



THE SIZE OF THE CHALLENGE: WHERE WE ARE NOW?

HOME BUILDING SKILLS PARTNERSHIP

INTRODUCTION

The Home Building Skills Partnership (HBSP) aims to develop, grow and sustain a programme to provide the workforce the industry requires to deliver the further increases in housing supply the country desperately needs. It will focus on attracting new entrants into the industry, and on providing focussed training to develop the qualified workforce needed to construct today's high quality new homes.

The Partnership is overseen by a Board, made up of representatives from house builders, warranty providers, training and trade bodies that will guide and direct it and define its operational parameters and priorities.

The day to day operations of the Partnership will be undertaken by a dedicated team within HBF.

The Partnership is funded via a CITB grant.

Over its first four years it is hoped that HBSP programmes will engage with over 3,500 companies, more than 40,000 workers and some 180 Colleges and Training Providers.

The Partnership is focussed on three main areas, an activity group has been established for each;

- » **Attract** - *how to attract new entrants into the industry*
- » **Skills and development** - *how the industry trains its staff*
- » **Supporting supply chain development** - *the training interface with subcontractors.*

The following is a position paper and progress report on these three main workstreams.

ATTRACT

What do we know of the key challenges?



RECRUITMENT

Recruiting staff is the most significant challenge at the present time for home builders¹ and subcontractors² and attracting people to the industry is viewed as crucial. Emerging data suggests that the scale of challenge has not worsened in the past 12 months. Wage inflation for critical occupations is as challenging as recruitment itself³.



RETENTION

Retaining staff was a challenge for 7 in 10 homebuilders in April 2015 and 1 in 4 subcontractors in June 2015, but initial data in September 2016 suggests this issue may be softening⁴.

This problem is exacerbated by an inability to provide support for new staff along with consistent training and career progression. The ageing workforce means that around 19%⁵ of the industry are within 5-10 years of retiring.



REPUTATION

Within the wider construction sector the home building sector has a reputation of being very cyclical and making major cuts when business needs prevail. This image does not build loyalty from sub-contractors, who identify themselves by their individual trades rather than 'home builders'. The range of roles and career progression paths in the industry is not well understood by potential new recruits.



SUPPLY CHAIN

Home builders are predicted to grow business and increase their workforce by at least 20% - this will also impact their supply chain. Research carried out by HBF in 2015/16 suggests that within the supply chain recruitment is their greatest challenge. Most home builders will have to curtail rapid growth potential if they cannot find the skilled workers or capacity within their existing supply chains to meet demands.

What has already been done to address challenges?

- » HBF 'Housebuildingcareers.org.uk' website
- » HBF has targeted all schools/ colleges with info/posters re the industry
- » GoConstruct website by CITB
- » HBF has established a 'student members' category
- » HBF Careers and Training Committee has identified priorities
- » HBF Experienced worker recruitment project
- » NHBC research into attitudes to working and training in the industry
- » Wider 'image' campaign work via HBF Marcomms group.

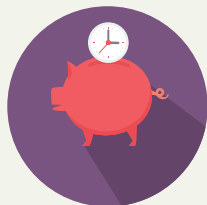
What do we need to do?

- » Create an inclusive, consistent and attractive image to attract a diverse workforce
- » Clarify the wide ranging job roles within the industry
- » Demonstrate career progression paths
- » Outline benefits - financial and career
- » Partner with CITB, NHBC and others to promote home building as a career
- » Support staff involvement in promoting the industry.

1. Source: The Strategic Case for Investment in Home Building, Evidence Compendium June 2015: 8 in 10 large homebuilders report recruitment difficulties (base=24 largehomebuilders)
2. Source: The Case for Collaboration in the home Building Supply Chain, June 2016: 3 in 5 subcontractors belonging to homebuilder supply chains intend to recruit more direct employees in the next 12 months and 1 in 2 subcontractors that do or wish to take on new staff report difficulties recruiting direct employees. Base=204 subcontractors across 16 specialist trades.
3. Source: HBSP Baseline Survey Interim Results 19th September 2016, Base=36 home builders
4. Retention was reported by a sample of major homebuilders as between 22% and 28% in 2015, but data provided by a wider scope of homebuilders in September 2016 suggests that attrition is at 14% with rates at 12% for directly employed site staff and 15% for directly employed non-site staff.
5. From Better homes, fewer complaints APPG July 2016

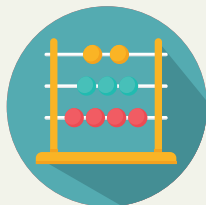
SKILLS & DEVELOPMENT

What do we know of the key challenges?



