

The Chartered Institute of Building

submission to the

Migration Advisory Committee

on the consultation

Shortage occupation list: call for evidence

23 June 2020

Daisie Rees-Evans
Policy Officer
The Chartered Institute of Building
1 Arlington Square
Downshire Way
Bracknell
RG12 1WA

e: drees-evans@ciob.org.uk

t: +44 (0)1344 630 881

Shortage occupation list: call for evidence

Introduction

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 and leadership representing members who work within the built environment in various roles. 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, conservation and improvement 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 authorities who procure built assets.

We are providing evidence of recruitment in the sector, on behalf of other organisations and members from a cross-industry survey supported by professional and trade bodies within the built environment. We surveyed our membership to receive feedback on their experiences with recruiting in the construction industry over the past 12 months, 138 of our members responded to our survey which has informed our response.

The CIOB previously responded to the [MAC Shortage Occupation List 2018](#) where we produced a cross-industry research report that surveyed 276 companies which collectively employed more than 160,000 workers across the construction industry to identify shortages of available staff pre and post-Brexit. The survey found several roles that were frequently seen as a shortage occupation including construction project manager (SOC Code: 2436) and production managers and directors in construction (SOC Code: 1122).

The CIOB has provided research evidence on the occupations which are experiencing shortages through the MAC survey. We have also submitted a joint response with the Construction Industry Training Board (CITB), Association for Consultancy and Engineering (ACE), Build UK, Civil Engineering Contractors Association (CECA), Construction Products Association (CPA), Federation of Master Builders (FMB) and the Home Builders Federation (HBF) on the impact of the coronavirus pandemic for construction and migration and the need for the SOL to be responsive to the industry's skills needs while we leave the EU and recover from the pandemic, to prevent any future skills gaps or shortages

We anticipate that the labor market will continue to change as the UK continues to fight the pandemic and enter a recession. Therefore, we would encourage the MAC to further consult with industry on an ongoing basis to develop a SOL that will become flexible and responsive to emerging evidence and insight on our industry's future skills needs as it develops over time.

We welcome the opportunity to respond to this consultation and are happy to be involved in the debate as it develops as well as provide further evidence of occupation shortages within the industry.

Full Response

The economic impact of the construction industry

The Chartered Institute of Building's (CIOB) report, [The Real Face of Construction 2020](#), finds that the construction industry accounts for around 6% of the UK's total economic output and

provides jobs for 2.3 million people – about 7.1% of the UK total. These figures predominantly account for on-site construction, and with the value added by architects, engineers, surveyors and other professionals working within the built environment, the contribution of the sector is closer to 15.3% of GDP.

The profound economic, social and environmental impact of the construction industry means that it is ideally placed to play a key role in the UK's economic recovery and the fight against Covid-19. However, there are a lack of current applicants with the necessary skills and training to support the levels of skilled employment needed for the industry to operate successfully. The CITB report, [The Impact of the Recession on Construction Professional Services](#) showcased the devastating impact the Global Financial Crisis had on the skills base of the construction industry. The report found that construction project managers, architects and quantity surveyors seeing the largest increase in claimant accounts, which saw a rise from 720 in November 2007 to 5,730 in November 2009 for construction project managers alone. However, this was not a true reflection of unemployment figures as it is highly likely that those self-employed within the industry would be unable to claim jobseekers' allowance and we anticipate the figures were much higher. As we charge towards another recession alongside with the changes in the immigration white paper it is necessary for the industry to be able to flexibly fill these shortages through migration where necessary.

The Construction Leadership Council (CLC) recently published an ambitious recovery plan, [Roadmap to Recovery](#), which sets out how the industry can retain, reskill and recruit a talented workforce in order to reset, recover and reinvent the industry. It is anticipated to be achieved through a mix of economic stimulus, growing apprenticeships in the long term, widening the pool of talent available to industry and exploiting technological advances. The construction industry is clear in its commitment to recruit and develop a home-grown talented workforce to build the skills it needs both now and into the future. A large amount of construction work is tied to delivering medium- and long-term investment to the economy. This means when downturns hit and investment dries up, levels of work fall rapidly. Conversely, during economic upturns, the industry often struggles to keep pace with demand. Coupled with low profit margins driven by high levels of competition, this has fostered an industry business model that is light on capital investment, and as a result one that invests very little in research and development. We cover this issue further in our [Real Face of Construction 2020](#) report.

Due to the way the industry currently operates with limited capacity to train and too few UK citizens aspiring to have a job in construction due to low job quality and insecure working practices it is necessary in the short-term to hire migrant workers. The Office for National Statistics reports that 8% of the UK construction industry are estimated to be EU nationals with 28% based in London, a hotspot for construction activity. Training is a long-term solution for the workforce and without immediate access to migrant labour, the construction industry will face crippling skills shortages that will result in many projects delayed and UK productivity decrease. Without immediate support to retain a skilled workforce, the ability of the construction industry to support the UK's economic recovery and deliver the Government's levelling up agenda and national infrastructure priorities will be severely impeded. In order to achieve the goal, the construction industry needs to have a flexible and timely access to non-UK workers to bridge any emerging skills gaps that could impact recovery and growth of the UK economy. We recognise that it is the Government's intention to pursue a points-based system which prioritises skills, however we are concerned that the transition period as the UK exits the EU coupled with the pandemic will create immediate challenges in recruitment.

