Sussex Local Skills Improvement Plan

Construction Sector Deep Dive

Executive Summary

February 2023

Sussex Chamber of Commerce

Funded by UK Government

Future Skills Sussex

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Foreword and Project Focus

Foreword

Local Skills Improvement Plans (LSIPs) were introduced in the Skills for Jobs White Paper in January 2021 and are now part of the Skills and Post-16 Education Act, which became law in April 2022.

They are a key part of the Government's transformational vision of an adult skills system where businesses, particularly SMEs, are given a much stronger voice in local skills planning.

The plans will help ensure provision is more responsive to emerging and changing skills needs. Being locally driven, they can be tailored to the challenges and opportunities most relevant to the area.

Sussex Chamber of Commerce is one of eight employer representative bodies that took part in the LSIP Trailblazer project to test this employer-led approach to skills planning.

The LSIP Key Sector Deep Dive projects were identified within the LSIP Trailblazer's Future Skills Sussex Improvement Framework (FSSIF) and now form part of the LSIP refresh report which will be developed and submitted to the Secretary of State in May 2023.

We would like to thank all the employers, partner organisations and stakeholders that have contributed to the Deep Dive projects.

Project Focus

This document is an **Executive Summary** of the Deep Dive Evidence Base Report for the Construction sector. It highlights the key industry trends, the challenges faced and the priorities for change. It also sets out conclusions and recommendations.

The full **Evidence Base report** into the skills needs of the sector was carried out over 3 months to fit with Government timescales and is a snapshot in time.

Our stakeholder engagement leads carried out extensive research and engaged with employers and wider stakeholders across Sussex to give us broad baseline evidence.

The full report is a toolkit of useful and relevant information providing links to existing research, initiatives and good practice that can be used as exemplars for future Sussex projects. It can be used as a resource to enable business, education and support organisations to work together to address the current and future skills needs of the sector in Sussex.

We will continue to build on the evidence over the next three years through ongoing skills conversations and intelligence gathering.

Definition of the Construction Sector





Construction is one of the largest sectors in the UK economy – with a turnover of £370 billion, contributing £138 billion in 'value added' to the UK economy and employing 3.1 million people (9% of the total UK workforce). The construction sector encompasses public and private housing, infrastructure, public non-housing, industrial, commercial, housing repair and maintenance and non-housing repair and maintenance.

In 3rd quarter 2021, there was estimated to be 59,704 businesses classified as construction in the South-East region, representing 18.8% of all the construction businesses registered in England. The South-East proportion of construction businesses is the highest outside London. 93.7% (55,966) of the construction business registered in the Southeast have between number 0 (sole proprietors) to 7 employees. In the South-East there is a higher proportion of housing and non-housing repair and maintenance work.

The construction sector is a broad team which includes a variety of occupations including property developers, trades, civil engineering, groundworkers and crane drivers to name just a few.

BEIS Construction sector team - GOV.UK (www.gov.uk)

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Definition of the Construction Sector

For the purposes of this Deep Dive Evidence Based Report, Standard Occupational Classification (SOC) codes have been used to analyse the data for the construction sector. The table below outlines the roles that have been used in this study.

Deep Dive Employer workshop attendees (January 2023) were of the opinion that some of the SOCs are limited and do not necessarily reflect the current and emerging occupations particularly around green skills. Also advances in technologies and modern methods of construction means that many occupations are a mixture of construction, engineering, and manufacturing.

Construction			
SOC	**Description**	**SOC**	**Description**
1122	Production Managers and Directors in Construction	5312	Bricklayers and Masons
1251	Property, Housing and Estate Managers	5313	Roofers, Roof Tilers and Slaters
2121	Civil Engineers	5314	Plumbers and Heating and Ventilating Engineers
2431	Architects	5315	Carpenters and Joiners
2433	Quantity Surveyors	5316	Glaziers, Window Fabricators and Fitters
2436	Construction Project Managers and Related Professionals	5319	Construction and Building Trades n.e.c.
3114	Building and Civil Engineering Technicians	5321	Plasterers
3531	Estimators, Valuers and Assessors	5322	Floorers and Wall Tilers
3541	Buyers and Procurement Officers	5330	Construction and Building Trades Supervisors
5215	Welding Trades	5449	Other Skilled Trades n.e.c.
5216	Pipe Fitters	8141	Scaffolders, Stagers and Riggers
5223	Metal Working Production and Maintenance Fitters	8142	Road Construction Operatives
5225	Air-conditioning and Refrigeration Engineers	8149	Construction Operatives n.e.c.
5241	Electricians and Electrical Fitters	8221	Crane Drivers
5250	Skilled Metal, Electrical and Electronic Trades Supervisors	8229	Mobile Machine Drivers and Operatives n.e.c.
5311	Steel Erectors	9120	Elementary Construction Occupations

