Construction Leadership Council

Construction Leadership Council (CLC) Response to the Migration Advisory Committee (MAC) Review of Shortage Occupations

26 May 2023

A Report by the Construction Leadership Council's Movement of People Working Group.

Summary

This report has been compiled by the CLC in response to a stakeholder consultation from the MAC as part of a full review of the UK Government's Shortage Occupation List (SOL). The report evidences the current workforce shortages experienced in the construction sector, and the appropriateness of adding certain occupations to the SOL as a potential solution to those shortages.

CONTENTS

1. Recommendations summary

Recommendations of occupations for SOL inclusions

The rationale and evidence for these proposals is set out fully in section 6 of the report.

The CLC proposes the following Skilled Worker occupations should be recommended by the MAC for addition to the SOL:

SOC 2010 Code	Occupation Title	Note
3121	ARCHITECTURAL AND TOWN PLANNING TECHNICIANS	Occupation is considered eligible to be added to the SOL by the MAC as set out in the *Stakeholder Letter and Q&A*
3539	BUSINESS AND RELATED ASSOCIATE PROFESSIONALS N.E.C.	Occupation is considered eligible to be added to the SOL by the MAC as set out in the *Stakeholder Letter and Q&A*
5213	SHEET METAL WORKERS	Occupation is considered eligible to be added to the SOL by the MAC as set out in the *Stakeholder Letter and Q&A*
5215	WELDING TRADES	Occupation is considered eligible to be added to the SOL by the MAC as set out in the *Stakeholder Letter and Q&A*
5311	STEEL ERECTORS	Occupation is considered eligible to be added to the SOL by the MAC as set out in the *Stakeholder Letter and Q&A*
5312	BRICKLAYERS AND MASONS	Occupation is considered eligible to be added to the SOL by the MAC as set out in the *Stakeholder Letter and Q&A*
5313	ROOFERS, ROOF TILERS AND SLATERS	Occupation is considered eligible to be added to the SOL by the MAC as set out in the *Stakeholder Letter and Q&A*
5315	CARPENTERS AND JOINERS	Occupation is considered eligible to be added to the SOL by the MAC as set out in the *Stakeholder Letter and Q&A*
5319	CONSTRUCTION AND BUILDING TRADES N.E.C.	Occupation is considered eligible to be added to the SOL by the MAC as set out in the *Stakeholder Letter and Q&A*
5321	PLASTERERS	Occupation is considered eligible to be added to the SOL by the MAC as set out in the *Stakeholder Letter and Q&A* The CLC proposes that this occupation code should also include **Dry Liners** and **Ceiling Fixers** (currently included within occupational code **8149**)

The CLC proposes the following occupations should be included in the SOL, despite being at RQF Level 1-2 -, because of the extreme difficulty faced by companies in accessing domestic labour and the essential nature of these supporting roles to the delivery of construction projects, including those of national priority such as house building, national infrastructure, levelling-up and net zero and building safety:

SOC 2010 Code	Occupation Title	Note
8142	ROAD CONSTRUCTION OPERATIVES	Occupation is now considered eligible for consideration to be added to the SOL by the MAC as set out in the *Stakeholder Letter and Q&A*
8229	MOBILE MACHINE DRIVERS AND OPERATIVES N.E.C.	Occupation is now considered eligible for consideration to be added to the SOL by the MAC as set out in the *Stakeholder Letter and Q&A* Specifically: Plant Operative and Piling Rig Operative
9120	ELEMENTARY CONSTRUCTION OCCUPATIONS	Occupation is now considered eligible for consideration to be added to the SOL by the MAC as set out in the *Stakeholder Letter and Q&A* Specifically: General Labourer and Ground Worker

The CLC also fully supports the continued inclusion of all construction occupations currently on the SOL.

2. About the CLC and participating organisations

The Construction Leadership Council (CLC)

The CLC is co-chaired by Nusrat Ghani MP, Minister for Business and Industry, Department for Business and Trade and Mark Reynolds, Group Chairman and CEO of Mace, together with his Deputy Co-Chair Richard Robinson, CEO of Atkins UK and Europe.

"Our mission is to work with our industry colleagues to address fundamental business challenges associated with our cyclical workload and our ability to invest in the supply chain and our people. We aim to find opportunities to invest in skills, innovation, and technology in order to deliver greater productivity, drive greater efficiencies and deliver better value outcomes for our clients."

The CLC has a working group of industry representatives called the 'Movement of People Working Group' whose purpose is to help construction employers understand, engage and navigate the Points Based Immigration System (PBIS); provide industry feedback on challenges with the immigration system; and to provide industry insight on skills shortages the sector faces. The group has co-ordinated and authored this report.

You can find out more about the CLC here.

Participating Organisations

A number of organisations have contributed to this report in various ways, whether directly as participants of the CLC's Council, the CLC's Movement of People Working Group or through interaction with it. These organisations include:

- Association of Fencing Industries (AFI)
- British Constructional Steelwork Association (BCSA)
- Building Engineering Services Association (BESA)
- Build UK and its member trade associations
- Civil Engineering Contractors Association (CECA)
- Construction Industry Council (CIC)
- Chartered Institute of Architectural Technologists (CIAT)
- Chartered Institute of Building (CIOB)
- Construction Industry Training Board (CITB)
- Construction Plant-hire Association (CPA)
- Electrical Contractors Association (ECA)
- Engineering Construction Industry Training Board (ECITB)
- Fieldfisher LLP
- Finishes and Interiors Sector (FIS)
- Federation of Master Builders (FMB)
- Home Builders Federation (HBF)
- Institute of Workplace and Facilities Management (IWFM)
- National Federation of Builders (NFB)
- National Federation of Roofing Contractors (NFRC)
- Royal Institute of British Architects (RIBA)
- Royal Institution of Chartered Surveyors (RICS)
- Royal Town Planning Institute (RTPI)

3. Evidence of shortages across the industry

This section provides evidence of general workforce shortages across the construction industry. Further detailed evidence of occupation-specific shortages is provided in section 6 of the report.

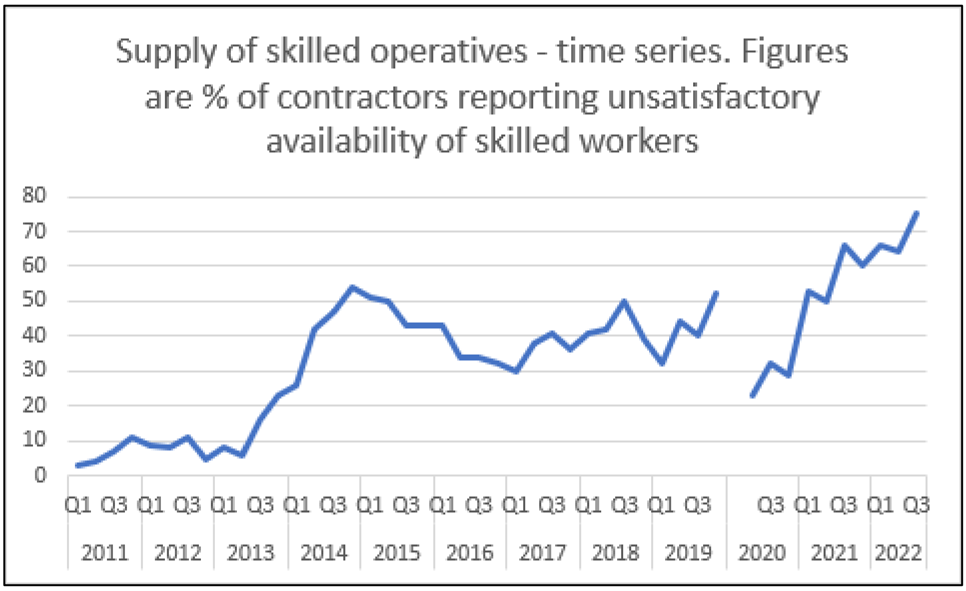
Build UK's People Survey

Build UK conducts bi-annual surveys of its members to understand current levels of employment within the industry. The most recent People Survey, published in May 2023, revealed that every respondent currently had vacances. The average number of job vacancies across Build UK Contractor members is 143, whilst Specialist Contractors have an average of 8 vacancies, which is collectively 5% of the workforce.

The latest Build UK People Survey can be accessed here.

CECA Members' Survey

As part of its ongoing member engagement strategy, the Civil Engineering Contractors Association (CECA) has surveyed members on a regular basis for more than ten years on their satisfaction with the availability of skilled operatives. CECA members have consistently and increasingly reported dissatisfaction with the availability of the supply of skilled operatives since 2013 with an upward trend to date. In 2022, the survey peaked with over 70% of members reporting dissatisfaction.



Source: *Unpublished CECA Membership Survey Data 2011-2022*

CITB Construction Skills Network (CSN) Industry Forecast 2023-2027

Published by the Construction Industry Training Board (CITB) on an annual basis, the latest CSN shows that the construction industry will require an additional 225,000 workers (either domestically or from overseas) to meet UK construction demand by 2027 (45,000 workers per year, down from last year's figure of 53,200). The CSN predicts that all nine English regions plus Scotland, Wales and Northern Ireland are set to experience growth however, with a recession expected in 2023 and slow growth returning in 2024.

The CSN models work by forecasting demand and supply of workers separately. The difference between demand and supply forms the recruitment requirement. The forecast total workforce levels are derived from expectations about construction output and productivity. Essentially, this is based upon the question 'How many people will be needed to produce forecast output, given the assumptions made about productivity?'.

The annual recruitment requirement (ARR) is a net requirement that takes into account workforce flows into and out of construction, due to factors such as movements between industries, migration, sickness and retirement. The ARR values show where extra recruitment is needed to meet forecasted demand; it is over and above existing flows that are occurring.

The latest CSN report (2023-2027) can be accessed here, which also includes a link to how the CSN is produced.

In summary, the CSN report shows that to deliver the forecast construction output, the need for construction workers is set to grow considerably, and as previously noted, over and above existing inflows.

CITB research: Occupational 'Deep Dive' Training Data (unpublished) May 2023

CITB has conducted desk research into a number of occupations to show some of the challenges associated with the training pipeline. Occupation specific data is included in section 6 of this report but a summary of the findings is included below:

- Most of the construction trade workforce is self-employed. Workers cannot be recruited from abroad on a self-employed basis.
- Apprenticeship numbers vary significantly by occupation, e.g. almost half of the directly employed bricklaying workforce are apprentices, whilst there are comparatively few roofing apprentices.
- There is a net outflow due to sickness, retirement and people leaving the sector for every construction trade occupation explored.
- Further education is a common training route for those entering construction. However, CITB research found that only 20% of those completing further education related construction courses actually entered the construction sector.
- Average monthly vacancies remain high for construction trade occupations. Similarly, the CSN average recruitment requirement (ARR) is high across construction trade occupations.

Data sources:

- Workforce figures are the latest CITB CSN files, England only, calendar year, annual data

- Directly employed and self-employed, used %'s in LFS table self-employed 4 QTR Spring 2021, England only and applied %'s to workforce figure
- Apprenticeships: estimate for England only, annual enrolment data (i.e. in-training). Based on academic year 2020/21 for 2021 and 2021/22 for 2022
- Flows data – industry flow estimate from LFS table 2021 Longitudinal SIC 2007 41, 42, 43 table
- FE achievers – number of learning aim achievements at level 2 and above for qualifications with key words e.g. "brick" or "trowel" in qualification title. Excludes apprenticeship learning aims. Academic year 2020/21 for 2021 and 2021/22 for 2022
- Ofqual – number of qualification certificates issued in each calendar year. Level 2 and above qualifications with key words e.g. "brick" or "trowel" in the title. Figures include FE and Apprenticeship qualifications, however, will also cover qualifications issued that aren't supported by public funding. Roughly 80% - 90% of bricklaying achievements in each year can be linked back to public finding
- Vacancies – Unique monthly advertised vacancies from Lightcast dataset. All Construction SOC codes with advertised job title e.g. "Bricklayer"
- ARR values: bricklaying and England only. 2021 value is from 2022-2026 CSN (Jun 2022); 2022 from 2023-2027 CSN (Jan 2023); 2023 from latest revised forecast (April 2023).

ECITB

The engineering construction workforce is fluid, in that the skills required are not always industry specific. This creates a degree of flux into and out of the industry; the engineering construction industry shares skills with the construction industry, rail etc. Pinch points in one industry have a knock-on effect on related industries, with skills shortages in construction potentially leading to similar shortages in engineering construction.

The ECITB uses a definition of engineering construction to reflect the Industrial Training Act, 1982 and associated regulations, in order to identify its in-scope employers. These are employers who are liable to pay a training levy as they operate establishments in which at least 50% of the workforce undertakes engineering construction activities as defined in the legislation. The research undertaken by the ECITB generally covers this in-scope employer base. The wider Engineering Construction Industry (ECI) is potentially much larger than the ECITB can account for and ECITB therefore highlights that the data presented here is an underestimate of the sector.

The 2021 census of the ECI's workforce published by the Engineering Construction Industry Training Board revealed that in one year, the industry struggled to fill vacancies which accounted for the equivalent of 2.5% of the workforce. This represents at least 2,250 jobs every year for ECITB in-scope companies. This number excludes other annual recruitment needs which companies are generally able to meet. Specific skills shortages lead to delays, increase in costs, and possibly cancellation of projects across the UK, putting the ability of the industry to meet the increasing demand at risk.

Construction Leadership Council

List of ECI workforce main shortages:

Occupation	SOC 2010	SOC 2020	Among the companies who struggle to fill vacancies, % that mentioned occupations from the list: *
Pipefitting	5216	5214	11.8%
Steel erecting	5311	5311	6.6%
Rigging & Scaffolding	8141	8151	1.3%
Thermal insulators	8149	8159	1.3%
Electrical maintenance and installation	3112 / 5250	3112 / 5250	5.3%
Project controls	3539	3543	5.3%
Design & Draft	3122	3120	9.2%
Welders	5215	5213	13.2%
Platers/sheet metal workers	5213	5211	3.9%

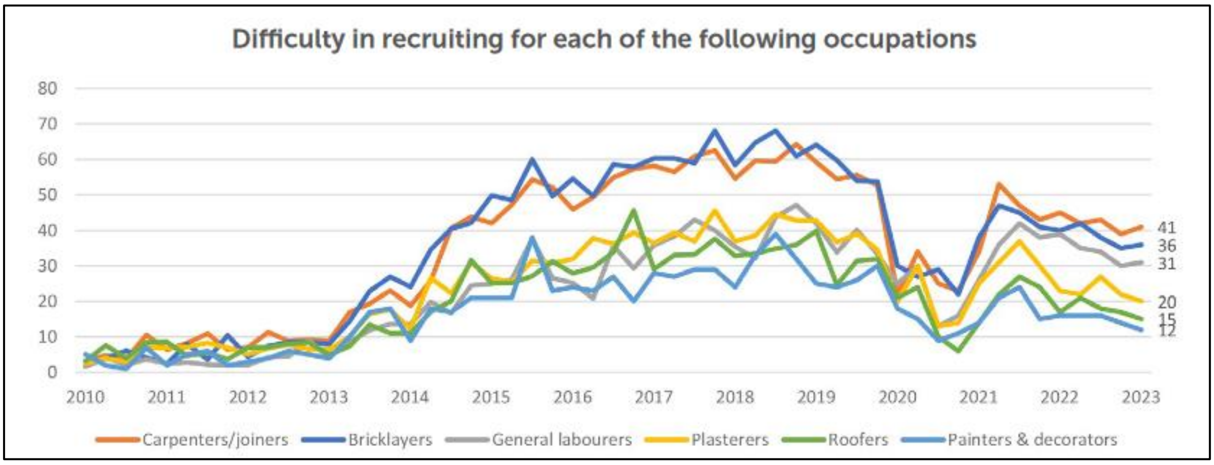
** It should be noted that some respondents did not indicate the type of vacancies they were struggling to fill. ECITB therefore expects the figures in the table to be underestimated. Companies that have had difficulty filling vacancies account for 64% of the industry's workforce.*

Source: *ECITB Workforce Census 2021*

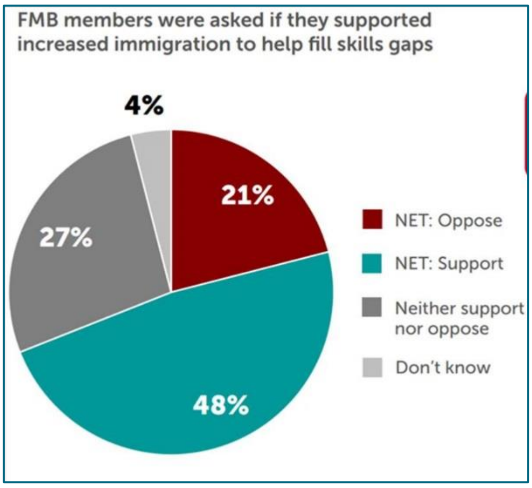
The ECITB has continued to receive evidence from in-scope employers that vacancies for the occupations listed in the table above are still difficult to fill.