Having the necessary skills

Construction Project Managers are crucial to the success of construction projects. They work closely with architects, planners, engineers, surveyors, trades people and suppliers to ensure that projects are completed safely, on time and on budget.

Construction project management typically sees entrants with a degree in a relevant subject or an equivalent qualification. In addition to their qualification, they will also need to possess a Construction Skills Certification Scheme (CSCS) card which demonstrates that they have been appropriately trained and have the right qualifications to work onsite. For construction project managers, their card type means they must have an NVQ/SQL level 4, 5, 6, or 7.

It can take several years until someone has developed the knowledge and skills necessary to be a competent construction manager. Many organisations are committed to retain, reskill and recruit home-grown talent through apprenticeship schemes and the CITB Levy. However, apprenticeships require people to be interested in joining the sector and requires employers to have a stable pipeline of work in order to retain apprentices, two issues that the industry struggles with. The pandemic has amplified this issue and a recent cross-industry '[People Survey](#)' carried out by Build UK and published by the CLC found that 43% of apprentices are currently furloughed with 6.7% likely to lose their jobs by September 2020 and 10% to be made redundant. 60% of companies also expect to take on fewer apprentices at the next intake in September 2020 and we anticipate the current skills gap will increase due to this. The impact of Covid-19 on the industry from a skills perspective has been severe, and will continue to be until business confidence returns, tight profit margins ease and businesses have a stable pipeline of work.

Shortages for Construction Project Management

To aid in our response to the MAC's call for evidence we surveyed our membership on how difficult they have found recruiting various construction roles over the past 12 months. When surveying our members, Construction Project Management was frequently seen as a shortage occupation (62% of respondents). Of those, 74% experienced some difficulty and 26% experienced severe difficulties over the past 12 months when recruiting for a construction project manager. When asked what the main reasons were for experiencing recruitment difficulties, 12% said there was a low number of applicants generally, 23% said it was due to the low number of applicants with the required skills, 19% due to low number of applicants with qualifications required for the job and 18% due to low number of applicants with the required motivation, personality and/or attitude. This has been a persistent issue and we found similar results in 2018 when the CIOB and several leading construction and trade bodies produced a research report in response to the previous MAC call for evidence. Our 2018 research, which represented 276 companies which collectively employ more than 160,000 workers within the built environment, found that this was frequently seen as a shortage occupation (43% experienced some difficulties and 21% experienced severe difficulties in recruiting for the role).

When speaking to our members, we have seen that on average it can take between 3-6 months to recruit someone into the role using recruitment agencies. This lack in available construction project managers continues to stunt business growth and the timely delivery of projects as the managers will engage with all of those involved in the project from clients and architects to contractors and subcontractors. Without this role, many projects suffer from a lack of collaboration which impacts both the safety and the quality of the build. Both safety and quality are a key focus for improvement over the coming years, with the Fire Safety Bill and the Building Safety Bill set to have major regulatory impact on the built environment. Having an understanding and knowledge of how these legislations work practically on construction sites will be paramount to improving the safety and quality of buildings and requires Construction Project Managers with competent skills and knowledge to oversee this change in regulations.

Having the ability to recruit overseas workers in a Construction Project Management position will enable businesses to flexibly recruit in order to prevent delays in delivery of vital projects

that are expected to increase following the publication of the Infrastructure and Construction Pipeline. The planned procurement will enable a stable pipeline of work for many businesses but with the industry expected to shed 10% of its workforce by September 2020, creating home-grown talent will take a lot longer than initially anticipated.

We recommend that the MAC:

- Include Construction Project Management on the SOL in order to ensure that construction projects can continue to support economic recovery from the pandemic, and that these projects are completed in accordance with building safety and quality standards.
- Include RQF level 3-5 construction occupations experiencing pre-pandemic shortages which are crucial to the UK Government’s infrastructure, homebuilding and ‘net-zero’ ambitions, on the SOL.
- Work with the construction industry to regularly review the SOL to ensure the new points-based migration system remains responsive to industry’s immediate and future skills needs.

Appendix

We surveyed our membership to receive feedback on their experiences with recruiting in the construction industry over the past 12 months, 138 of our members responded to our survey which has informed our response. The following questions and responses included:

Please indicate where in the UK your business operates (either regularly or occasionally)

	Regularly	Occasionally
Scotland	70%	30%
Northern Ireland	48%	52%
Wales	58%	42%
North East England	71%	29%
North West England	81%	19%
Yorkshire & Humber	63%	37%
East Midlands	64%	36%
West Midlands	74%	26%
South West of England	72%	28%
London	81%	19%
East of England	68%	32%

Thank you for your details. The next section will look at key occupations in the sector. In each case please indicate whether you have found these roles difficult to recruit over the past 12 months. If you do not recruit for a given role, or find it easy to recruit, please leave blank.

Construction project managers and related professionals

Some difficulty in recruiting	46%
Severe difficulty in recruiting	16%

What do you think are the main reasons for recruitment difficulties?

Low number of applicants with the required skills	78	23%
Low number of applicants with qualifications that are required for the job	64	19%

Low number of applicants with the required motivation, personality and or attitude	60	18%
Low number of applicants generally	39	12%
Too much competition from other employers	31	9%
Job entails shift work and or unsociable hours	1	0%
Temporary, or insecure work	24	7%
Remote location/transport issues	22	7%
Other (Please specify)	16	5%
Total	335	