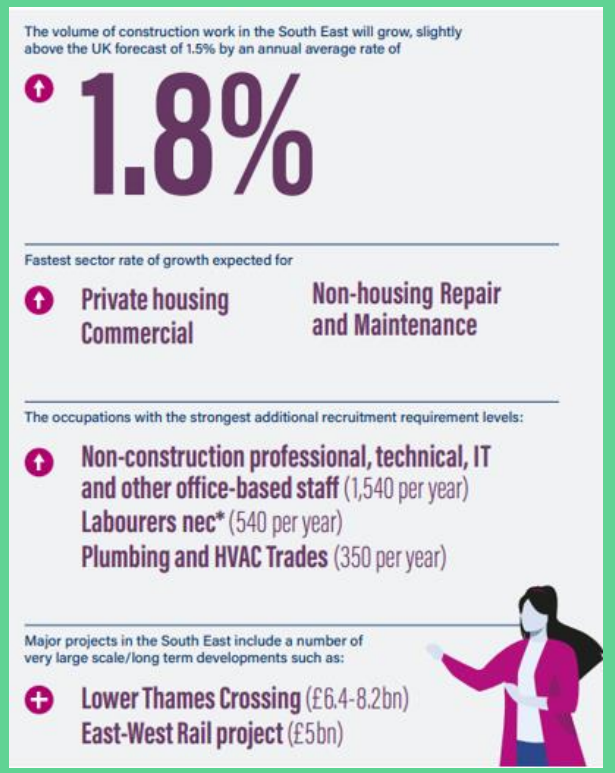
Industry Trends

The Construction Network – 'The skills construction needs' – South-East Five-Year Outlook report estimates that in the South-East an extra 17,800 workers will be needed from 2023 to 2027. The South-East annual recruitment requirement is 0.9% per year, based on 2022 workforce levels, which is slightly below the UK average of 1.7%.

The construction sector across the South-East is expected to grow by an annual average of 1.8% between 2023-27. Industrial (4.0%), private housing (3.6%) and commercial (3.0%) work are expected to see the biggest annual increases.

Consequently, this means in the South-East the construction industry needs to increase current recruitment by 3,560 new workers each year to deliver the expected work between the start of 2023 and end of 2027.

In the South-East, the annual average increase in the construction is forecasted to be 0.1% between 2022-2027 with workforce numbers slightly dipping in 2023. Over the forecast there is expected to be a fall in numbers in some construction trades such as glaziers (2.8%), floorers (2.1%) and electrical trades (1.7%). On the reverse side, there is expected to be an increase in the number of architects (3.1%) as well as other construction professionals and technical staff and surveyors. These forecasts are against a current backdrop of skills shortages across the construction industry including locally in Sussex.



csn-lmi-south-east.pdf (citb.co.uk)

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Industry Trends

Sussex Employment in the Construction and Built Environment Sector

At the end of 2022, there were 11,110 registered construction businesses in the Sussex LSIP area. 95.6% of these construction businesses were micro with 9,875 having between 0 to 4 employees. Brighton & Hove and Wealden district had the highest concentration with 1,545 and 1,480 retrospectively. There are no large construction businesses registered in Sussex but some of the national house builders have regional offices in the area. These statistics do not include the vast number of self-employed people, particularly tradespersons working in the domestic construction industry across the Sussex LSIP area.

CITB's, Construction Skills Network recently published The Skills Construction Needs report: South East - Five Year Outlook 2023-2027 states that the occupations with the strongest additional recruitment requirements are non-construction professional, technical, IT and other office-based staff (1,540 per year) labourers (540 per year) and plumbing and heating, vent, and air conditioning trades (350 per year). The findings from the LSIP Deep Dive reflects the needs for extra recruitment in these occupations particularly in light of the new Building Regulations and the strive for buildings and the industry to be more energy efficient.

	No Construction Businesses in Sussex				
	Micro (0 to 9)	Small (10 to 49)	Medium (50 to 249)	Large (250+)	Total
Adur	485	20	0	0	**505**
Arun	985	40	0	0	**1,025**
Brighton and Hove	1,485	55	5	0	**1,545**
Chichester	880	45	5	0	**930**
Crawley	480	20	5	0	**505**
Eastbourne	470	20	0	0	**490**
Hastings	475	20	0	0	**495**
Horsham	990	50	10	0	**1,050**
Lewes	645	25	0	0	**670**
Mid Sussex	1,055	45	5	0	**1,105**
Rother	665	25	0	0	**690**
Wealden	1,405	70	5	0	**1,480**
Worthing	605	15	0	0	**620**
	10,625	**450**	**35**	**0**	**11,110**

UK Business Counts - local units by industry and employment size band - Nomis - Official Census and Labour Market Statistics (nomisweb.co.uk)