Federation of Master Builders (FMB) State of Trade survey data

The FMB has regularly surveyed its members through *its State of Trade Survey*, including asking members about their difficulties in recruiting specific trades since 2010. The survey results show a significant increase in difficulties since 2013, a trend also highlighted in CECA's Members' Survey results, and an upward trendline over the past decade for all occupations. FMB members were also asked whether they would support the use of immigration alongside investment in domestic training opportunities to help fill skills gaps, and 48% supported this approach with only 21% opposing. The latest version of FMB's State of Trade Survey (Q1 2023) is available here.

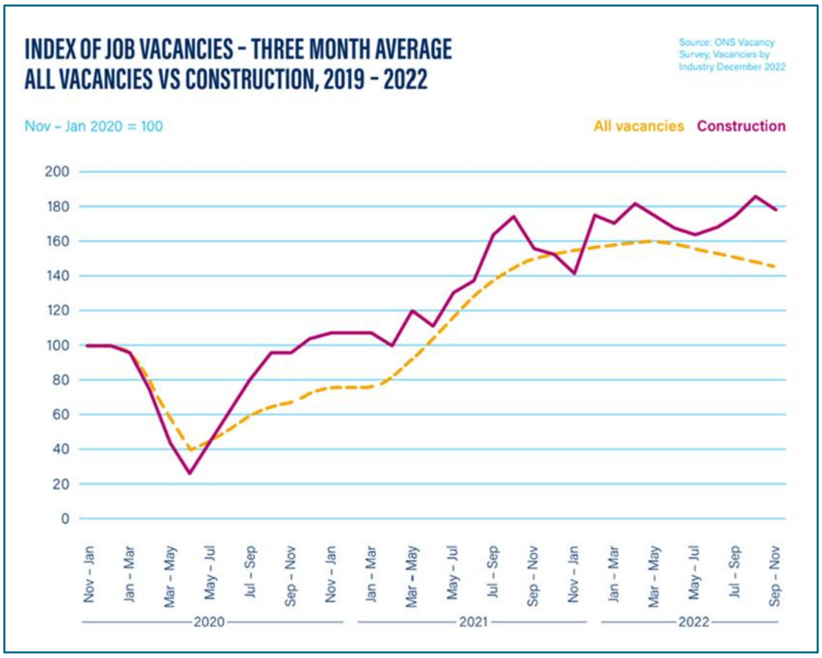


Source: *FMB State of Trade Survey Time Series Data (2010-2023)*



ONS Vacancy Survey, December 2022

Vacancies in construction have consistently tracked above the all-industry vacancy index since the COVID-19 pandemic. The data shows that construction vacancies are currently higher than the all vacancy index and have been since the start of 2022.



Source: *ONS Vacancy Survey, Vacancies by Industry, December 2022.*

National Federation of Builders (NFB) – Shortage Jobs and Occupations in Construction, Feb 2023

In a survey of 62 building contractors undertaken specifically for this report, 84% said that their business had experienced 'sustained shortages' in labour (defined as one year or more). Of those who had shortages, respondents were asked to list up to three shortage occupations. The frequency of those occupations mentioned by respondents is listed below:

Occupation	No. of respondents listing occupation as a top three shortage occupation
Carpenter and Joiner	46%
Bricklayer and Mason	35%
General Labourer	21%
Plasterer and Dry Liner	17%
Ground Worker	15%
Site Manager	15%
Roofer	13%
Estimator	12%
Plumber	12%

Note: Occupations mentioned by fewer than 10% of respondents excluded.

NFRC State of the Roofing Industry Q3 2022

The National Federation of Roofing Contractors (NFRC) survey UK roofing, facade and cladding contractors on a quarterly basis, including on skills challenges. The data show that 51% of firms experienced difficulty meeting their recruitment needs. The MAC are asked to note that all firms are surveyed for all occupations (i.e. slating firms are asked whether they've had difficulty getting cladders, and will obviously say no, which is why the NFRC believe that these numbers are suppressed). The full report is available on the NFRC website here.

Shortage occupations in construction: A cross-industry research report, February 2019

The report was published by a cross-industry group following a survey undertaken between December 2018 and January 2019. It was supported by 276 companies that collectively employ more than 160,000 employees. The participating organisations who facilitated this research include: Association for Consultancy & Engineering (ACE), Build UK and member trade associations, Civil Engineering Contractors Association (CECA), Construction Plant-hire Association (CPA), Construction Products Association (CPA) and member trade bodies, Federation of Master Builders (FMB), Highways Term Maintenance Association (HTMA), National Federation of Builders (NFB), The Chartered Institute of Building (CIOB).

The report recommended the following occupations at that time:

- Production managers and directors in construction (SOC Code: 1122)
- Quantity surveyors(SOC Code: 2433)
- Chartered surveyor (SOC Code: 2434)
- Construction project manager (SOC Code: 2436)
- Bricklayer (SOC Code: 5312)
- Carpenter (SOC Code: 5315)
- Civil engineer (SOC Code: 5319)
- Construction & building trades supervisors (SOC Code: 5330)
- Plant and machine operatives (SOC Code: 8229)
- General labourer (SOC Code: 9120)

The report is available on the Construction Leadership Council website, here.

Construction Leadership Council

4. The importance of construction occupations in the delivery of national priority projects and public value

As highlighted by the CIOB in their written evidence to the Levelling-up and Regeneration Bill, "*Construction officially accounts for approximately 8.8% of economic output in the UK and provides employment for 2.9 million people**. *It is recognised as a vital cog within the economy, but it is far more than just an economic driver. The built environment continues to influence and shape how we live, work, and play at community levels."* Furthermore, "*Construction also provides a substantive growth stimulus to other industries and thus contributes directly and indirectly to the achievement of national socio-economic objectives such as the improved health and well-being of individuals and communities."*

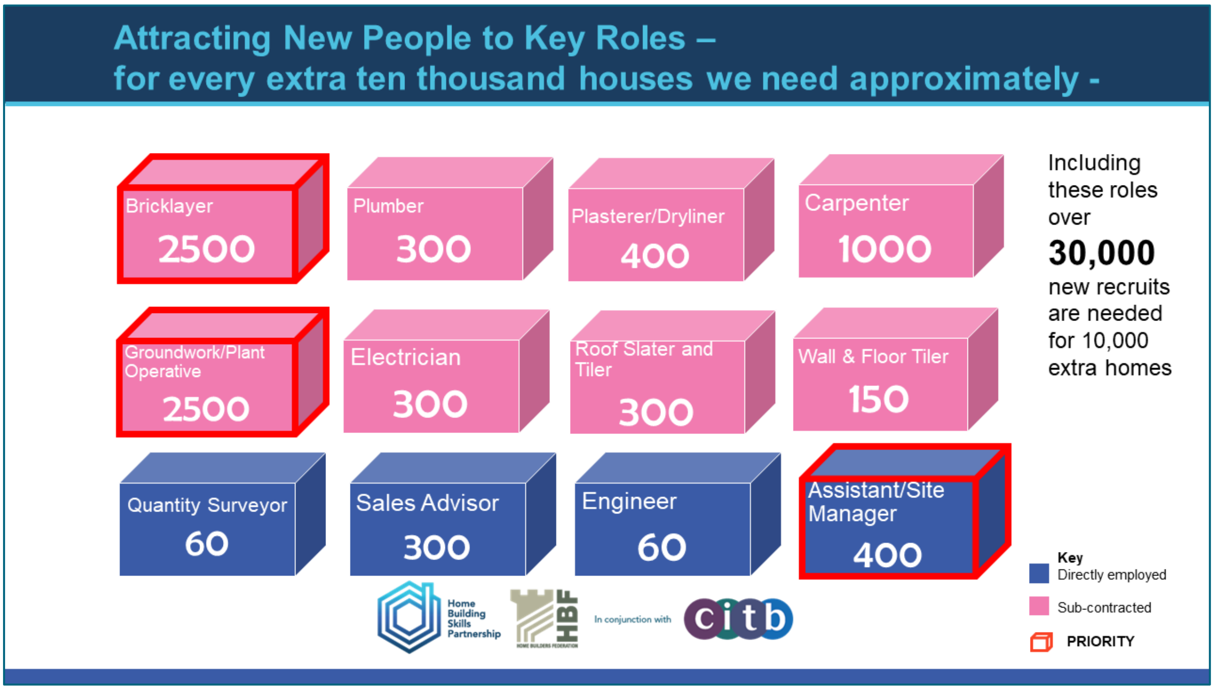
The occupations listed in this report are essential to the delivery of national priority projects, providing the growth stimulus for other industries by building the infrastructure that they rely on and delivering significant public value. These can be broken down into four key areas: house building, national infrastructure, levelling-up and net zero and building safety.

**please note that these figures have been since been updated to reflect the most recent ONS statistics (2021) and were not the figures originally used by the CIOB.*

House Building

The UK Government is committed to building 300,000 new homes every year, by the mid-2020s, with the governing party pledging to do so in its 2019 manifesto. However, latest figures show that in 2021/22 the figure stood at 223,000, short of the Government's target. The Local Government Association reports that in England, 250,000 homes are needed to be built per year to meet current and future housing needs, while only 130,500 homes have actually been built per year over the last ten years. Other parts of the sector believe this is an underestimate of need, and research by Heriot-Watt University commissioned by the National Housing Federation (NHF) and Crisis found around 340,000 new homes need to be supplied in England each year, of which 145,000 should be affordable.

The key trades required to deliver these homes have been detailed by the HBF and CITB through the Home Building Skills Partnership:


Attracting New People to Key Roles –
for every extra ten thousand houses we need approximately -
Bricklayer 2500
Plumber 300
Plasterer/Dryliner 400
Carpenter 1000
Groundwork/Plant Operative 2500
Electrician 300
Roof Slater and Tiler 300
Wall & Floor Tiler 150
Quantity Surveyor 60
Sales Advisor 300
Engineer 60
Assistant/Site Manager 400
Including these roles over 30,000 new recruits are needed for 10,000 extra homes
Key
Directly employed
Sub-contracted
PRIORITY
Home Building Skills Partnership
HBF
In conjunction with
citb

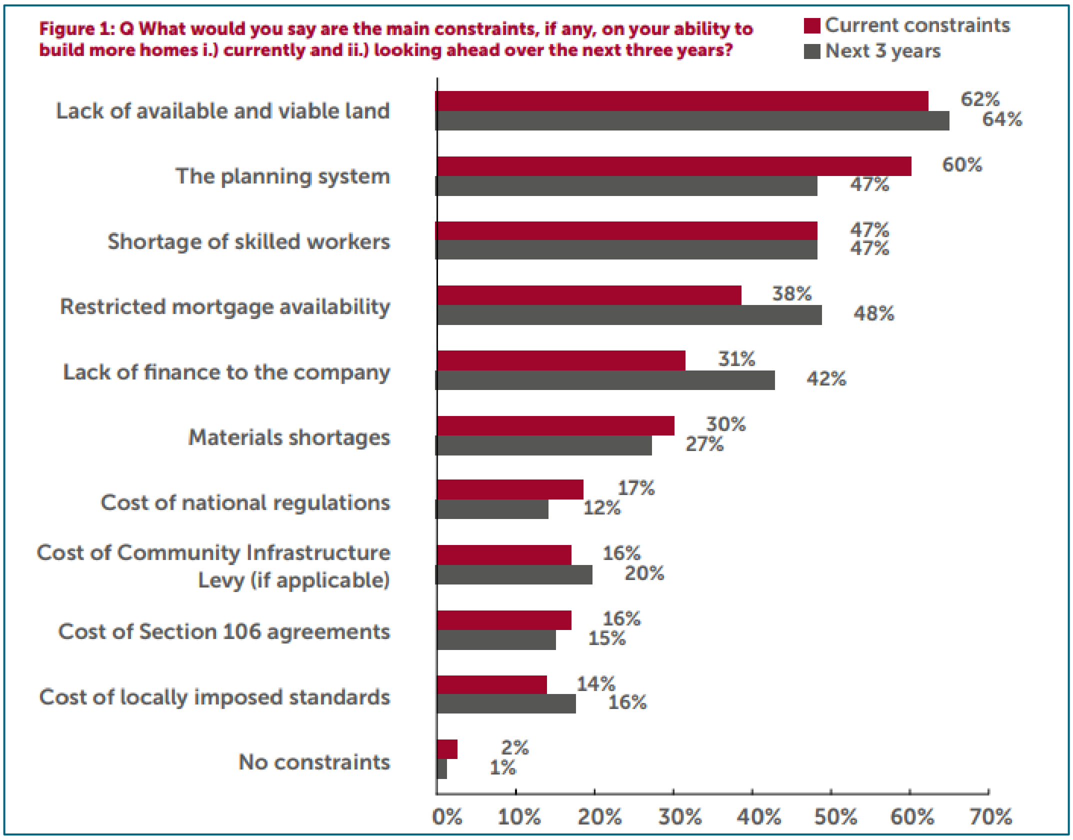

Attracting New People to Key Roles
for every extra ten thousand apartments we need approximately:
Bricklayer 1500
Dryliner 1260
Project Manager/ Assistant & Site Manager 700
Fabricated Cladding installer 275
Lift Engineer 120
Scaffolder 360
Plumber & Heating Engineers 900
Concrete Frame Team 2700
Formwork Carpenter 900
Steel fixer 900
Concrete placer / Labourer 900
Carpenter 720
Electrician 480
Flat Roofer 180
Wall & Floor Tiler 120
Steel Frame System Installer 300
Architectural Metal Work / Structural Steel Fitter 120
Quantity Surveyor 300
Over 30,000 needed for 10,000 extra
KEY
PRIORITY
Directly employed
Sub-contracted
Home Building Skills Partnership
HBF
In conjunction with
citb

Where can new recruits come from?