BUILD TIME

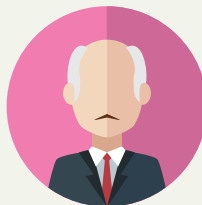
In the current market and with a focus on build quality, some builders have increased the time it takes them to complete a home. Build times using established construction methods are also raised by a lack of available quality workforce, specialisation of roles and job scheduling issues.



TRAINING CHALLENGES

4 in 10 home builders and 1 in 7 subcontractors cite training and development challenges with limited focus on 'new things' (e.g. modern methods, new technology in their training approach and planning for the future⁶).

Available Supervisory & Management training is not home building focussed. Most employers consider Site Management as one of the main areas of priority.



AGEING WORKFORCE

An ageing workforce means we need to train to replace the skills of those reaching retirement.

The last recession saw large scale redundancies in home building. Over the period 2007-2012 the number of newly trained entrants and apprenticeships dropped sharply resulting in fewer than 8000⁵ apprentices per year completing their apprenticeship. New entrants, whether young apprentices or adults take on average two to three years to become fully trained and able to operate at full capacity.



COURSE CURRICULUM

College curriculums do not reflect the needs of industry. This is particularly the case with regards to 'skills that reflect how the industry has developed/modernised' e.g. low carbon/energy efficiency knowledge; new build methods and materials.

Both capacity and quality within the training provision sector are an issue. If we were to substantially increase recruitment of new entrants this year it is questionable how many would actually be able to commence training in FE colleges. New apprenticeship standards for the sector are still in development and many of the current frameworks are not fit for purpose. In the past the CITB individual grant system has not necessarily been readily accessible to the industry.

What has already been done to address challenges?

- » CITB are carrying out research to identify the imbalances in supply versus demand for construction training across the UK. We may need to go wider than this as many of the trades/roles required in home building (e.g. Designers, Sales, Landscaping, Bedroom fittings etc.) do not come under the CITB 'Construction Footprint'
- » The CITB levy and grant system is in the process of being changed (with the Government's Apprenticeship Levy a complicating factor). The new Flexible and Structured Funds are an opportunity to support new initiatives and Grant Scheme changes are still ongoing
- » The Apprenticeship Levy is being introduced in 2017. Although a further tax, it also provides an opportunity for employers to influence training provision. Developing 'Trailblazer apprenticeship standards' are a further opportunity
- » HBSP has secured a grant from CITB of circa £2.7 million over a 4 year period. This is an "infrastructure" investment to establish and develop collaborative culture and initiatives. It will leverage further funding and activity rather than itself acting as a funding pot for specific training undertaken by home builders. It should also leverage other investment in skills. It is currently estimated that £375 million is invested in employee training and development within home building sector⁷.

What do we need to do?

- » OWG have identified 12 key roles for which we can develop new occupational standards with home building specific training content. We need to promote these as the expected standard across the industry
- » Develop and test a tool for "Training Needs Analysis" that companies can use to assess their workforce
- » Identify how we can use e-learning to blend and simplify some training elements⁸
- » Engage and partner with existing high quality provision and build relevant training and development e.g. NHBC centre of excellence
- » Engage with Trailblazer groups and apprenticeship standard development
- » Engage with the reforms in FE vocational education (Post 16 Skills Plan/Lord Sainsbury's report on Technical Education) to ensure that future college based provision is fit for purpose
- » Support collaborative industry engagement and negotiation with FE colleges and providers on apprenticeship procurement under the new rules.

6. Sources: HBF Strategic Case for Investment Evidence Compendium, June 2015 and The Case for Collaboration in the Homebuilding Supply Chain, June 2016

7. Proxy estimate only: £2.5bn is spent on employee training and development in 'construction' (UKESS 2015, CITB Synopsis). Home building is c 15% of construction output (£20bn/£133bn as at June 2016 using CSN and CPA Forecasts at that time).

8. 57% of 204 interviewed subcontractors in 2016 said they found this solution very or quite attractive

SUPPORTING SUPPLY CHAIN DEVELOPMENT

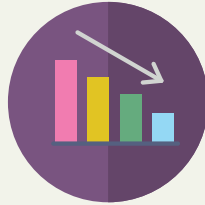
What do we know of the key challenges?



