provision and how this may be affected by the proposed Institute for Apprenticeships.

4.1 Whilst we welcome the introduction of an independent, non-partisan body to oversee apprenticeship standards, it considers that greater clarity is needed on the proposed role of the Institute for Apprenticeships.

4.2 The CIOB sets best practice in the construction industry and supports independent oversight of standards and quality. We acknowledge that a body responsible for upholding rigor and maintaining benchmarks of excellence would be beneficial for ensuring quality, rather than quantity of apprenticeships. However, much like details of the Levy, we are still lacking clarity on how the Institute for Apprenticeships (IFA) will be policed and have concerns about employers policing employers.

4.3 We also believe the IFA will need to be given a clear remit and must focus on policing apprenticeship quality and producing clear advice and guidance for employers.

5. Take-up of apprenticeships amongst 16–19 year olds and steps that can be taken to make more young people aware of available opportunities.

- 5.1 It is no secret that the construction industry struggles to attract and retain younger people. Whilst the number of NEETs has fallen in recent months, there were a total of 853,000 recorded in the last quarter of 2015. Although this represents a decline from the one million quoted in the 2014 CIOB and CITB co-supported [*No More Lost Generations*](#) report, this figure is still significant.
- 5.2 The structure of the construction industry and combined uncertainty over future workloads is partly to blame and has led to a situation in which a reliance on migrant labour has superseded the training of younger people and UK nationals. Statistics for apprenticeships in the sector reveal a total of 9,306 completions in 2014 for England and Scotland – a figure at odds with the 16,947 reported in 2009. More needs to be done to understand exactly why this is the case and why construction apprenticeships have such a high drop-out rate. Additional figures indicate that younger people continue to be a significantly underrepresented fraction in the construction workforce. To include a percentage, just 10% of individuals employed in the sector are aged 19-24, with less than a quarter of those aged 16-18.
- 5.3 Research from the Chartered Institute of Personnel & Development (CIPD) entitled: [*Over qualification & skills mismatch in the graduate labour market*](#) also found that almost 59% of graduates were employed in non-graduate positions. The report found that over-qualification often results in a loss of motivation amongst staff. In light of this assessment, we are clear that professional bodies, employers and apprenticeship providers all have the potential to help reduce the inefficient allocation of skills in the labour market by increasing awareness of apprenticeships.
- 5.4 The CIOB recognises the need to ensure adequate provision of local labour market information and remains broadly supportive of greater collaboration between employers and local educational establishments. Better dissemination of local employment opportunities and labour market information is essential to help raise awareness of apprenticeships in the community. We also consider meaningful work experience and apprenticeship career fairs to be of paramount importance and broadly welcome employer involvement in the provision of careers advice ahead of key transition points in the academic calendar.
- 5.5 In light of statistics from the BBC which indicate that NEETS costs the taxpayer an average of £97,000 per year we believe there is an impetus to improve the quality of careers advice available. In 2013, a survey of 2,000 young people revealed that 93% said they were not receiving the careers advice needed to find employment. Only a quarter of respondents had received information about apprenticeships, in contrast to the 62% which had received information about A-levels.
- 5.6 With the abolishment of the national Connexions service back in 2012, many young people lost centres of expertise where they could obtain face to face guidance and support on careers choices. The National Careers Service that replaced Connexions centres in many towns and cities meant that the local interface was lost. This resulted in the onus being placed on schools and teaching staff to deliver independent careers guidance with little or no extra funding or training. Many teaching staff, despite their best intentions, often lack the

necessary expertise and resources to help young people make informed career choices. This can lead to bias towards 'tried and tested routes' as opposed to impartial advice.

- 5.7 As a result of widespread concern that secondary schools are failing in their duty to deliver impartial careers advice, the CIOB recommends that schools be stripped of their obligation, particularly as the shift in responsibility has not been met with additional funding. A careers portal resembling the UCAS model may help to grow apprenticeship take-up. The CIOB also supports measures which utilise Professional Bodies as credible sources capable of delivering careers advice.
- 5.8 Whilst it is imperative to increase awareness of apprenticeships, it is important to recognise outreach measures are unlikely to succeed without full industry support.
- 5.9 As noted in the *No More Lost Generations* report, employers have previously expressed concern at the decision to cut the level of funding for apprentices over the age of 19. By the time a construction apprentice has completed an 18 month level two apprenticeship, he or she will often be over 19 years of age. Similarly, those in level three apprenticeships are likely to be over the age of 19 and thus subject to a reduced rate of government funding which deters both businesses and individuals from taking on level three apprenticeships and creates a skills shortfall. We therefore have reservations over the level of funding for higher level apprenticeships and welcome a review.
- 5.10 The National Minimum Wage (NMW) is another key piece of the puzzle. Given the hourly rate for apprentices for 16-18 year olds currently stands at £3.30 it is understandable why many fail to complete some, if not all of their training. In construction, where work is often site based and regularly static, this will lead to further issues for apprentices who may not be able to afford travel expenditure or even the cost of renting a short term property.
- 5.11 As point 5.9 and 5.10 help to highlight, measures designed to increase apprentice appeal are just as important as measures intended to increase awareness of them.
- 5.12 The CIOB has taken a number of steps to increase awareness of the varied and exciting opportunities in construction. To help inspire and encourage more young people to consider a career in the built environment we have been actively promoting the use of gaming, in particular Minecraft, in a classroom environment. We are now in the process of developing classroom resources for teachers on Minecraft education and we also feature in a documentary with ITN which highlights the use of Minecraft to inspire the next generation of built environment professionals. This is viewable from:
www.youtube.com/watch?v=W-doMZHCEmo
- 5.13 The CIOB continues to work closely with the Construction Industry Council's (CIC) Diversity Panel to formulate ways the industry can help improve its appeal amongst traditionally underrepresented groups, including women, ethnic minorities and young people. We believe greater engagement is imperative and are committed to working with industry and government to improve uptake.

6. The process of applying for apprenticeships.

6.1 The process of applying for apprenticeships can often be complex and confusing for many applicants. Whilst UCAS publishes information covering university courses and enables the user to rank performance, there is not, as of yet, a similar system in place for apprenticeships. This presents a problem for individuals studying for an apprentice and for employers who are largely unable to gauge performance or infer the quality of each course.

6.2 Although we believe the Apprenticeship Trailblazers will serve as a benchmark in the assessment of quality and will help instil confidence in potential applicants, information on destinations and the percentage of apprentices that complete their training and secure employment within a reasonable time frame are likely to be of use. Given this assessment, we recommend that league tables and a service similar to UCAS be established for apprenticeships to bring information together in one easy accessible place.

7. Routes for progression to higher qualifications for current apprentices.

7.1 Engagement with professional bodies and further education establishments should be broadly encouraged. Greater engagement with both groups would help reinforce the importance of including a nationally recognised qualification within each apprenticeship.

7.2 Employers could also be encouraged to commit funding and resources for apprenticeships which are accredited by professional bodies. Organisations which are well placed to ensure vocational routes into the industry are made more attractive.

8. Lessons from other countries' approaches to apprenticeships.

8.1 It is clear that we have one key lesson to learn from other countries' approaches to apprenticeships. In the UK, we find prestige tied almost exclusively to university education where almost all other alternatives are seen as second best.

8.2 We firmly believe that more needs to be done to reverse the social stigma associated with apprenticeships and welcome measures that make it easier to assess their quality including awareness of professional bodies and accreditation.