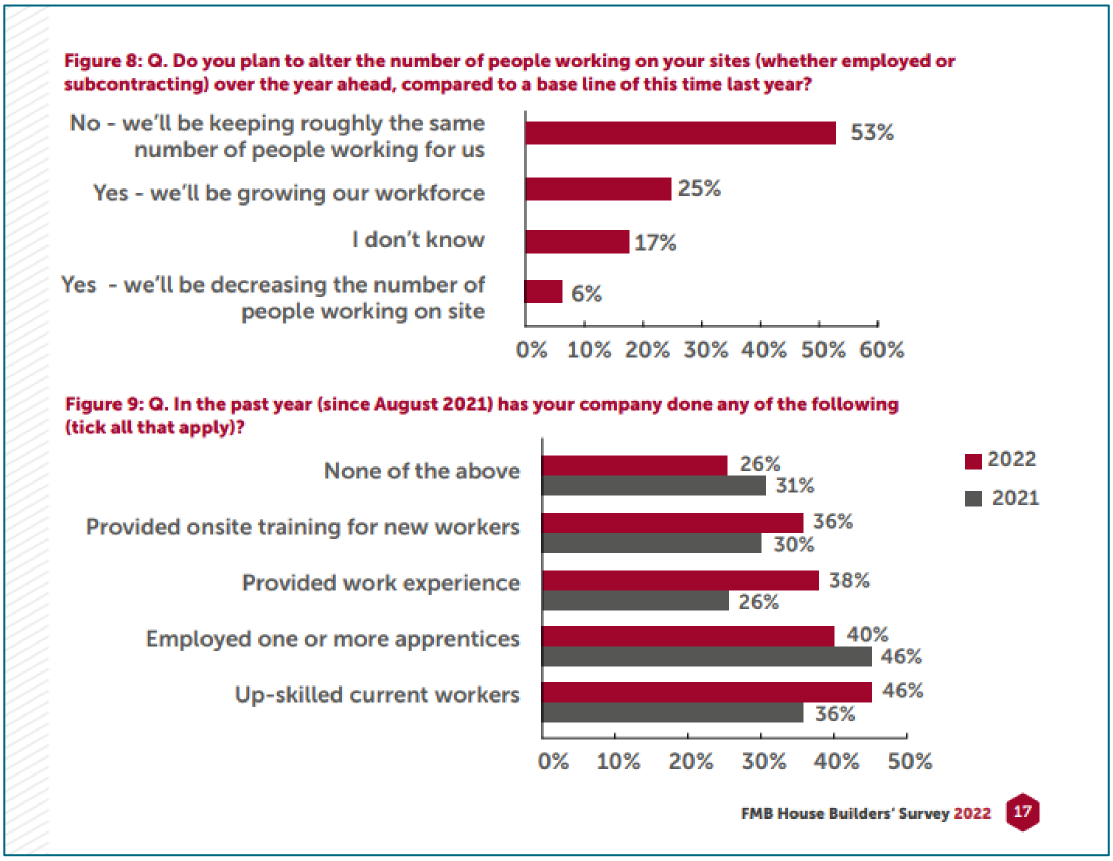
		5312 Bricklayer	5321 Plasterer/Dry liner	5315 Carpenter	5313 Roofer	Groundworker+	Notes
New recruits for every 10k extra houses built		2500	400	1000	300	250	+ wider definition
Apprentice Achievements in England 2021/2022	All levels	485	0	2380	10*	130	DfE Data supplied by CITB *DfE Data
FE Achievers 2021/22 (England)	Level 2	2360	785	3420	20	580	DfE Data supplied by CITB
	Level 3	330	50	780	5	/	DfE Data supplied by CITB
	Total	2690	835	4200	25	580	
% of FE Leavers expected to enter construction	25%	673	209	1050	6	145	CITB, Learner destination, 2017
New recruits into construction from Education per year		1158	209	3430	16	275	
% of current workers from overseas		15%	21%	55%	10%	22%	HBF data
% of current workers retiring per year (UK)	3% of total UK workforce	2166	1530**	7263***	1386	657****	CITB CSN 2023 **Plasterers ***Wood trades & Interior Fit Out ****Civil engineering operatives nec
CITB estimate of total workforce in new homebuilding		60%	15%	13%	17%	/	
% of workforce self-employed (construction)		78%	82%	70%	66%	33%	CITB, LFS 2021
% of workforce self-employed (home building)		90%	92%	87%	91%	/	HBF data

Federation of Master Builders

The skills issue is affecting the delivery of housebuilding, particularly from smaller housebuilders. Last year it was reported as the 3rd biggest issue stopping supply by FMB members:



Source: FMB House Builder's Survey 2022



Source: FMB House Builder's Survey 2022

Home Builders Federation (HBF) – State of Play: Challenges and opportunities facing SME home builders 2021 and 2023
The HBF State of Play - Challenges and opportunities facing SME home builders reports are based on surveys of SME housebuilders. The survey and report includes data on labour supply. In 2021 (with over 100 respondents), 59% of all housebuilders reported the supply and cost of labour being a 'major barrier' to housing delivery, in 2023 (with over 200 respondents) that figure had risen to 64%. The HBF State of Play 2021 report is available here and the 2023 version is available here.

National Infrastructure

The UK Government published its National Infrastructure Strategy in 2020, setting infrastructure investment as one of the key cornerstones of the Government's agenda. In his foreword to that document, the then Prime Minister said:

"For decade after decade, governments of every political stripe have failed to invest enough in the UK's regions and nations. It is one of the reasons why the quality of our national infrastructure has fallen behind that of other countries. This Strategy will change that."

In 2022, the Government's Major Project Portfolio comprised 70 major construction and infrastructure projects with a whole life cost of £339bn and monetised benefits of £356bn.

Projects of high public value include:

- Carbon capture and storage to reduce levels of CO2 in emissions into the atmosphere
- Freeports
- HS2
- New Hospitals Programme
- Road Investment Strategy 2
- Sizewell C Programme
- The Schools Rebuilding Programme (improving 500 schools)

CECA, Securing our economy: The case for infrastructure (2013)
Research by CECA has found that investment in infrastructure has an overwhelming positive 'spill over' effect on the UK economy:

- For each 1,000 jobs that are directly created in infrastructure construction, employment as a whole rises by 3,053 jobs;
- For each £1 billion increase in infrastructure investment, UK-wide GDP increases by a total of £1.299 billion;
- Every £1 billion of infrastructure construction increases overall economic activity by £2.842 billion;
- UK GDP could have been five per cent higher, on average, each year between 2000 and 2010 if our infrastructure had matched that of other leading global economies.

Levelling Up and Net Zero

CIOB
The Prime Minister's Ten Point Plan for a Green Industrial Revolution and the UK Government's Net Zero Strategy highlights the role of innovation in delivering both emissions reductions and future growth, emphasising the need for 'greener buildings'.

The construction sector has a major role to play in connecting the two ambitions. Data from the National Energy Action (NEA) suggests the energy crisis means 6.5 million UK households are in fuel poverty, with its effects felt unequally across the UK. Old and inefficient housing causes an estimated £1.4-£2bn additional annual NHS costs, and the inevitable conclusion from recent evidence of poor air quality in homes, including ineffective ventilation and mould growth, is that poor quality in new housing has negative consequences for occupants' health.

Upgrading the energy efficiency of existing homes through repair, maintenance and improvement (RMI) work is an example of a socially valuable project that will support the economy, while providing an unprecedented opportunity to address the health and wellbeing of residents and make progress on the decarbonisation of existing homes as a key strategy to meet our net zero obligations. This type of work is labour intensive and grounded within local supply chains, making it an ideal project to maximise employment within the construction sector, support regional growth and provide opportunities for training and retraining in low-carbon construction skills.

There is a chronic shortage of skills in the retrofit sector, with the Construction Leadership Council (CLC) estimating that the existing workforce needs to be more than doubled, developing around 500,000 new professionals, to address this challenge.

Building Safety

Following the Government's announcement in July 2022, that it was reopening the £4.5bn Building Safety Fund for further remediation works on cladding, it is clear there is going to be an exceptionally large need for additional cladders above and beyond the sector's 'normal' capacity. To date over 1,200 buildings have had successful funding applications progressed, but work has only completed on 96 buildings, showing the huge scale of the work still to come.

CSCS (Construction Skills Certified Scheme) have confirmed that there are circa 10,000 operatives in industry who hold a card relevant to cladding installation and remediation. Out of this number, CSCS confirmed that circa 3,500 have an accreditation in rainscreen cladding. Extensive supply chain engagement has confirmed that industry forecasts demand for cladders to undertake remediation projects will be significantly greater than supply. Separately, this industry forecast is currently being validated by DLUHC.

Further information regarding cladding remediation of non-ACM buildings can be accessed on the Government's website page dedicated to the matter here.

5. The changing nature of employment in construction

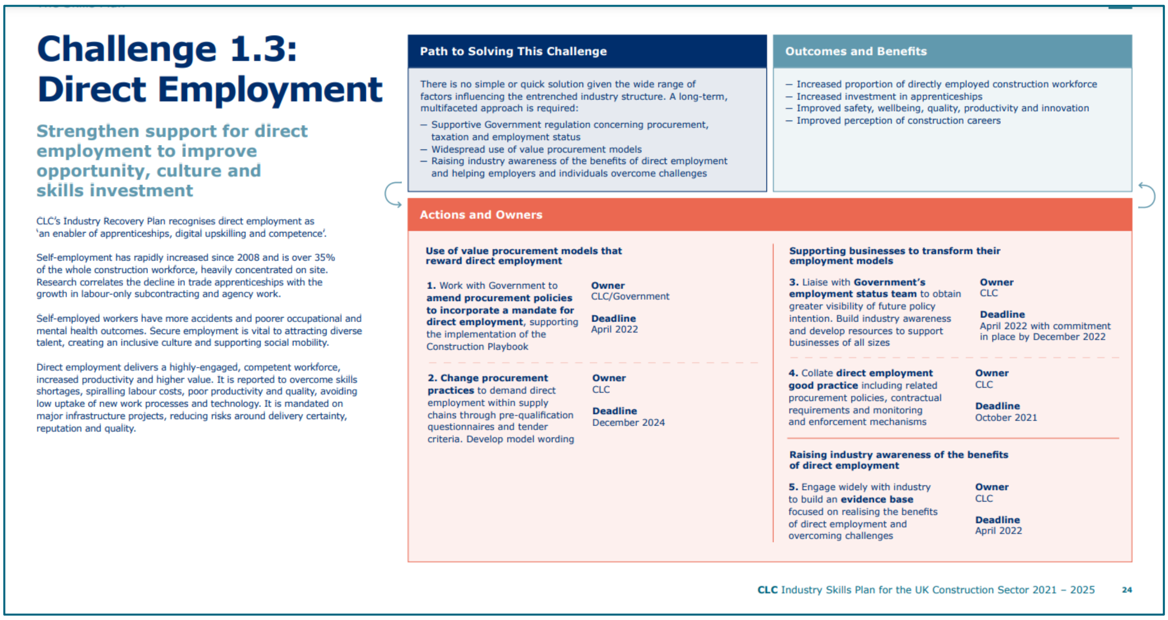
In its 2020 review of the SOL, the MAC reasoned that many of the occupations in construction under consideration would not benefit from being added to the SOL due to the high nature of self-employed people in those occupations. **The CLC asks the MAC to reconsider that reasoning for this review, noting the changes in the construction sector's direct-indirect employment balance.** Since the 2020 review, the number of directly employed people has increased and the number of indirectly employed people has decreased – the gap is widening. It is also the CLC's stated policy to pursue greater numbers of direct employment, as evidenced in its Industry Skills Plan.

The CLC acknowledges and thanks the MAC for accepting this argument in its interim report (March 2023) and asks that it does so again in this full review.

The CLC's Industry Skills Plan 2021-2025

The CLC Industry Skills Plan sets out to "Strengthen support for direct employment to improve opportunity, culture and skills investment".

The CLC's Industry Recovery Plan recognises direct employment as 'an enabler of apprenticeships, digital upskilling and competence'. The plan argues that secure employment is vital to attracting diverse talent, creating an inclusive culture and supporting social mobility. It goes on to say that "direct employment delivers a highly-engaged, competent workforce, increased productivity and higher value. It is reported to overcome skills shortages, spiralling labour costs, poor productivity and quality, avoiding low uptake of new work processes and technology."



Challenge 1.3: Direct Employment

Strengthen support for direct employment to improve opportunity, culture and skills investment

CLC's Industry Recovery Plan recognises direct employment as 'an enabler of apprenticeships, digital upskilling and competence'.

Self-employment has rapidly increased since 2008 and is over 35% of the whole construction workforce, heavily concentrated on site. Research correlates the decline in trade apprenticeships with the growth in labour-only subcontracting and agency work.

Self-employed workers have more accidents and poorer occupational and mental health outcomes. Secure employment is vital to attracting diverse talent, creating an inclusive culture and supporting social mobility.

Direct employment delivers a highly-engaged, competent workforce, increased productivity and higher value. It is reported to overcome skills shortages, spiralling labour costs, poor productivity and quality, avoiding low uptake of new work processes and technology. It is mandated on major infrastructure projects, reducing risks around delivery certainty, reputation and quality.

Path to Solving This Challenge

There is no simple or quick solution given the wide range of factors influencing the entrenched industry structure. A long-term, multifaceted approach is required:

- Supportive Government regulation concerning procurement, taxation and employment status
- Widespread use of value procurement models
- Raising industry awareness of the benefits of direct employment and helping employers and individuals overcome challenges

Outcomes and Benefits

- Increased proportion of directly employed construction workforce
- Increased investment in apprenticeships
- Improved safety, wellbeing, quality, productivity and innovation
- Improved perception of construction careers

Actions and Owners

Use of value procurement models that reward direct employment

1. Work with Government to **amend procurement policies to incorporate a mandate for direct employment**, supporting the implementation of the Construction Playbook
Owner CLC/Government
Deadline April 2022

2. Change procurement practices to demand direct employment within supply chains through pre-qualification questionnaires and tender criteria. Develop model wording
Owner CLC
Deadline December 2024

Supporting businesses to transform their employment models

3. Liaise with **Government's employment status team** to obtain greater visibility of future policy intention. Build industry awareness and develop resources to support businesses of all sizes
Owner CLC
Deadline April 2022 with commitment in place by December 2022

4. Collate **direct employment good practice** including related procurement policies, contractual requirements and monitoring and enforcement mechanisms
Owner CLC
Deadline October 2021

Raising industry awareness of the benefits of direct employment

5. Engage widely with industry to build an **evidence base** focused on realising the benefits of direct employment and overcoming challenges
Owner CLC
Deadline April 2022

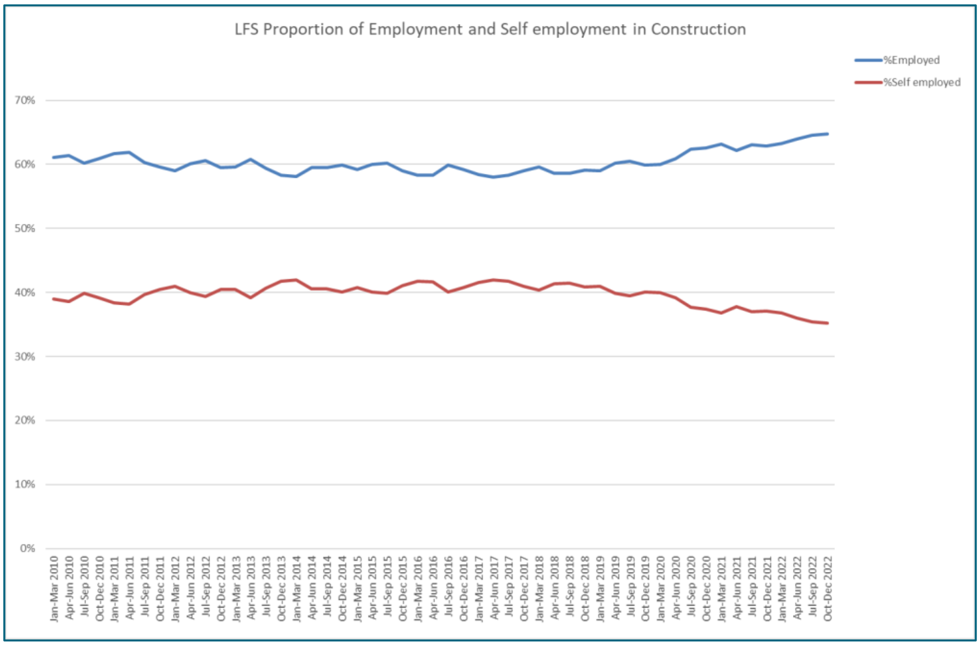
CLC Industry Skills Plan for the UK Construction Sector 2021 – 2025 24