SUPPLY CHAIN

Supply chain research carried out by HBF identifies significant issues on recruitment and training with limited planning for future skills and knowledge required for 'new' home building methods or techniques

Emerging data finds that securing quality subcontractors in the numbers required has become the most pressing challenge for home builders⁹

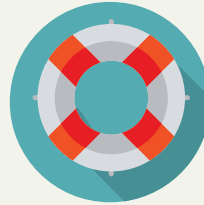


LACK OF GROWTH

Research for the Construction Leadership Council (Farmer report) identifies the restriction in labour and workforce development as having the greatest impact on growth

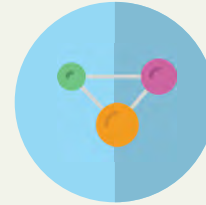
One in two subcontractors may have to curtail their growth potential as they cannot find the skilled workers or lack the confidence to meet home builder demands in the 2016-2018 period¹⁰

Three in five subcontractors intend to recruit more direct employees in the next 12 months, with two thirds looking to take on an apprentice. Of these subcontractors, one in two face difficulties recruiting employees and two in five in recruiting apprentices



SUPPORT

Only 20% say they receive any practical support for workforce development from the home builders they supply. Some supply chain companies don't have local access to relevant specialist training



SELF EMPLOYMENT

Self-employment within the supply chain is higher in home building than any other sector of construction – as much as 69% in roofing and over 50% in many other trades

We need to develop a more responsive, quality supply chain by including more management and development strategies rather than solely procurement.

What do we need to do?

- » Get the major home builders/developers/housing associations/LEPs/local and regional authorities to recognise the need to help supply chain improve workforce development
- » Identify what these groups can do to drive, support and incentivise the supply chain to recruit and train
- » Engage the supply chain and help them recognise the advantages of having a fully skilled workforce – companies need to see how improved skills and knowledge can increase productivity, create loyalty within the workforce and importantly contribute to winning more work and increased margins
- » Help the supply chain claim CITB grant where applicable

9. Source: HBSP Baseline Survey Interim Results 19th September 2016, Base=36 home builders

10. Over half (55%) of (193) subcontractors interviewed in 2016 say a lack of good, qualified, experienced tradespeople in their local area is the main barrier to building more homes. This was followed by those choosing not to build more homes as a business over the next 12 months (31%) and those lacking confidence in future work (20%). Some respondents stated that a lack of qualified tradespeople locally was leading to wage inflation, poaching and increased costs

CONCLUSION

The Partnership needs to focus on areas where we can demonstrate we are delivering tangible improvements to the industry, evidenced by robust evaluation measures.

All activity groups will need to collaborate and understand both the Partnership's overall objectives and the remits of the other groups. - Attract will promote home building as a sector with high quality training; whilst Supply Chain will encourage and steer the wider industry base into quality recruitment and training practice.

We need to develop effective communications channels for a wide range of audiences both within the industry and externally, to ensure the Partnerships objectives and achievements are recognised, acknowledged and understood. The collaboration of the home building industry around workforce development is a new concept that will only gain traction if sufficient support is generated.

The objective is to instigate a shift in in culture and behaviour - at all levels in the home building industry, from the major home builders through to SMEs.

From the outset we need to focus on how we make the Partnership sustainable so that we ensure the longevity of the project past the four year timescale of the CITB grant.

GET INVOLVED

The Home Building Skills Partnership (HBSP) aspires to address the workforce development needs of the industry through collaboration. It will initially operate nationally but recognises that some challenges need regional or local action.

Three activity groups of industry professionals have been formed to drive forward the work.

If you would like more information, or to get involved either personally, or as a company, or you can recommend knowledgeable and enthusiastic people to support and help, please contact Jenny Herdman (jenny.herdman@hbf.co.uk) or John Slaughter (john.slaughter@hbf.co.uk).

ABOUT HBSP

The Home Building Skills Partnership (HBSP) is chaired by Redrow CEO John Tutte. It was set up in June 2016, funded by CITB and by industry to develop, grow and sustain a programme that will increase industry skills capacity. Over its first four years it is hoped that HBSP programmes will engage with over 3,500 companies, more than 40,000 workers and some 180 Colleges and Training Providers.

The HBSP focus is to:

- » Develop an improved public identity for homebuilding
- » Influence the development of a more professional, fully trained workforce
- » Increase productivity and the value added per employee
- » Improve the quality and relevance of industry training
- » Co-ordinate the tackling of common workforce challenges
- » Influence and leverage investment in skills to the benefit of the homebuilding industry
- » Current HBSP partners include HBF, CITB, NHBC, FMB and a number of Developers, Homebuilders and Supply Chain companies

The Leadership Board comprises:

- » Adrian Belton, CITB
- » Brian Berry, FMB
- » Anne Billson-Ross, Taylor Wimpey
- » Joanne Iddon, Morris Homes
- » Mike Quinton, NHBC
- » John Slaughter, HBF
- » Steve Stone, Crest Nicholson plc
- » John Tutte, Redrow plc