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Industry Trends

Specification of employer skills needs

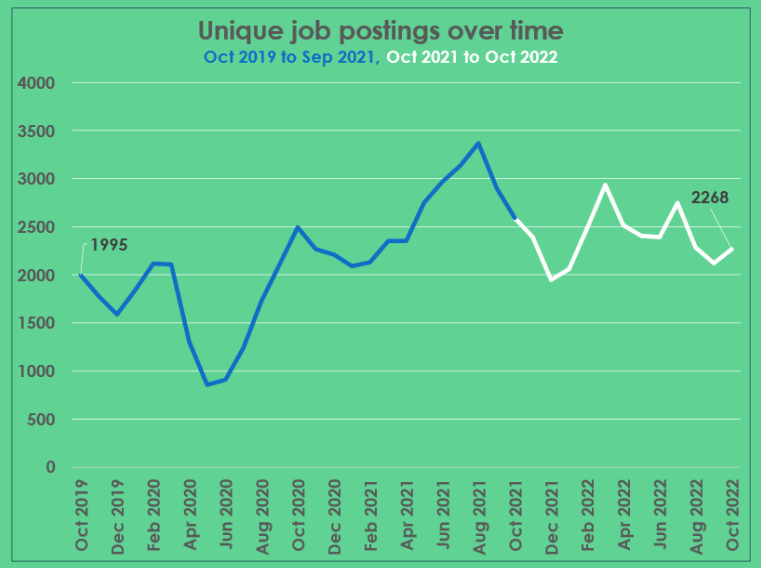
In terms of the jobs in Construction being advertised across Sussex, they seem to be levelling off, with 2,268 unique jobs postings in October 2022. This does not include those recruited via agencies, word of mouth or personal connections particular within the trades. Labourers are the most advertised job across the Sussex area.

£35k
median advertised salary

Construction jobs account for 6.6% of all job postings

Top 5 most advertised occupations	Median advertised salary
Elementary Construction Occupations	£25,600
Property, Housing and Estate Managers	£31,100
Buyers and Procurement Officers	£28,200
Civil Engineers	£44,700
Production Managers and Directors in Construction	£43,700

Top 5 most advertised job titles	Median advertised salary
Labourers	£23,900
Quantity Surveyors	£54,900
Carpenters	£41,700
Groundworkers	£35,000
Site Managers	£57,200



These charts and graphs use Lightcast data (previously known Emsi Analyst) which is based on job postings data gathered by scraping over 100,000 websites. This data is a snapshot in time and is also based on SIC and SOC codes, which we know do not always reflect the current occupations in the manufacturing and engineering industry.

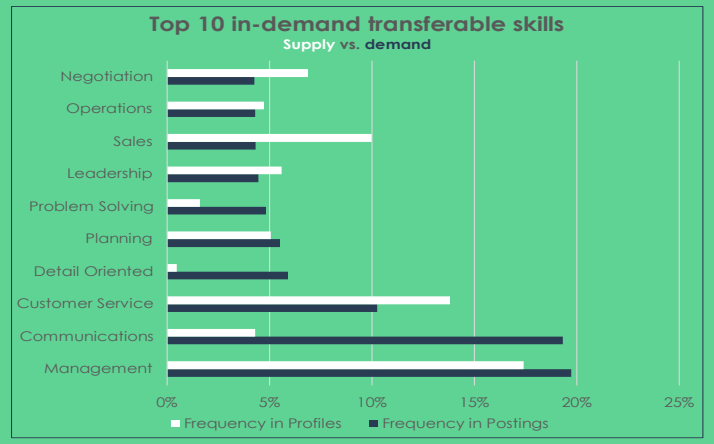
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Identified skills needs

Basic construction skills is the most in demand skills amongst all Construction and Built Environment positions advertised, which illustrates the needs for labours, groundworkers and basic carpenters. There is a significant mismatch between the frequency of some specialised skills found in CV profiles and their frequency in job postings in respect of supply chain, plumbing, civil engineering and purchasing skills which are all in high demand by employers.

In relation to transferable skills, businesses are looking to employ staff with good communication and problem-solving skills as well as an eye for detail. These transferable skills are not reflected in individuals CV profiles though. Sales and negotiation skills appear more frequently on individuals job CV profiles than are required by employers in the construction sector.