Changes in domestic workforce: declining self-employment

The latest ONS Labour Force Survey (2023) data shows that construction employment has effectively stagnated. While the number of employees in construction has recovered (and slightly exceeded) pre-pandemic levels (October 2019 to December 2019) the number of self-employed workers remains 161,000 lower. Self-employment in construction is now at its lowest level for 20 years:

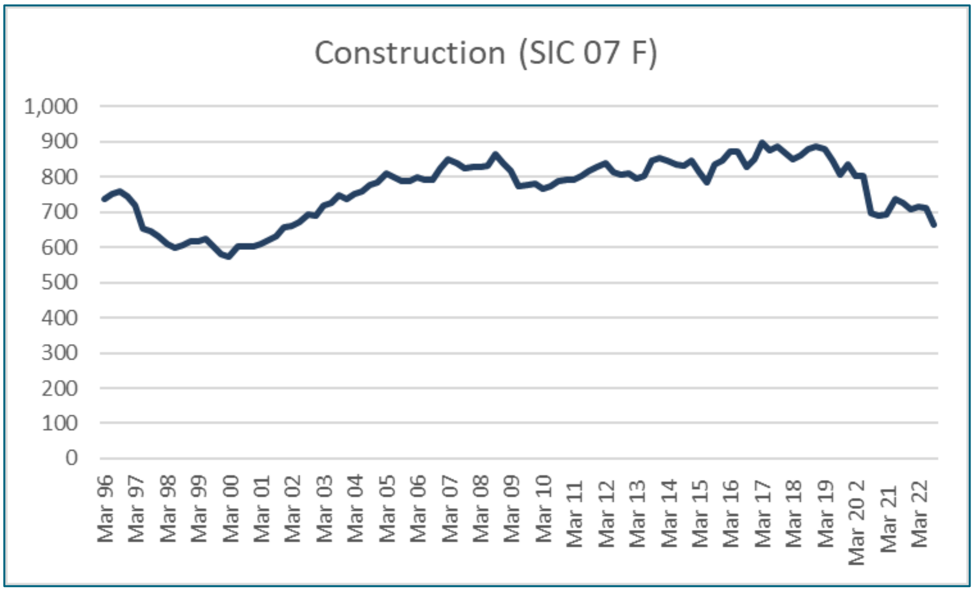
- Employees 15,000 higher at 1.397m
- Self-employed 1,000 lower at 760,000

Increasing direct employment, decreasing self-employment – the widening gap



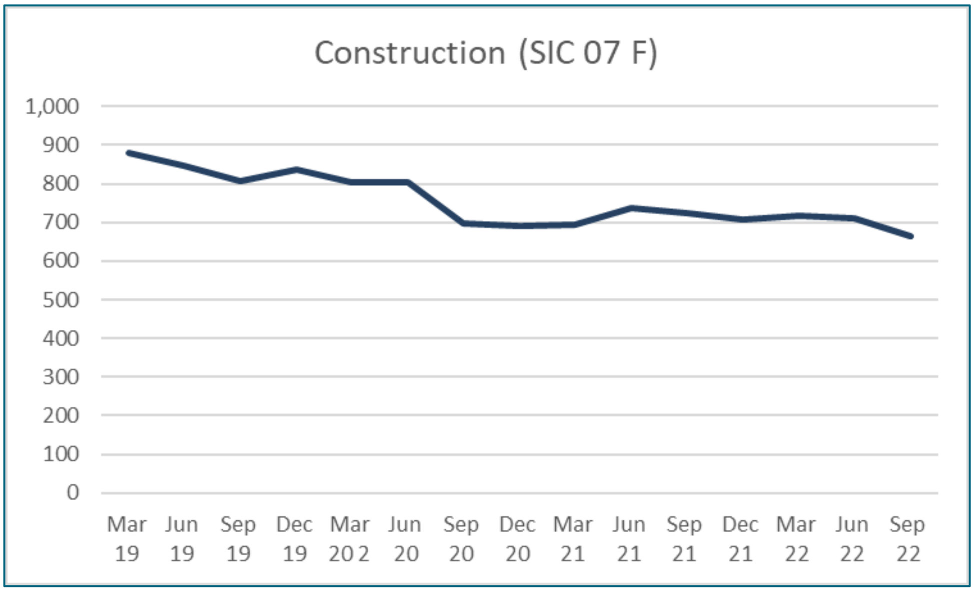
Source: *ONS EMP14: Labour Force Survey. Published 14 February 2023.*

Self-employment in construction (SIC 07 F). Date range March 1996 to September 2022



Source: *ONS JOBS04: Self-employment jobs by industry. Published 13 Dec 2022. [Available here](#).*

Self-Employment in Construction (SIC 07 F) Date range March 2019 to September 2022



Source: *ONS JOBS04: Self-employment jobs by industry. Published 13 Dec 2022. Available here.*

Build UK's People Survey

This trend of increasing direct employment of workers was also highlighted in Build UK's People Survey in which 47% of Contractor members predicting an increase in direct employment over the next year, compared to 59% of Specialist Contractors anticipating a rise.

6. Detailed evidence to support the recommendations (by occupational code)

SKILLED WORKER LIST OCCUPATIONS

3121 – Architectural and Town Planning Technicians

3121 – Architectural and Town Planning Technicians		
Workforce 2022	Annual Recruitment Requirement (ARR)	Workforce / ARR Ratio
220,460	5,870	2.7%
Source: *CITB Construction Skills Network Industry Outlook 2023 – 2027. Please note that within the CSN data, 3121 sits within the data category 'Other construction professionals and technical staff'.*		

RIBA

Architects are the only regulated profession within the construction industry and play a key role in realising Government commitments of reaching net zero, improving building safety and levelling up across the country.

However, it takes at least seven years to qualify as an architect in the UK, with many people taking up to ten years to qualify. In addition, there is currently a lack of different routes to the architects register. These factors limit the ability to recruit from the existing workforce and means that the skills pipeline doesn't necessarily reflect current demand for architects.

One way to address this issue is include architectural assistants on the SOL. Architectural assistants are professionals who have studied architecture but are not yet fully qualified and therefore cannot call themselves an architect. They do, however, add value for architecture practices who can utilise their expertise while they are finishing their training to become a registered architect in the UK.

One of the reasons that an employer may seek to recruit international talent is soft skills, such as language and international market knowledge.

Regional architecture practices find it more difficult to recruit. This is for several reasons, including: talent is drawn to cities where salaries are higher, applicants do not want to relocate for work and an insufficient pipeline of talent due to a lack of local universities with architecture courses.

Research undertaken by the Architects Council of Europe highlights that the UK has 0.6 architects per 1000 population. This is compared to Germany, which has 1.4 architects per 1000 population, which would imply that there is a shortage of architects in the UK.

Domestic Skills Interventions for 3121: RIBA

The UK has roughly doubled the number of schools of architecture in the past twenty years, however, we still do not have enough architectural assistants to support the profession.

Over the last decade, RIBA has been actively championing initiatives that encourage new models for architectural education to emerge through its evolving global validation work. The transformation and modernisation of architectural education, that the RIBA is spearheading, including more flexible, accessible and inclusive study routes with a focus on competence and sustainability, will help us attract the best talent and support a more representative profession.

To help increase the number of architectural assistants coming to the UK, the RIBA has been advocating and lobbying Government to secure mutual recognition agreements (MRAs) with countries that have a similar standard of architectural education and training. Positively in recent months, two MRAs – one with the US and another trilateral MRA with Australia and New Zealand – have been signed. The RIBA continues to work with the Government and the ARB to progress further MRAs to support international recruitment.

This means that architects qualified in these regions will be able to come to the UK as architectural assistants, undertake the UK Adaptation Assessment and become fully qualified UK architects. Including architectural assistants on the SOL, is therefore vital for practices to best utilise these new MRAs that the Government and regulator have worked so hard to agree.

The RIBA also has a jobs board - RIBA Jobs – which is one of the most popular job boards for architecture and design related roles. RIBA present opportunities for local jobs, work from home jobs to overseas and international jobs. We have a dedicated team who provide an account managed and personalised service to support job seekers and employers. This is one way the RIBA is supporting our members to fill their vacant roles.

The RIBA requires members to undertake and record CPD each year as evidence that they are taking organised steps to maintain their competence through continuous learning. While this is of clear benefit to our members, it is not a substitute for more architectural assistants.

Despite undertaking a variety of measures to source labour from the UK market, architecture practices are still struggling to recruit. Measures taken to date include:

- RIBA members continuing to support the development of home-grown talent through leading architecture apprenticeships schemes, created by a Trailblazer group of practices, supported by RIBA and the ARB and approved by the Institute for Apprenticeships and Technical Education,
- Investing in internal training to support students gaining professional qualifications and
- Supporting UK architecture schools.

3539 - Business and Related Associate Professionals N.E.C.

3539 – Business and Related Associated Professionals N.E.C.		
Workforce 2022	Annual Recruitment Requirement (ARR)	Workforce / ARR Ratio
408,190	9,320	2.3%
Source: *CITB Construction Skills Network Industry Outlook 2023 – 2027. Please note that within the CSN data, 3539 sits within the data category 'Non-construction professional, technical, IT, and other office-based staff (excl. managers)'.*		

ECITB Workforce Census

ECITB in-scope companies that struggled to fill vacancies accounted for 64% of the in-scope workforce in 2021. Among these companies, 5.3% specifically mentioned project controllers (which are classified as 'business and related associate professionals N.E.C.' in 2010 SOC, and as '3543: project support officers' in 2020 SOC). This percentage is likely to be an underestimate as some companies that struggled to fill vacancies did not mention specific occupations. The ECITB continually receives feedback from employers that project controllers are difficult to recruit.

5213 – Sheet Metal Workers

Steel Erectors and Structural Fabrication (Including 5213 - Sheet Metal Workers)		
Workforce 2022	Annual Recruitment Requirement (ARR)	Workforce / ARR Ratio
23,805	390	1.6%
Source: *CITB Construction Skills Network Industry Outlook 2023 – 2027. Please note the CSN data categorises a number of metalwork trades collectively under the category 'Steel Erectors and Structural Fabrication'.*		

ECITB Workforce Census

ECITB in-scope companies that struggled to fill vacancies accounted for 64% of the in-scope workforce in 2021. Among these companies, 3.9% specifically mentioned platers and sheet metal workers. This percentage is likely to be an underestimate as some companies that struggled to fill vacancies did not mention specific occupations. The ECITB continually receives feedback from employers that platers and sheet metal workers are difficult to recruit.

Construction Leadership Council

5215 – Welding Trades

Steel Erectors and Structural Fabrication (Including 5215 – Welding Trades)		
Workforce 2022	Annual Recruitment Requirement (ARR)	Workforce / ARR Ratio
23,805	390	1.6%
Source: *CITB Construction Skills Network Industry Outlook 2023 – 2027. Please note the CSN data categorises a number of metalwork trades collectively under the category 'Steel Erectors and Structural Fabrication'.*		

ECITB Workforce Census
ECITB in-scope companies that struggled to fill vacancies accounted for 64% of the in-scope workforce in 2021. Among these companies, 13.2% specifically mentioned welders. This percentage is likely to be an underestimate as some companies that struggled to fill vacancies did not mention specific occupations. The ECITB continually receives feedback from employers that welders are difficult to recruit.

5311 – Steel Erectors

Steel Erectors and Structural Fabrication (Including 5311 – Steel Erectors)		
Workforce 2022	Annual Recruitment Requirement (ARR)	Workforce / ARR Ratio
23,805	390	1.6%
Source: *CITB Construction Skills Network Industry Outlook 2023 – 2027. Please note the CSN data categorises a number of metalwork trades collectively under the category 'Steel Erectors and Structural Fabrication'.*		

The Importance of Steel Erectors to construction: Home Builders Federation (HBF) – Attracting New People to Key Roles 2023: HBF's research shows that for every additional 10,000 apartments built, 900 Steel Fixers, 300 Steel Frame System Installers and 120 Structural Steel Fitters are needed, as they provide an essential role in the delivery of apartment construction.

Note on wage data: At the interim review of shortage construction occupations, the MAC rejected the inclusion of steel erectors:

"We do not recommend the addition of 5311 (Steel erectors) to the SOL, as based on projected pay growth it is likely that this occupation's pay will be high enough for most jobs to meet the general threshold and therefore there is little

justification for a SOL salary discount, which would risk undercutting domestic workers' pay."

The CLC contests this statement by the MAC.

In consultation for this report, the British Constructional Steelwork Association (BCSA) reported that the mean average hourly rate for steel erectors (2023 figures) is £13.75 per hour or a salary of £26,812.50 per year (based on 37.5 hours per week). Given these figures, and the closeness of the mean salary to the general threshold of £26,200 the CLC and BCSA contest that the going rate, or 25th percentile wage, would in fact fall below the general threshold – as the median wage is usually below the median, and the 25th percentile is below that too. For example, the going rate salary of Bricklayers is £4,700 below the median salary of £28,000 (as per the MAC's Dashboard).

ECITB Workforce Census

ECITB in-scope companies that struggled to fill vacancies accounted for 64% of the in-scope workforce in 2021. Among these companies, 6.6% specifically mentioned steel erectors. This percentage is likely to be an underestimate as some companies that struggled to fill vacancies did not mention specific occupations. The ECITB continually receives feedback from employers that steel erectors are difficult to recruit.

Shortage occupations in construction: A cross-industry research report, February 2019

Of those surveyed, 14% said they had some difficulties 'now' in recruiting Steel Erectors, and 2% said they had severe difficulties 'now'.

5312 – Bricklayers and Masons

5312 – Bricklayers		
Workforce 2022	Annual Recruitment Requirement (ARR)	Workforce / ARR Ratio
72,204	1,080	1.5%
Source: *CITB Construction Skills Network Industry Outlook 2023 – 2027*		

Bricklayers, England only	**2021**	**2022**	**2023 estimates**
Workforce	57,660	55,140	55,680
Directly employed	13,300	12,720	12,840
Apprenticeships (part of direct employed)	(5,500)	(5,850)	
Self-employed	44,360	42,420	42,840

Estimate flow out (industry)	9% (-5,189)	9% (-4,963)	9% (-5,011)
Estimate flow in (industry)	8% (4,613)	8% (4,411)	8% (4,454)
Net flow out	-577	-551	-557
FE Achievers (per academic year) 20% go into work Construction sector	2,740 (548 into Construction)	2,690 (538 into Construction)	
Avg. monthly vacancies	1,375	720	810
Extra recruitment required (ARR)	860	660	840
Source: CITB research: Occupational 'Deep Dive' Training Data (unpublished) May 2023			

The Importance of Bricklayers to construction: Home Builders Federation (HBF) – Attracting New People to Key Roles 2023: HBF's research shows that for every additional 10,000 homes built, 2500 additional Bricklayers are needed to deliver them, as they provide the most vital role to housing delivery. In addition, 1500 additional Bricklayers are needed for every 10,000 additional apartments built. These numbers are likely to increase given the Government's Housing commitments.

FMB State of Trade Survey

Bricklayers and Masons are reported as the second hardest to recruit trade by FMB members, with 35% of all members reporting as such in its latest State of Trade survey (Q4 2022). The difficulty in recruiting bricklayers exceeded 10% of members in 2013 and has remained persistently higher than 20% ever since, rating as the hardest to recruit trade in 7 years of the reporting period, and peaking at almost 70% in 2017 and again in 2018.

Home Builders Federation (HBF) – State of Play - Challenges and opportunities facing SME home builders 2023

While the HBF State of Play survey does not specifically identify individual jobs or occupations, the latest available data (2023) shows 64% of all respondents reported the supply and cost of labour being a 'major barrier' to housing delivery. HBF says that members report that these shortages include Bricklayers and Masons.

Migration Advisory Committee Review of the Shortage Occupation List: 2020

Bricklayers and Masons were the only construction occupation recommended by the MAC for inclusion in the SOL in 2020. The CLC agrees with the MAC's recommendation for Bricklayers and Masons in that report and believes that the shortages faced then remain a persistent issue. The CLC believes that the recommendation at that stage, and the evidence the MAC received in its consultation at that point, also helps to evidence a continued issue in this occupation.

National Federation of Builders (NFB) – Shortage Jobs and Occupations in Construction, Feb 2023

In a survey of 62 building contractors undertaken specifically for this report, 84% said that their business had experienced 'sustained shortages' in labour (defined as one year or more). Of those experiencing sustained shortages, 35% listed Bricklayers and Masons in their top three occupations facing shortage.

Shortage occupations in construction: A cross-industry research report, February 2019

Bricklayers were found to be one of the top ten shortage occupations in this report. Of those surveyed, approximately 17.5% said they had some difficulties 'now' in recruiting Bricklayers and Masons, and approximately 13% said they had severe difficulties 'now'.

Domestic Skills Interventions for 5312: Federation of Master Builders (FMB)

Developing new routes to entry

The FMB Trailblazer Group is working with IfATE to establish a general builders' apprenticeship standard. The purpose of the standard is to fill the skills gap within the industry by offering trainees an opportunity to develop an understanding of all the key construction trades, all in one course.

The qualification will equip trainees with skills in four of the key trade areas:

- Bricklaying
- Carpentry
- Plastering
- Painting & Decorating

The course will also include training on green skills and retrofit methods to increase energy efficiency in homes and it will provide an understanding of the importance of thermal qualities, airtightness and ventilation.

FMB hope to launch the qualification in colleges by September 2023. This could be delayed until the end of the year and is dependant on when the course is approved by IfATE and funding secured.

Domestic Skills Interventions for 5312: Home Builders Federation (HBF)

Building Capacity - Brickwork Masterclasses

The Brickwork interventions are specifically aimed at tackling the most frequent defects appearing on the NHBC Construction Quality Reviews (CQR's) site visits to home builders year on year – i.e., DPC's and trays, cavities, weep holes and insulation, Fire stopping and sound proofing. Using these subjects as the key content for imparting knowledge for quality improvement, HBSP with delivery partner NHBC, the Association of Brickwork Contractors (ABC) developed, in conjunction with the industry, the initial brickwork masterclasses.

The masterclasses consist of a 4-hour blended learning intervention of video content and reading material, with a 90 minute upskilling programme delivered on site. They aim to enable a sustainable, long-term solution. To date 963 sessions have been delivered to 8716 bricklayers, equating to a fifth of the home building bricklaying workforce.

It is also worth noting that CPD for FE lecturers (part of earlier contracts) was also a huge success. The HBF has also worked with BACH (British Association of Construction Heads) to tackle the challenges facing full time construction student leavers gaining employment when not site ready.

In collaboration with CITB, National House Building Council (NHBC) and the Association of Brickwork Contractors (ABC), the Skills Partnership has created CPD for educators on industry challenges associated with Brickwork. During 2019 the Skills Partnership ran a successful programme of 3-hour CPD sessions for brickwork lecturers, hosted in regional colleges, delivered by NHBC, funded by CITB. HBF are also looking to develop this project across a number of occupational areas including roofing.

5313 - Roofers, Roof Tilers and Slaters

5313 – Roofers, Roof Tilers and Slaters		
Workforce 2022	Annual Recruitment Requirement (ARR)	Workforce / ARR Ratio
46,195	690	1.5%
Source: *CITB Construction Skills Network Industry Outlook 2023 – 2027*		

Roofers, England	**2021**	**2022**	**2023 estimates**
Workforce	40,260	40,370	39,710
Directly employed	12,120	12,156	11,957

Apprenticeships (part of direct employed)	(310)	(600)	
Self-employed	28,140	28,214	27,753
Estimate flow out (industry)	9% (-3,623)	9% (-3,633)	9% (-3,574)
Estimate flow in (industry)	8% (3,221)	8% (3,230)	8% (3,177)
Net flow out	-403	-404	-397
FE Achievers (per academic year) 20% go into work Construction sector	30 (6 into Construction)	20 (4 into Construction)	
Avg monthly vacancies	740	300	569
Extra recruitment required (ARR)	280	290	300
Source: CITB research: Occupational 'Deep Dive' Training Data (unpublished) May 2023.			

The Importance of Roofers to construction: Home Builders Federation (HBF) – Attracting New People to Key Roles 2023: HBF's research shows that for every additional 10,000 homes built, 300 additional Roofers and Tilers are needed to deliver them, as they provide a key role to housing delivery. In addition, 180 additional Flat Roofers and 275 additional cladders are needed for every 10,000 additional apartments built.

FMB State of Trade Survey

Roofers are reported as the fifth hardest to recruit trade by FMB members, with 17% of all members reporting as such in its latest State of Trade survey (Q4 2022). The difficulty in recruiting Roofers exceeded 10% of members in 2013 and remained persistently higher than 20% between 2014 and the pandemic, peaking at around 45% in 2016. Since the pandemic, Roofers have proven to be a difficult trade to recruit for between 17% and 25% of FMB members.

Home Builders Federation (HBF) – State of Play - Challenges and opportunities facing SME home builders 2023

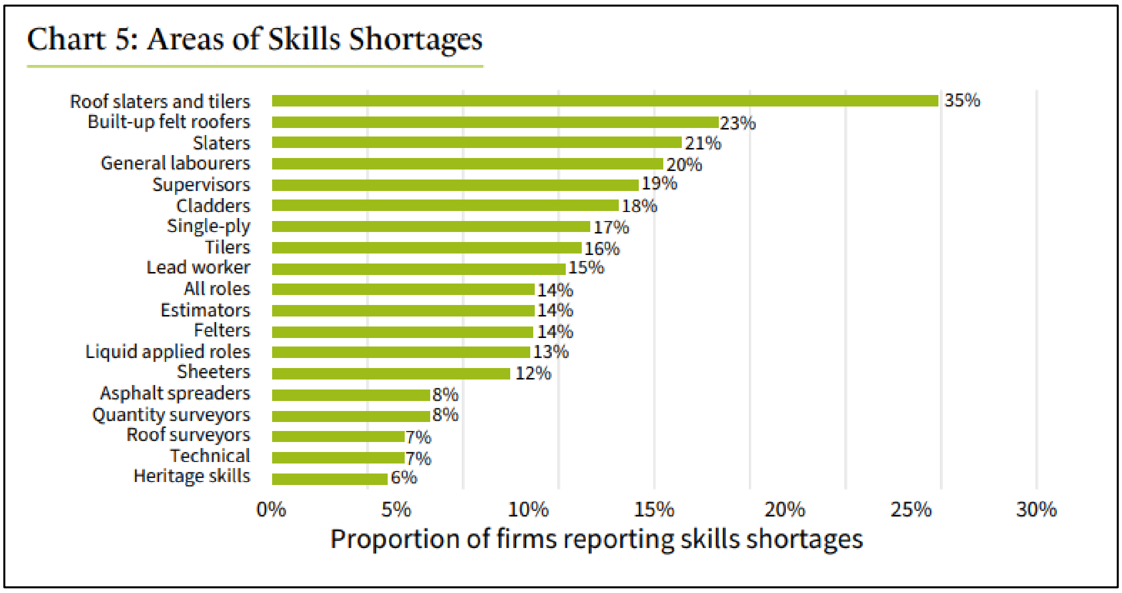
While the HBF State of Play survey does not specifically identify individual jobs or occupations, the latest available data (2023) shows 64% of all respondents reported the supply and cost of labour being a 'major barrier' to housing delivery. HBF says that members report that these shortages include Roofers.

National Federation of Builders (NFB) – Shortage Jobs and Occupations in Construction, Feb 2023

In a survey of 62 building contractors undertaken specifically for this report, 84% said that their business had experienced 'sustained shortages' in labour (defined as one year or more). Of those experiencing sustained shortages, 13% listed Roofers in their top three occupations facing shortage.

NFRC State of the UK Roofing Industry Q3 2022

"Staff recruitment difficulties remain. 51 per cent of firms experienced greater difficulty recruiting suitable labour during the third quarter against nine per cent that saw an improvement in recruitment conditions compared to the previous quarter. A balance of four per cent of firms increased their direct headcount during the quarter and a balance of 17 per cent of firms increased their use of sub-contracted labour. In particular, firms operating in the new residential sector were most actively increasing their direct labour force and use of sub-contracted labour. Roof slater and tiler was the most frequently mentioned difficult to fill role with 35 per cent reporting recruitment problems. There were also widespread shortages reported of tilers, slaters and general labourers."



Source: *NFRC State of the Roofing Industry Q3 2022.*

Shortage occupations in construction: A cross-industry research report, February 2019

Of those surveyed, 12% said they had some difficulties 'now' in recruiting Roofers, and 6% said they had severe difficulties 'now'.

Cladding Remediation: The Construction Leadership Council also asks the MAC to consider that cladding is a job title included within this occupation code. Following the Government's announcement in July 2022, that it was reopening the £4.5bn Building Safety Fund for further remediation works on cladding, it is clear there is going to be an exceptionally large need for additional cladders above and beyond the sector's 'normal' capacity. To date over 1,200 buildings have had successful funding applications progressed, but work has only completed on 96 buildings, showing the huge scale of the work still to come. **The CLC asks the MAC to strongly consider the implications of this work and the need to ensure as widespread access to this occupation as possible, to deliver the remediation of buildings under the Building Safety Fund as quickly as possible**. Further information regarding cladding remediation of non-ACM buildings can be accessed on the Government's website page dedicated to the matter here.

CSCS (Construction Skills Certified Scheme) have confirmed that there are circa 10,000 operatives in industry who hold a card relevant to cladding installation and remediation. Out of this number, CSCS confirmed that circa 3,500 have an accreditation in rainscreen cladding. Extensive supply chain engagement has confirmed that industry forecasts demand for cladders to undertake remediation projects will be significantly greater than supply. Separately, this industry forecast is currently being validated by DLUHC.

In addition to overall capacity concerns, industry is reviewing current training / qualification routes as this is understood to be slowing entry into the cladding labour market. This, coupled with the overall shortage of operatives, could potentially limit the number of projects that can be delivered per year. Furthermore, labour shortages will increase the costs of cladding remediation projects. Therefore, opportunities to attract more operatives to the market would be advantageous.

Industry is currently responding to the shortage of qualified cladders by utilising operatives that are trained under their own criteria. There has also been a focus on reviewing the training that operatives need to undertake in order to become qualified as rainscreen cladders. The amount of time and cost required to undertake training to become a qualified rainscreen cladder has been identified as a barrier to entry to the cladding market i.e. for existing operatives looking to qualify for or change to this area, and attracting new people. The current NVQ route to become a qualified rainscreen cladder requires 680 hours of training. In response a shorter, modular pilot training course ('Level 2 Award for Rainscreen Cladding') was launched in 2021. This new shorter course allows people to be trained specifically as a Rainscreen Cladder rather than having to undertake wider training relating to other aspects of construction not necessarily related to rainscreen cladding (new pilot course requires 80 hours of guided training). As of January 2023, 17 people have completed the pilot course with the remaining 83 at various stages of training. Options to adopt this shorter, modular approach to training are currently being reviewed by construction industry bodies.

Organisations would benefit by having a wider supply of operatives to recruit alongside a continued focus on training / qualification routes to ensure there is a sufficient number of qualified cladders. Current industry data suggest that even if the barriers regarding training / qualification routes are addressed, there are not enough operatives within the cladding industry as it stands. Therefore, more operatives need to be attracted into the market – the SOL provides the opportunity to do this.

Increased availability of cladders will enable cladding contractors to tender / deliver more projects per year and help reduce wage inflation. The current shortage of available cladders would be expected to continue, increasing costs – including for the public sector - as well as potentially impacting delivery of other construction projects / programmes beyond cladding remediation.

Domestic Skills Interventions for 5313: NFRC

NFRC's initiatives specific to the roofing and cladding industry include:

- England Construction Opportunities project: Funded by CITB, tailored help for SMEs to recruit new entrants to the industry and support/mentor them through the first six months to aid retention. Exclusively for entrants who are new to industry or returning after several years away.
- NFRC Charitable Trust Inclusion Fund: Funding for roofing and cladding firms' diversity initiatives (e.g. site visits for young people from diverse backgrounds).
- NFRC Careers Service: Web resource launched late 2021 with resources for young people, parents, career changers and potential employers re. joining the industry.
- NFRC in Scotland: Conducts roof slating demonstrations in schools and at public events to introduce young people to the practical skillset
- The NFRC RoofCERT roofing accreditation* available here.

*Note: The NFRC Group's RoofCERT programme, which accredits individual operatives, would say that one of the biggest barriers to getting operatives to undergo proof of competency/accreditation is that employers are so short staffed they can't afford to give an operative a day to complete it.

5315 - Carpenters and Joiners

5315 – Carpenters and Joiners		
Workforce 2022	Annual Recruitment Requirement (ARR)	Workforce / ARR Ratio
242,075	5,280	2.2%
Source: *CITB Construction Skills Network Industry Outlook 2023 – 2027*		

Wood Trades and Interior Fit-Out, England only	2021	2022	2023 estimates
Workforce	201,600	199,830	198,840
Directly employed	53,374	52,905	52,643
Apprenticeships (part of direct employed)	(10,330)	(12,510)	
Self-employed	148,226	146,925	146,197
Estimate flow out (industry)	9% (-18,144)	9% (-17,985)	9% (-17,896)
Estimate flow in (industry)	8% (16,128)	8% (15,986)	8% (15,907)
Net flow out	-2,016	-1,998	-1,988
FE Achievers (per academic year) 20% go into work Construction sector	5,450 (1,090 into Construction)	4,890 (978 into Construction)	
Avg monthly vacancies	2,037	1,796	2,102
Extra recruitment required (ARR)	6,030	5,130	2,950
Source: *CITB research: Occupational 'Deep Dive' Training Data (unpublished) May 2023*			

The Importance of Carpenters to construction: Home Builders Federation (HBF) – Attracting New People to Key Roles 2023: HBF's research shows that for every additional 10,000 homes built, 1000 additional Carpenters are needed to deliver them, as they provide a key role to housing delivery, the third most important by number of persons needed. In addition, 720 additional Carpenters are needed for every 10,000 additional apartments built.