Source: Lightcast – November 2022

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Identified skills needs

Through extensive engagement with construction businesses as part of this Deep Dive, the following skills needs have been identified:

Specialised Skills	Transferable Skills
• Revit/AutoCAD • Civil engineering • Site management • Plumbing, heating and ventilation • Electrical – domestic and commercial • Water neutrality • Quality and compliance • New technologies / digital skills • Sustainability / Net Zero / Carbon efficiency • Procurement and tender writing • Carpentry, joinery, and brick • Plant fitters • Groundworkers	• Resilience • Ability to work independently. • Communication • Willingness to learn on the job. • Positive attitude • Time management • Problem solving • Self-motivated • Teamwork • Customer Care

Challenges and priorities for change

- Recruitment is a challenge across the sector, skills shortages and agency staff are travelling a long way to get to site.
- Capacity on some courses is a key issue in Sussex, particularly for apprentices and in some cases, courses are not available at all.
- Challenges around the types of courses and industry tickets that can be delivered and funded within the current skills system.
- A great need for technical and project management skills particularly in terms of CAD and associated jobs needed to meet the new Building Regulations (Carbon Efficient Buildings) as well as Modern Methods of Construction (MMC).
- Shortage of qualified and experienced construction trainers and assessors across the Sussex LSIP area. Employers recognise that it is difficult for colleges and training providers to recruit suitably experienced and qualified trainers/assessors as they can earn “more money on the tools”

Challenges and priorities for change

- Local Authority procurement frameworks and appointment of Lead Contractors is a key factor in the recruitment, employment, and training of local people to deliver projects despite CSR and social value.
- Local subcontractors are more likely to be used on the larger projects.
- Employers acknowledge that they need to make the sector appealing to young people especially females and the neuro-divergent community. Greater awareness of the sector with a key focus on the environment and sustainability may increase the interest of younger people.
- Employers find it difficult to navigate the skills system and find suitable courses. The administration when starting can be particularly burdensome for employers.

Summary Table of recommendations

Recommendation	Description	Challenges this addresses
To build a body of evidence that supports the need for local funding flexibilities within the current skills system.	• Utilise and build upon the Deep Dive evidence to verify the exact industry tickets and professional certification that businesses need. This evidence should be for all individuals not just those unemployed. • Work with employers and skills providers to identify alternative funding options for skills in demand	Use this evidence base to find flexible funding solutions within the current skills system or alternative funding. Ensure that young people on full-time courses are not leaving without the industry tickets that aid progression and employment.
Develop and promote resources and CPD opportunities to showcase the different local roles and career pathways into construction across the Sussex LSIP area.	• Bring Industry employers, career professionals and the Career Hubs together to review current resources and activities and build on these. • Ask employers to hold CPD open doors events for Careers / DWP staff. • Knowledge exchanges on topics such as modern methods of construction and retrofit. • Expand on the areas of good practice undertaken by the various skills networks in Sussex.	Updating knowledge of the sector, roles and career pathways which means career professionals are better informed and able to provide better career education, information and advice and guidance.

Summary Table of recommendations

Recommendation	Description	Challenges this addresses
Facilitate constructive dialogue between employers and skills providers to determine specific skills needs and local demand for groundworks and plant training.	• Investigate the feasibility of developing groundworks and plant provision in Sussex. • Identify potential delivery sites and employers with equipment and qualified trainers. • Utilise the existing good practice carried out by networks.	To combat the lack of any funded groundworks and plant training in Sussex, and support employers to recruit into these roles.
Research regional and national initiatives to encourage and recruit experienced construction personnel into teaching in the sector.	• Skills provider networks to explore whether a similar model could be adopted in Sussex.	The difficulties that colleges and skills providers face in hiring staff with relevant skills and experience in the sector.
Consider how employability and softs skills can be embedded into 16-18 full time trade provision.	• Set up a small working group of employers and a college to look at how these skills can be embedded into construction courses seamlessly. • Pilot the programme and extend if successful including the sharing of teaching materials.	This responds to feedback from employers that young people progressing from 16-18 full-time provision are not work ready when they complete these courses.

Summary Table of recommendations

Recommendation	Description	Challenges this addresses
Actively promote, encourage and address diversity into the sector.	• Explore current schemes that support diversity in the construction such as the Women into Home Building Employment Programme currently being run in partnership with the Home Builders Federation and nine major homebuilders. • Seek opportunities to collaborate locally to offer a similar employment programme across the Sussex LSIP area. • Promote flexible working opportunities within the industry in order to retain people in the sector, especially women.	The lack of diversity and especially women working in the construction sector in the Sussex LSIP area. Diversity in the workforce attracts a broader pool of applicants to join the sector which will support local skills shortages.
Explore the retention and expansion of the Transform Programme - SCTP which supports SMEs in East Sussex to navigate the skills and training system.	• Experienced business advisers support businesses with their current and future skills and training needs. • Like Transform has been, align this programme with the newly launched CITB 'New Entrant Support' scheme for construction employers recruiting.	Businesses who are struggling to navigate the skills system and finding it difficult to locate appropriate skills training. Supports businesses with the setting up Apprenticeship Service Account, finding funding and administration.

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Website: Sussex Chamber of Commerce

Report written by: Melanie Butcher, Melanie Butcher Education & Skills Consultancy

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