FMB State of Trade Survey

Carpenters and Joiners are reported as the hardest to recruit trade by FMB members, with 39% of all members reporting as such in its latest State of Trade survey (Q4 2022). The difficulty in recruiting Carpenters and Joiners exceeded

10% of members in 2013 and has remained persistently higher than 20% ever since, rating as the hardest to recruit trade in the past 2 years and second hardest in 7 years of the reporting period, peaking at just over 60% in 2018 – showing a long-term shortage issue.

Home Builders Federation (HBF) – State of Play - Challenges and opportunities facing SME home builders 2023

While the HBF State of Play survey does not specifically identify individual jobs or occupations, the latest available data (2023) shows 64% of all respondents reported the supply and cost of labour being a 'major barrier' to housing delivery. HBF says that members report that these shortages include Carpenters and Joiners.

National Federation of Builders (NFB) – Shortage Jobs and Occupations in Construction, Feb 2023

In a survey of 62 building contractors undertaken specifically for this report, 84% said that their business had experienced 'sustained shortages' in labour (defined as one year or more). Of those experiencing sustained shortages, 46% listed Carpenters and Joiners in their top three occupations facing shortage, the most frequent occupation mentioned.

Shortage occupations in construction: A cross-industry research report, February 2019

Carpenters and Joiners were found to be one of the top ten shortage occupations in this report. Of those surveyed, 18% said they had some difficulties 'now' in recruiting Carpenters and Joiners, and 11% said they had severe difficulties 'now'.

Domestic Skills Interventions for 5315: Federation of Master Builders (FMB)

Developing new routes to entry

The FMB Trailblazer Group is working with IfATE to establish a general builders' apprenticeship standard. The purpose of the standard is to fill the skills gap within the industry by offering trainees an opportunity to develop an understanding of all the key construction trades, all in one course.

The qualification will equip trainees with skills in four of the key trade areas:

- Bricklaying
- Carpentry
- Plastering
- Painting & Decorating

The course will also include training on green skills and retrofit methods to increase energy efficiency in homes and it will provide an understanding of the importance of thermal qualities, airtightness and ventilation.

FMB hope to launch the qualification in colleges by September 2023. This may be delayed until the end of the year and is dependent on when the course is approved by IfATE and funding secured.

5319 - Construction and Building Trades N.E.C.

5319 - Construction and Building Trades N.E.C		
Workforce 2022	Annual Recruitment Requirement (ARR)	Workforce / ARR Ratio
91,796	530	0.6%
Source: *CITB Construction Skills Network Industry Outlook 2023 – 2027*		

Note: The need for retrofit co-ordinators is not included within the CSN data as it is not currently categorised in a SOC code.

The CLC believes that Retrofit Co-ordinators fall within 5319 and has therefore provided evidence of shortages below.

Retrofit Co-ordinator

Retrofit co-ordinators will be an essential role for achieving the decarbonisation of the UK's housing stock. Retrofit co-ordinators are required for a number of existing Government funded schemes, including the Social Housing Decarbonisation Fund. All future Government funded schemes relating to decarbonisation of homes are expected to involve this job, as it is a requirement under PAS 2035 (the required accreditation for Government funded retrofit schemes).

In the CLC's National Retrofit Strategy, to meet the UK's Net Zero targets, it was estimated that the number of roles required will be approximately 35,000. To date, there are around 1,000 currently qualified at a training rate of just over 500 in 2022 – indicating a significant need.

The training will involve some of the following:

- Retrofit quality assurance and risk management
- Building physics – thermal efficiency
- Building physics – managing moisture risk
- Improving the building fabric – floors and roofs
- Improving the building fabric – walls and windows
- Improving airtightness and ventilation
- Improving the building services – heating, hot Water, lighting and power
- Improving the building services – renewable energy systems

In order to qualify for the retrofit coordinator course, you need to have a qualification in a built environment subject that is at least Level 3, and the retrofit coordinator course is at Level 5.

Fencers

Fencers fall within 5319 and the Association of Fencing Industries has undertaken a skills survey of over 100 fencing contractors to help evidence the shortages experienced in fencing operatives. 57% of firms said that they found it very difficult to recruit general fencers whilst 16% stated that there weren't any available candidates:

Recruitment

Difficulty experienced in recruiting the following skilled staff in the past three months:

	No difficulty	Difficult	Very difficult	No available candidates	N/A not recruiting this position
Labour	9%	40%	40%	5%	6%
Skilled general fencer	3%	16%	57%	16%	8%
Skilled ag fencer	0%	12%	34%	15%	39%
Skilled VRS fencer	3%	5%	21%	3%	68%
Skilled security fencer	3%	8%	38%	10%	41%
Gate and barrier automation	3%	3%	18%	10%	66%
Site managers	2%	3%	13%	0%	82%
Estimators	3%	3%	10%	0%	84%
Managers	3%	3%	10%	0%	84%

Source: AFI Skills Survey 2023

In addition, 50% of respondents said these vacancies were stopping them from being able to grow their business:

What impacts are unfilled vacancies having:

Losing business to competitors	2%
Not been able to grow the business	50%
Paying a premium e.g. overtime/increased salaries/bonuses	7%
Increased investment in technology	0%
Increased training of existing staff to fulfil roles	2%
Late starting projects	7%
Projects over-running	2%
Too early to say	7%
Other (Combination of inability to grow business, projects starting late and projects over running; struggling to keep up with project demand)	10%
None	13%

Source: AFI Skills Survey 2023

Reassuringly, the majority of fencing contractors reported that they expected to be increasing the numbers of apprentices they employ over the next 12 months (55%) compared to only 2% who said they would decrease. 43% expected the levels to remain the same.

5321 - Plasterers

5321 – Plasterers		
Workforce 2022	Annual Recruitment Requirement (ARR)	Workforce / ARR Ratio
51,012	720	1.4%
Source: *CITB Construction Skills Network Industry Outlook 2023 – 2027*		

Plasterers, England	**2021**	**2022**	**2023 estimates**
Workforce	41,150	41,270	40,990
Directly employed	7,040	7,060	7,013
Apprenticeships (part of direct employed)	(490)	(940)	
Self-employed	34,110	34,210	33,977
Estimate flow out (industry)	9% (-3,704)	9% (-3,714)	9% (-3,689)
Estimate flow in (industry)	8% (3,292)	8% (3,302)	8% (3,279)
Net flow out	-412	-413	-410
FE Achievers (per academic year) 20% go into work Construction sector	770 (154 into Construction)	820 (164 into Construction)	
Avg monthly vacancies	867	430	416
Extra recruitment required (ARR)	1,020	720	730
Source: CITB research: Occupational 'Deep Dive' Training Data (unpublished) May 2023			

The Importance of Plasterers to construction: Home Builders Federation (HBF) – Attracting New People to Key Roles 2023: HBF's research shows that for every additional 10,000 homes built, 400 additional

Plasterers and Dryliners are needed to deliver them, as they provide a key supporting role to housing delivery. This figure rises to 1260 Dryliners for every 10,000 additional apartments built, the second most needed role after Bricklayers.

FMB State of Trade Survey

Plasterers are reported as the fourth hardest to recruit trade by FMB members, with 22% of all members reporting as such in its latest State of Trade survey (Q4 2022). The difficulty in recruiting Plasterers exceeded 10% of members in 2013 and has remained persistently between 20% and 40% ever since, except for the pandemic, peaking at around 45% in 2017 and again in 2018.

National Federation of Builders (NFB) – Shortage Jobs and Occupations in Construction, Feb 2023

In a survey of 62 building contractors undertaken specifically for this report, 84% said that their business had experienced 'sustained shortages' in labour (defined as one year or more). Of those experiencing sustained shortages, 17% listed Plaster and Dry Liners in their top three occupations facing shortage.

Shortage occupations in construction: A cross-industry research report, February 2019

Of those surveyed, 13% said they had some difficulties 'now' in recruiting Plasterers, and 9% said they had severe difficulties 'now'.

The CLC proposes that this occupational code should also include Dry Liners and Ceiling Fixers, which are currently classified under **8149.** The MAC is asked to note that in the SOC 2020 Codes, Dry Lining is already reclassified under 5321.

The CLC has received representation from the Finishes and Interiors Sector (FIS) that Dry Liners and Ceiling Fixers may be 'hidden' in other classifications such as carpenters:

"*Wood Trades and Interior fit-out is a very broad church employing a lot of carpenters and joiners in the fit-out, finishing and interiors sector (some of whom will have evolved into doing drylining, ceiling fixing and partitions installation). Many plasterers are also now involved in drylining (in fact Drylining Finishing is actually in the Plastering Apprenticeship Standard along with other basic Drylining elements). With the trades so closely linked now Drylining has in the 2020 SOCs been moved to Plastering and Drylining (5312). Our [FIS] estimates indicate that there are now more dry liners than plasterers working in the sector (around 60,000).*

…Drylining … is likely, depending on how people got into the trade, spread between at least three categories (possibly four if you start to build in the close link between SFS and Drylining)…"

FIS contend that "The Dry Lining occupation accounts for the highest employment sector, approximately 60,000 people were employed across the UK as Dry Liners at the start of 2020. The occupation has an annual recruitment rate (ARR) of approximately 1,200 individuals per year."

Finishes and Interiors Sector (FIS) Skills Pulse Survey

"At the start of 2023, 48% of contractors responding to our Skills Pulse Survey are experiencing labour shortages and 39% identified that they currently have vacancies. Less than 10% see this situation improving and 32% anticipate a worsening in 2023. This is seen to be constraining growth for 79% of these companies.

Beyond this we have had reports of extended contract completion time and an impact on quality and ultimately delivery of work linked to shortages. The top three areas for shortages are Dry Lining, Ceiling Fixing and Plastering (this is closely followed by Carpentry and Joinery). Around 26% of the current workforce [of Dry Liners and Ceiling Fixers] are 50 years plus according to latest data.

Shortages are emerging across three critical occupational areas of plastering, dry lining, and ceiling fixing. At the start of 2020 42% of the workforce was made up of immigrant labour, with two-thirds of companies in the sector employing European Labour."

Shortage occupations in construction: A cross-industry research report, February 2019

The report did not survey the specific code (8149) and so the shortage of this code was not listed in the specific survey options. However, the report did give respondents an opportunity to list other occupations considered in shortage and listed both Dry Liners and Ceiling Fixers as two of the job titles which received the highest level of response outside of the specific codes surveyed.

Evidence of skill level at or equivalent to RQF3

Apprenticeship durations are 18 months for Dry Liners and Ceiling Fixers. With new requirements to demonstrate competence employer groups are working to reintroduce the L3 qualification, which had tended to be built up through experience and consequently the pre-existing L3 had been withdrawn (due to commercial not skill requirements).

The case for moving Ceiling Fixers to 5321: Interior Systems Installers: A vital construction trade by the Finishes and Interiors Sector (FIS)

The Dry Lining, Plastering, Partitions Installers and Ceiling Fixing occupations are part of a vital family of occupations along with Passive Fire Protection, Flooring Installation and Carpentry and Joinery that support the installation of interior systems. This sector undertakes the construction and finishing of internal walls and ceilings for all buildings (low rise homes, high rise residential, education, hospital, hotels etc). These elements provide critical

compartmentation and are integral to fire safety, acoustic comfort, and thermal performance of the building. FIS and the CLC support the recent amendments to include Dry Lining in with Plastering as per SOC 2020 and hence recognising these trades on the Shortage and Skilled Worker list. It does not, however, resolve all issues within our sector. Ceiling Fixers install suspended ceilings and hide and protect unsightly materials such as wiring, pipework, heating, and air-conditioning systems. They play a key role in transforming residential, commercial, and industrial projects, or may specialise in renovations or maintaining heritage buildings. This trade is linked to Partitions Installer through the Apprenticeship Standard Interior Systems Installer - partitions Installers install internal glazing and door systems and are also working to L3, but again this is not reflected in the SOC family level approach. These trades are bunched with non-related trades in the SOC family SOC 8149 and as a result, migration policy does not adequately address concerns. The Skilled Worker List and Shortage Occupation list should reflect the granularity or breadth of trades in this area. Ceiling Fixing has a Level 3 Qualification but is not on the Skilled Worker or Shortage Occupation list. FIS and the CLC recommend that that the Shortage Occupation and Skilled Worker list look beyond the high-level categories and focus on the occupation, skill, and shortages at that level. As per the CLC's previous submission and based on evidence shared, FIS believe that Ceiling Fixers are a key occupation that meet the requirements to be on the skilled worker and shortage occupation list and this should be revisited.

Domestic Skills Interventions for 5321: Finishes and Interiors Sector (FIS)

The sector is actively engaged in addressing the shortage challenges [in Dry Liners, Ceil Fixers and Plasterers] by growing Apprenticeships, Bootcamps, SWAPS [Sector Based Academy Work Programmes] and a range of structured specialist induction and recruitment programmes run in partnership with the Department of Work and Pensions, the Department for Education, Charitable Groups and CITB. Further information is available of the FIS Skills Hub, here.

Domestic Skills Interventions for 5321: Federation of Master Builders (FMB)

Developing new routes to entry

The FMB Trailblazer Group is working with IfATE to establish a general builder apprenticeship standard. The purpose of the standard is to fill the skills gap within the industry by offering trainees an opportunity to develop an understanding of all the key construction trades, all in one course.

The qualification will equip trainees with skills in four of the key trade areas:
- Bricklaying
- Carpentry
- Plastering
- Painting & Decorating

The course will also include training on green skills and retrofit methods to increase energy efficiency in homes and it will provide an understanding of the importance of thermal qualities, airtightness and ventilation.

FMB hope to launch the qualification in colleges by September 2023. This may be delayed until the end of the year and is dependent on when the course is approved by IfATE and funding secured.

NON-SKILLED WORKER LIST OCCUPATIONS

8142 - Road Construction Operatives

8142 – Road Construction Operatives		
Workforce 2022	Annual Recruitment Requirement (ARR)	Workforce / ARR Ratio
21,938	250	1.1%
Source: *CITB Construction Skills Network Industry Outlook 2023 – 2027*		

CECA Members' Survey
Road construction operatives are a key occupation required by civil engineering contractors for the construction of highways. While the CECA Members' Survey does not specifically identify individual jobs or occupations, in the latest available data (Q4 2022) it has registered its highest level of dissatisfaction amongst members (75%) in the availability of skilled workers since it began asking that question in 2011. CECA says that members report that these shortages include road construction operatives.

Shortage occupations in construction: A cross-industry research report, February 2019
Of those surveyed, 11% said they had some difficulties 'now' in recruiting Road Construction Operatives, and 8% said they had severe difficulties 'now'.

8229 - Mobile Machine Drivers and Operatives N.E.C.

8229 – Mobile Machine Drivers and Operatives N.E.C.		
Workforce 2022	Annual Recruitment Requirement (ARR)	Workforce / ARR Ratio
42,476	1,130	2.7%
Source: *CITB Construction Skills Network Industry Outlook 2023 – 2027*		

For this occupational code the **CLC believes that Plant Operative and Piling Rig Operative should be added to the SOL.**

Plant Operative and Piling Rig Operatives

The Importance of Mobile Machine Drivers and Operatives N.E.C. to construction: Home Builders Federation (HBF) – Attracting New People to Key Roles 2023: HBF's research shows that for every additional 10,000 homes built, 2,500 additional Groundworkers and Plant Operatives are needed to deliver them, as they provide a key supporting role to housing delivery – the second most 'needed' occupation in housebuilding.

CECA Members' Survey

Plant operatives are a common occupation required by civil engineering contractors for almost all civil engineering projects. While the CECA Members' Survey does not specifically identify individual jobs or occupations, in the latest available data (Q4 2022) it has registered its highest level of dissatisfaction amongst members (75%) in the availability of skilled workers since it began asking that question in 2011. CECA says that members report that these shortages include plant operatives.

CPA (Construction Plant-hire Association) Plant Operator Supply and Demand report

In a 2017 research report produced jointly with CITB, the Construction Plant-hire Association (CPA) showed strong and clear evidence for there to be more than 250,000 plant operators in the UK, who hold a recognised qualification or official evidence of competence. Data from ONS seriously underestimates the total volume of operators in this role, and therefore seriously underestimates the current shortage: a 2.7% ARR would equate to more than 6,000 new entrants. 28% of survey respondents stated that they had hard to fill vacancies over the previous 12 months across a range of different occupations and plant specialisms. Recruitment presented more of a challenge to respondents than training or retaining staff. 39% of members surveyed indicated recruitment was very or fairly difficult. Construction plant takes many different forms and different skills are needed to operate construction plant safely and efficiently. Difficulty in recruitment remains a major issue and cause for concern in terms of plant companies' ability to fulfil existing projects and grow their businesses in the future. Plant operatives are at the heart of the construction sector and by adding the plant operative role to the MAC Shortage Occupation List, it will provide a degree of flexibility and confidence for companies moving forwards, while they continue to develop and grow their own workforce and deliver safe and efficient services to civil engineering and construction throughout the UK.

Shortage occupations in construction: A cross-industry research report, February 2019

Plant and Machine Operatives were found to be one of the top ten shortage occupations in this report. Of those surveyed, 18% said they had some difficulties 'now' in recruiting Plant and Machine Operatives, and 12% said they had severe difficulties 'now'.

9120 - Elementary Construction Occupations

9120 – Elementary Construction Occupations		
Workforce 2022	Annual Recruitment Requirement (ARR)	Workforce / ARR Ratio
118,609	2,710	2.3%
Source: *CITB Construction Skills Network Industry Outlook 2023 – 2027*		

For this occupational code the **CLC believes that General Labourer and Ground Worker should be added to the SOL.**

General Labourer

FMB State of Trade Survey

General Labourers are reported as the third hardest to recruit occupation by FMB members, with 30% of all members reporting as such in its latest State of Trade survey (Q4 2022). The difficulty in recruiting General Labourers exceeded 10% of members in 2013 and was persistently above 20% from late 2014 until the pandemic, peaking at just over 45% in 2018. Shortage of General Labourers appears to have increased dramatically after the pandemic, surpassing 40% in 2021 – showing a long-term shortage issue.

Home Builders Federation (HBF) – State of Play - Challenges and opportunities facing SME home builders 2023

While the HBF State of Play survey does not specifically identify individual jobs or occupations, the latest available data (2023) shows 64% of all respondents reported the supply and cost of labour being a 'major barrier' to housing delivery. HBF says that members report that these shortages include General Labourers.

National Federation of Builders (NFB) – Shortage Jobs and Occupations in Construction, Feb 2023
In a survey of 62 building contractors undertaken specifically for this report, 84% said that their business had experienced 'sustained shortages' in labour (defined as one year or more). Of those experiencing sustained shortages, 21% listed General Labourer in their top three occupations facing shortage.

NFRC State of UK Roofing Industry Q3 2022
20% of all firms surveyed reported that General Labourers were in shortage for their business, the 4th highest occupation reported by firms.

Shortage occupations in construction: A cross-industry research report, February 2019
General Labourers were found to be one of the top ten shortage occupations in this report. Of those surveyed, 31% said they had some difficulties 'now' in recruiting General Labourers, and 12% said they had severe difficulties 'now'.

Ground Worker

The Importance of Groundworkers to construction: Home Builders Federation (HBF) – Attracting New People to Key Roles 2023: HBF's research shows that for every additional 10,000 homes built, 2,500 additional Groundworkers and Plant Operatives are needed to deliver them, as they provide a key supporting role to housing delivery.

CECA Members' Survey Ground workers are a common occupation required on many different types of construction projects but a core occupation required by civil engineering contractors. While the CECA Members' Survey does not specifically identify individual jobs or occupations, in the latest available data (Q4 2022) it has registered its highest level of dissatisfaction amongst members (75%) in the availability of skilled workers since it began asking that question in 2011. CECA says that members report that these shortages include ground workers.

National Federation of Builders (NFB) – Shortage Jobs and Occupations in Construction, Feb 2023
In a survey of 62 building contractors undertaken specifically for this report, 84% said that their business had experienced 'sustained shortages' in labour (defined as one year or more). Of those experiencing sustained shortages, 15% listed Ground Worker in their top three occupations facing shortage.

Home Builders Federation (HBF) – State of Play - Challenges and opportunities facing SME home builders 2023
While the HBF State of Play survey does not specifically identify individual jobs or occupations, the latest available data (2023) shows 64% of all respondents reported the supply and cost of labour being a 'major barrier' to housing

delivery. HBF says that members report that these shortages include Ground Workers.

Shortage occupations in construction: A cross-industry research report, February 2019

The report surveyed the occupation code 9120 but listed it for the benefit of responders as General Labourer. Ground Workers were not listed in the specific survey options. However, the report did give respondents an opportunity to list other occupations considered in shortage and listed Ground Workers as one of job titles which received the highest level of response outside of the specific codes surveyed.

7. Occupations not eligible under MAC's criteria and CLC position on eligibility criteria

In addition to the occupations recommended in this report, the CLC received representation that the occupations included in this section should also be included on the SOL. However, as the MAC has advised the CLC that it will not consider these occupations eligible for consideration, we have not recommended them:

1122: PRODUCTION MANAGERS AND DIRECTORS IN CONSTRUCTION
1251: PROPERTY, HOUSING AND ESTATE MANAGERS
2431: ARCHITECTS
2432: TOWN PLANNING OFFICERS
2433: QUANTITY SURVEYORS*
2434: CHARTERED SURVEYORS*
2435: CHARTERED ARCHITECTURAL TECHNOLOGISTS
2436: CONSTRUCTION PROJECT MANAGERS AND RELATED PROFESSIONALS (including Clerk of Works)
3112: ELECTRICAL AND ELECTRONIC TECHNICIANS
3313: FIRE SERVICE OFFICERS (WATCH MANAGER AND BELOW) (including Fire Engineers)
5241: ELECTRICIANS AND ELECTRICAL FITTERS
5249: ELECTRICAL AND ELECTRONIC TRADES N.E.C (including Overhead Line Operatives)
5314: PLUMBERS AND HEATING AND VENTILATING ENGINEERS

If the Government does not accept the MAC's recommendation to remove the salary discount for occupations whose going rate is above the general salary threshold, then the CLC asks that it be reconsulted and given the opportunity to recommend and evidence the occupations listed above.

CLC position on eligibility criteria

The CLC does not support the MAC's proposed removal of the salary discount benefit for shortage occupations whose going rate is above the general salary threshold, for exactly the reason that the MAC states – it reduces the material benefit of being on the shortage occupation list and therefore the CLC considers it reduces the effectiveness of the SOL in helping to fill shortage occupations.

The CLC believes that a salary discount is appropriate for all occupations in shortage, whatever the going rate, as the occupations are by definition in shortage, so the risk of undercutting UK workers is reduced and should be balanced with the need to fill roles in the short-term.

The CLC is aware that the Chartered Institute of Building (CIOB), Royal Institute of British Architects (RIBA) and Royal Town Planning Institute (RTPI) have written directly to the Home Secretary on this matter, raising concerns about the impact this will have on helping to fill higher-paid shortage occupations in construction and the CLC fully support their thoughts.

The proposal to remove occupations whose going rate is above the general salary threshold also brings to light the significant shortcomings of using a pan-UK approach at salary data. Variance of median salaries across the UK's nations and regions reaches £17,000 per annum using data presented in the CIOB's Real Face of Construction (2023) report. This means that certain occupations are being excluded from SOL consideration despite the fact that the occupation's going rate may well be below the general threshold in large swathes of the country:

REGION/NATION	MEDIAN ANNUAL EARNINGS (MALE) CONSTRUCTION
North East England	33,004
North West England	37,556
West Midlands (England)	35,299
East Midlands (England)	38,201
East of England	38,366
South West England	34,137
South East England	42,554
London	47,681
Scotland	34,460
Wales	32,990
Northern Ireland	29,550

CIOB's Real Face of Construction (2023). Wage data from 2022. Sources: ONS: ASHE, Annual pay - Gross (£) - For male full-time and ONS: NISRA: ASHE, Annual pay - Gross (£) Male. Note: This figure is compiled using the construction (section F) standard industrial classification (SIC) code. For construction (section F) this amounts to work done by building (SIC 41), civil engineering (SIC 42) and specialist construction firms (SIC 43) on sites. Therefore, the work carried out in professional services such as civil engineers, surveyors, and architects is not included.

8. The construction industry's efforts to attract, train and retain domestic workforce

This section provides evidence of the construction industry's numerous efforts to tackle its skills shortage needs. Due to the huge number of different job roles and opportunities in the sector, most activities cut across occupations and champion the sector as a whole but specific activities for specific occupations are detailed within section 6 of this report.

Construction Leadership Council (CLC)

Apprenticeship Levy Pledging

The Construction Leadership Council's People and Skills Network has been advocating for construction companies who do not spend all of their apprenticeship levy funds to pledge those funds to others in the sector. To date, 25 construction companies have contributed a total of £3,237,117 to the Apprenticeship Levy Pledge, helping SMEs access greater funding for apprentices.

Construction Talent Retention Scheme and Talentview Construction

The Construction Talent Retention Scheme (CTRS) is an employment mobility platform providing support for recruitment, redeployment and talent management activities across the construction industry. Both CTRS and Talentview Construction are free-to-use services thanks to support from the CLC, CITB and a wide range of employers, industry bodies, professional institutions, colleges and construction unions.

The CTRS was created by the CLC in response to the COVID-19 pandemic and to date it has allowed 1278 employers to offer roles to those that may be losing their job elsewhere in the sector, or in the wider economy.

You can view the Construction Talent Retention Scheme here, and Talentview Construction here.

Industry Skills Plan

The Construction Leadership Council's People and Skills Network has produced an industry skills plan covering the time period 2021-2025. The plan is the first ever sector-wide skills plan developed by industry and progress updates and annual focuses are published on an annual basis (see below).

The plan sets out a series of clear actions and commitments for both industry and Government to help meet these challenges, grouped under the following four areas: Careers; Standards and Qualifications; Training, Education and Development; and Culture and Working Environment.

Commitments include:

- Creating Talent View, a one-stop-shop portal for new entrants
- Recruiting 7,000 construction STEM Ambassadors

- Developing an industry standard for work experience
- Producing competence frameworks
- New training standards for Net Zero and Smart Construction
- A pledge to promote direct employment

The Industry Skills Plan 2021-2025 is available to view here.
The Industry Skills Plan progress update 2022 is available to view here.
The Industry Skills Plan for 2023-2024 is available to view here. It includes specific areas of focus including:

- A pilot project to give schoolchildren a chance to learn about a career in construction and built environment.
- The launch of a new competence approach to ensure there is an accepted, accredited definition of competence for all construction and built environment occupations.
- Expanding the new entrant apprenticeship brokerage service and introducing a new apprenticeship mentoring standard to increase apprenticeship starts, continuation and completions.
- The launch of Phase 1 of the Career Pathway Hub, an online portal aimed at defining high value career pathways for net zero, digitalisation, smart construction and repair maintenance and improvement.

Chair of the Skills Network Culture Group, Alasdair Reisner (CEO of CECA) provided the following activity update for this report:

"We have to date trained 6488 people from 1990 companies people about fairness, inclusion and respect, with 849 becoming fairness, inclusion and respect ambassadors within their companies. We have also promoted STEM ambassadors with 688 new ambassadors going into schools and other organisations to promote careers in construction. We have carried out 11,009 work experience opportunities and we are developing a single industry-wide plan to promote greater diversity in the sector, for launch in 2023."

Build UK

Flexible Working
Whilst it has long been recognised that flexible working is key to a more diverse workforce, making it work for site-based roles is often seen as an insurmountable challenge. Build UK delivered a pioneering project with Timewise and four Build UK Contractor members to trial a range of approaches to flexible working on site. Access the full report and outcomes, here.

Open Doors
Open Doors is a nationwide campaign that 'goes behind the site hoardings' to show young people and those looking for a change of career the fantastic range of opportunities available in construction. It runs every year, with Open Doors 2023 taking place from 13 – 18 March, enabling nearly 5,000 potential recruits to take the first step on their Journey from Education to Employment in the construction industry. Following their site visit, 87% of visitors stated that they are now more likely to consider a career in construction and a review of Open

Doors 2023 demonstrating the impact on recruiting the next generation can be found here.

Routes to Entry Guidance

Build UK supports its members by producing guidance to assist construction companies and prospective entrants to navigate the paths into construction. View the 'Guidance on the Routes to Entry for Construction', here.

STEM Ambassadors

Build UK and CITB have joined forces with STEM Ambassadors to show more young people the wide range of opportunities available in construction – watch the video on YouTube here.

Construction Industry Training Board (CITB)

CITB's new purpose, launched in June 2022, is to *"support the construction industry to have a skilled, competent, and inclusive workforce, now and in the future."* CITB's Business Plan for 2022/23 sets out how the organisation will **invest over £233 million** towards this purpose. The plan is focussed on three key challenges:

1. Responding to the skills demand
2. Developing the capacity and capability of training provision
3. Addressing future skills needs.

Responding to the skills demand

The industry needs to attract and retain a wider range of potential workers by raising the profile of construction careers.

- Go Construct, the industry's careers website designed and managed by CITB, provides a central source of information on construction, routes in and links to opportunities. The website which has seen **614,000 visits so far this year (56% year-on-year increase)**.
- CITB delivered the government-funded Construction Skills Fund to provide experience and entry level training linked to live construction sites. Between **October 2018 and September 2021, 21,000 individual accessed CSF with 58% from under-represented groups**, 19,800 trained to be employment and site-ready and 6,100 in sustained employment. Based on this success CITB's own onsite hub-experience model will make over 6,400 people from diverse backgrounds site-ready or a job starter. We will also provide 4,600 industry taster experiences.
- CITB Ambassadors bring construction to the classroom, showcasing the industry to young people. CITB now has **378 active Ambassadors and is committed to reach 1,700 within two years.**

Better pathways need to be created into the industry to ensure people can more easily start a career in construction.

- CITB is supporting the industry to take on thousands more apprentices, investing £60.3 million in employer grants in 2022-23. **CITB has already**

surpassed their annual target (30,450 starts), with 33,300 apprentices starting their programmes.
- CITB are continuing to work with DfE to promote and ensure the measures we have developed with government work for the industry, including the Apprenticeship Levy 'pledge', Flexi-job Apprenticeships, other flexible delivery models, as well as promoting T Levels and supporting them as a route into apprenticeships.
- CITB are working with industry and government to ensure an employer-backed pathway to competence from L1 and L2 study in FE into accelerated apprenticeships is created through the DfE's L2 and below qualifications review.

To reduce the number of people leaving the industry, construction needs to be seen as a fair, inclusive, and respectful place to work.

- CITB's Fairness, Inclusion and Respect programme of free workshops and masterclasses to help industry introduce FIR processes into their business and upskill on diversity**, trained over 4,000 individuals between April 2021 and March 2022**. CITB are developing a future diversity plan to align with our 2023/28 Strategic Review.
- CITB is supporting mental health training and initiatives. This includes working with the Lighthouse Club to train mental health first aiders and instructors, partnering with the Samaritans to make mental health support accessible to small and medium sized construction employers, and establishing a commission to support apprentices. Since 2018, CITB has supported nearly **950 employers with specific mental health projects and provided funding for over 29,000 mental health courses.**

Developing the capacity and capability of construction training provision

Employers face a range of training challenges including complexity, cost, candidate quality, identifying and accessing provision.

- CITB is fostering greater local collaboration to ensure training supply better meets demand including supporting the development of new Local Skills Improvement Plans and devolving more levy-spending powers locally to help our 80-strong network of local employer training groups find creative solutions.
- CITB is also piloting an innovative new initiative – Employer Networks – which will put employers in the driving seat on how to address local skills needs using localised funding budgets that are managed by trusted, knowledgeable, delivery partners. There is the potential for this work to be strategically aligned with emerging LSIPs.
- The number of construction employers accessing CITB grant, and funding has **increased by 5% this year (16,030 in 21/22 to 17,359 in 22/23)** – a real achievement given the economic uncertainty. This thanks to our engagement advisers, active Training Groups, and the new employer networks CITB is establishing.
- To support specific skills challenges in building safety, homebuilding, and retrofit, and we have provided enhanced funding for training in occupations facing significant shortages in skilled people including

bricklaying, cladding, drylining, and retrofit.

Addressing future skills needs

The construction workforce will need to have the right knowledge, skills and behaviours in building safety, net zero, digital, modern methods, and leadership and management.

- CITB's Skills and Training Fund provides small employers up to £10,000 and medium sized employers £25,000 for leadership and management training. Last year, **CITB supported 1,556 small and micro businesses and 98 medium business to deliver high-quality training to their employers.**
- CITB worked with DfE to ensure Skills Bootcamps tap into employer demands, the criteria for which now incorporates Level 2 to support training for in-demand skilled trades such as bricklaying, joinery, and drylining.
- To support building safety, CITB will be assisting the development of Dry Lining, Fire Stopping Specialist, Rainscreen Cladding, and Roofing frameworks.
- CITB are undertaking work to understand the impact of net zero and modern methods of construction and net zero on standards and will continue to run commissions to find new approaches to meeting emerging future needs that could be scaled-up to address critical industry challenges.

Construction Skills Delivery Group (CSDG)

Convened in November 2020 the Construction Skills Delivery Group (CSDG) is a cross government and construction industry collaboration led by the Department for Business and Trade and Department for Education. The CSDG is working to improve and build on the existing ecosystem of training offers to ensure that the construction sector is equipped to respond to the needs of the labour market by:

- Improving training routes into construction
- Creating opportunities for the labour market to re-skill and up-skill
- Targeting resources to meet current and future employer needs
- Creating a more diverse workforce

ECITB

Attracting new entrants into the engineering construction industry is a key pillar in the ECITB 2023-2025 Strategy. This will be done through a series of initiatives, including delivering £64m in support for training, prioritising shortage skills and occupations. Of this, £31-32m will be dedicated to supporting new entrants into industry.

The ECITB works continuously with the Welsh and Scottish Governments as well as Westminster (principally ESFA and DWP regarding the retention of benefit entitlement) on a collaborative model of co-funding, with the ECITB making in-kind contributions.

The ECITB has supported 360 young people through Scholarship programme, providing a route into industry for those who were unable to secure an apprenticeship. ECITB Scholars are known to ECI employers and the programme is well respected in industry.

Apprenticeships form the backbone of new entrants into the ECI and the ECITB continuously supports industry through grant funding apprenticeships. In 2021 the ECITB supported 577 apprentices into industry and aims to grow this number year on year.

Federation of Master Builders (FMB)

Promoting Apprenticeships to SME businesses

FMB are campaigning to make it easier for SMEs to take on apprentices, and to provide training for the existing workforce to upskill the industry. The organisation has a campaign page with further information on the work they are doing. FMB provide members with practical information and resources for taking on an apprentice and this includes a 'Building your workforce through apprenticeships' webinar and an 'Ultimate guide to construction apprenticeships'.

Supporting Training

The FMB has also produced several research reports to support policy change to make it easier for our members to train their members (e.g. Trading Up and Train local, work local, stay local)

Supporting Diversification

FMB worked with the CLC to deliver a new guide for small developers, designed to help those in the building industry looking to diversify into other roles, here.

Home Builders Federation (HBF)

Attracting more, high quality people into the home building sector is one of the biggest challenges the sector faces. HBF have developed a series of initiatives to help grow the talent pipeline. These are captured within the HBF Home Building Sector Skills Strategic Plan, a wider framework of solutions which will continue to help grow productivity, improve workforce competency and increase the talent pipeline across the sector.

Home Building Ambassadors have a key role in the promotion of careers in home building and attracting more people into the home building Industry. HBF is collaborating with STEM Learning to enable more opportunities for ambassadors to get involved giving employers the opportunity to build networks across the industry, sector and community and get involved in local and national careers events.

Developing and Promoting Careers resources to provide new entrants with tools and information on careers within the home building industry, entry routes and the skills needed.

The HBF Attract Campaign promotes homebuilding careers to school, college leavers and ex-armed forces personnel. The campaign continues to develop to target more key audiences and showcases the varied roles and pathways available within the sector.

A dedicated careers website where individuals can find out about the industry, what types of careers and job roles are available, earning potential and case studies on individuals in the industry. The site explains how to get into home building with defined entry routes and a dedicated page for employers to promote their opportunities to potential applicants, across the country.
HBF are working on a project with The School Outreach Company to raise awareness of careers in the home building industry to pupils in secondary schools. The project is reaching out to over a thousand schools in cold spot social mobility areas across England and aims to maximise exposure and visibility of the industry.

The Future Talent Network is an online knowledge and support hub for new entrants to the home building industry. The network has been designed to support homebuilders in nurturing early talent by providing information, guidance and opportunities that help employees establish a solid foundation of industry knowledge.

The Home Builders Federation created the network to provide development and networking opportunities that inspire and engage early talent and increase their commitment to long-term careers in the homebuilding industry.

Growing a diverse talent pipeline

Women into Construction is working with The Home Builders Federation (HBF) to launch a nationwide employment programme for women, helping to address the gender imbalance in the construction workforce, which currently sees just 16% female representation. The Home Builders Federation (HBF) has teamed with Women into Construction to launch a nationwide employment programme for women, helping to address the gender imbalance in the construction workforce, which currently sees just 16% female representation.

Working closely with employers Barratt Developments, Bellway Homes, Cala Homes, The Hill Group, Keepmoat, Persimmon Homes, Redrow, St. Modwen and Vistry Group, the project hopes to attract women into Site Management roles by offering a unique funded programme that will provide support with childcare and training costs to make the opportunity more accessible.

National Federation of Builders (NFB)

Women in Construction

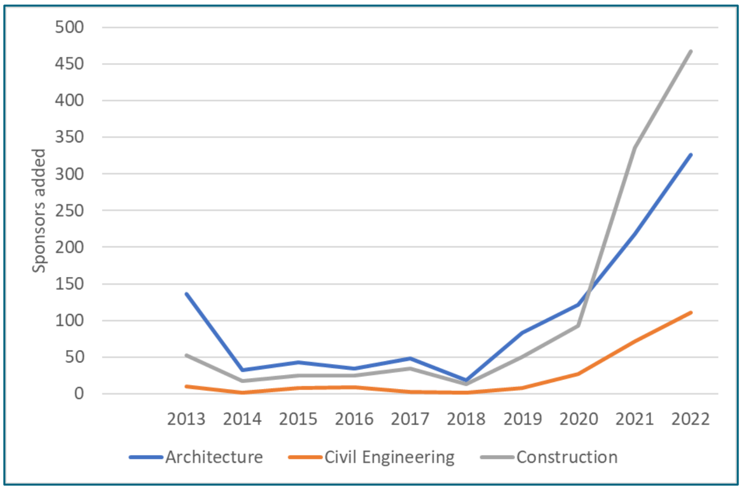
The NFB is running a women in construction programme to help attract and retain women in the construction workforce. The programme includes a 'Top 100

Influencer' awards, with over 300 women nominated in its inaugural year, a Roadmap for Industry, a 'Pledge' campaign for employers and a mentoring offering. The programme also includes a virtual Women in Construction network, a number of funded ILM course places, a series of 8 funded (in person) masterclasses which have to date attracted as many as 100 participants a time and covers Neurodiversity, Recruitment, Leadership & Culture, Inclusion, Finding your place, Health, Mental Health and Creating Safe Spaces on Site. More information can be found here.

9. Licensed Sponsors in construction – setting expectations

At the interim review of construction occupations included on the Shortage Occupation List conducted for the Spring Budget of 2023, the CLC asked the MAC and the Home Office to consider the current usage of the PBIS when measuring uptake of any amendments. Due to the short period of time between the interim review and the date of the full review, as well as the fact that (at the time of writing) the additional recommended occupations had not yet been added to the Shortage Occupation List, the CLC asks the MAC and Home Office to again be mindful of the relatively low number of current licensed sponsors.

The CLC asks the MAC and the Home Office to measure the success of the take-up of any construction related occupation visas in the context of the number of licensed sponsors in the construction industry. The CLC is committed to helping to improve the number of construction companies engaged with the PBIS, and there has been growth in take-up, but the number of licensed sponsors remains very low.



Source: *https://uktiersponsors.co.uk/ extracted from the 'Review of developments in immigration and settlement policy from 2021 onwards and labour market change' by Anne Green, City-REDI, University of Birmingham – January 2023.*

The total number of construction companies who were on the list of sponsors was 467 in 2022 (up from 336 in 2021 and 93 in 2000), while 326 architecture and 111 civil engineering companies were sponsors (Green, 2023).

10. Recommendations for improvements to the PBIS and alternative ideas for improving labour supply

The CLC would like to draw attention to a number of challenges that the PBIS poses to construction businesses and recommend a number of suggested improvements. The recommendations are suggested as evolutions to the current system design and operation that would help the PBIS to work more effectively for the construction sector, rather than a root and branch overhaul.

Improving the construction sector's awareness and knowledge of the PBIS

Research conducted by CITB of construction employers shows that only half were aware of the PBIS and even amongst larger employers (those with 100 or more workers), some 19% suggested that they were unaware of the PBIS. Of those who claimed awareness, 48% suggested that they had poor knowledge of it and only 28% reported a good understanding. Even amongst employment agencies, almost as many reported a poor understanding (30%) as a good one (34%) (CITB, Migration and Construction, 6th Edition, expected June 2023).

The CLC recommends that the Home Office work with the CLC to develop sector-specific campaigns and resources to raise awareness of the system as well as how to properly use and navigate it.

Making the benefits of the Shortage Occupation List more meaningful

The Shortage Occupation List offers only very limited benefits compared to the Skilled Worker route, to the extent that the benefits may not be considered by many employers to be meaningful enough to use the system to plug short-term skills shortages.

Visa costs are high relative to other countries such as Germany and Canada, which targeted migrant workers with low cost simplified visa schemes (CITB, Migration and Construction, 6th Edition, expected June 2023.)

The CLC suggests further benefits to visas granted for SOL occupations could include:

- Exempting visas for occupations under the SOL from the Immigration Skills Charge as the ISC was designed to deter overseas hiring, but the SOL is specifically for occupations recognised as in shortage domestically so this should be removed

- Further discounting or removing the visa costs associated with visas granted for SOL occupations, including the Immigration Health Surcharge

- Providing more flexibility in English language requirements (further explained in the next recommendation)

Making English language requirements more relevant to the workplace

The CLC understands and wholeheartedly agrees with the critical importance of protecting all workers, including migrant workers, from exploitation. The CLC also understands that the MAC and the Home Office deem that a certain level of English Language ability is an important factor in helping to reduce the risk of exploitation.

However, the CLC has received a number of representations arguing that the level of English language required (by those who do not come from a majority-speaking English language country or have a degree taught in English) is proving to be a significant and widespread blocker for potential candidates, especially for occupations which are not from a traditional academic background.

The CLC therefore suggests a number of innovations could be looked at to ease the process:

- Lowering the SELT level required from the currently required B1
- Changing the requirement from SELT Listening, Reading, Writing, Speaking to SELT Speaking and Listening
- Introducing a phased approach – so that an applicant may achieve a lower level (A1 or A2) on first application and then be expected to achieve a higher level on applying for extension or when making a new application or after a specific time-period spent in the UK

The CLC would welcome further discussion to ensure that the correct balance is met – ensuring the protection of workers but also enabling construction workers to be able to come to the UK.

In addition, the CLC has also received representation that English Language requirements can lengthen the process of recruiting by around a month, due to the lack of availability of tests in the country of origin – making the SOL even less attractive or viable as a means to filling short-term labour needs.

Solving short-term mobility issues

The CLC has received representation that the current arrangements under the PBIS for short term work are causing issues for both UK and overseas companies.

While the Skilled Worker route can be used in some instances, it is not always possible due to the need for a UK subsidiary to act as a sponsor and/or the inability for the skill and English language requirements to be met. It is possible to undertake some business activities as visitors (under PA7 of Appendix Visitor: Permitted Activities) but these are limited in scope and do not cover all the various tasks required in construction. Similarly, the Global Business Mobility-Service Supplier route can be used in some cases but requires the UK construction client to act as the sponsor which is not commercially viable. The short-term work required is often very specific and not such that it would be viable to build a UK-based offering to meet these issues. In over ten reports, it has led to project delays or overseas companies choosing not to operate in the UK market.

The CLC recommends:

- Expanding the Permitted Paid Engagements allowed under the visitor rules to cover those on short term work assignments.
- Reviewing the success of the Frontier Worker Permit (FWP) scheme to gain insight on how a new immigration route might be modelled on this route, which permits intermittent work in the UK, recognising that the worker is based overseas.

Extending Youth Mobility Scheme Visa eligibility

The CLC continues to believe that the UK's existing Youth Mobility Scheme offers an excellent framework for young people to work in the UK for a limited time, much like other similar models across the world. However, the current list of eligible countries (6) is very limited. The CLC endorses the MAC's position that the scheme could be widened and suggests that opening the scheme up to the entire European Economic Area would provide much greater access to workers to fill shortage occupations.

Clearing House Model - outline proposal

This short synopsis has been prepared to outline proposals for discussion regarding a construction industry 'clearing house' to streamline the process of sponsoring migrant workers under the Skilled Worker or Shortage Occupation List route.

There are two potential options as to how this proposal might work:

1. **Clearing House as facilitator** – the clearing house could support each company to develop its application to become a licensed sponsor, ensuring that it has a full understanding of its responsibilities and obligations, and also assessing that all application paperwork is correct. The Clearing House would then apply on the company's behalf and have a performance-based have a service agreement with Home Office to process applications promptly, ensuring that licenses are cleared promptly.

2. **Clearing House as employer** – a more radical approach would be for the Clearing House to act as employer and sponsor of migrant workers. Under this system companies could request an employee be taken on by the Clearing House on an agency basis, before being deployed to work for the company in question. Under these circumstances the Clearing House would retain all of the sponsor's obligations in terms of managing its license and those employed under it.

11. Contacts and acknowledgements

General enquiries to the CLC and correspondence with the Co-Chair should be addressed to:

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