



National Association of Construction Frameworks

Employment and Skills Report

August 2016

## Contents

1. Executive summary
2. Definitions
3. Introduction
4. Meeting with CITB
5. NACF Survey
6. Recent significant Employment and Skills Initiatives
7. Conclusion and recommendations

Appendix 1 – Detailed survey responses

Note: The preparation of this report was led by Southern Construction Framework with support from National Association of Construction Frameworks partners.

## **1. Executive summary**

- 1.1 This report summarises the outputs of an Employment and Skills Survey of the members of the National Association of Construction Frameworks (NACF), it highlights the initiatives being deployed by the NACF members, it considers the CITB National Skills Academy Client Based Approach and the benefits offered.
- 1.2 This report recognises the growing skills gap for UK construction since the end of the recession and the opportunity for construction frameworks to include employment and skills outputs from public sector procurement.
- 1.3 There are regional differences in terms of infrastructure and available funding to support this i.e. links to colleges and access to SAS. There is a consistent commitment by NACF members to deliver E & S outputs at project level, which is tested as part of the contractor selection for “call off” projects.
- 1.4 The ESP provides a recognised industry standard to demonstrate a range of E & S outputs. A new set of 7 KPIs has recently been launched which includes clarity on definitions and new targets.
- 1.5 CITB levels of support can be variable, and the organisation has gone through significant re-structure over the last 6 months. The use of the SPONSA database to report E & S outputs is unwieldy and adds unnecessary cost and administration to projects. It is understood that this is not a requirement to maintain the NSAfC status.
- 1.6 The key barrier to delivering E & S outputs appears to be due to inconsistent client requirements and buy in at Project Officer Level.

### **1.7 Recommendations**

- (1) This report is published on the NACF website in order to share lessons learned across the NACF.
- (2) Review the new ESP and agree a consistent minimum standard for reporting KPIs.
- (3) Maintain dialogue with CITB to reflect the ongoing challenges in delivering E & S outputs.

## **2.0 Definitions**

- 2.1 Frameworks - means framework agreements as defined in the Public Contracts Regulations. The Public Contracts Regulations 2015 describe a framework agreement as: “.....an agreement between one or more contracting authorities and one or more

economic operators, the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged.”

- 2.2 Construction frameworks – except where the context shows otherwise, means construction works frameworks (which may also include design and /or professional services elements).
- 2.3 Traditional procurement - refers to tendering all the terms for each project separately in a one off procurement exercise.
- 2.4 The public sector – refers to the entities included within the scope of contracting authorities under the Public Contracts Regulations.
- 2.5 Public sector procurement – refers to procurement by public sector entities for activities included within the scope of the Public Contracts Regulations.
- 2.7 CITB – Construction Industry Training Board – means the Industry Training Board for the construction industry and a partner in Construction Skills, the Sector Skills Council.
- 2.8 – SAS – Shared Apprenticeship Schemes –is a partnership between an organisation such as a Housing Association or County Council which is funded by the Construction Industry Training Board (CITB).

It employs the apprentices on behalf of contractors for as long as their business needs them. They interview and hire the best young people and then place them with companies in the construction and housing sectors on a flexible basis.

It covers all the traditional costs including recruitment, management, payroll and mentoring, saving you valuable time, money and resources. It allows apprentices to gain a wider range of skills and experience to complete a full apprenticeship programme by working with a number of different employers, to gain a recognised apprenticeship qualification.

- 2.9 NSAfC – The National Skills Academy for Construction is led by CITB and is a project-based training concept that is tailored to helping clients and contractors to get the right skills on site. There are 2 main routes; Funded, and Client Based Approach.
- 2.10 Client Based Approach - Local Authorities, Registered Providers and other Public Bodies can adopt the Client Based Approach which provides guidance including industry endorsed benchmarks for training requirements. This is demonstrated via an Employment and Skills Plan.



Serving the Public Sector

2.10 ESP – means the Employment and Skills Plan which is developed for each project, illustrating anticipated training and learning outcomes from the project and is agreed in advance of construction.

2.11 National Association of Construction Frameworks (NACF) – means the association identified by this name comprising representatives of the owners of a number of existing regional construction frameworks. NACF “partners” at the time of writing are as follows:

- East of England – Smarte East
- East Midlands – EMPA
- London – London Construction Programme
- North East - NEPO
- North West – NWCH
- South East – Southern Construction Framework
- South West – Southern Construction Framework (formerly Construction Framework South West)
- West Midlands - CWM
- Yorkshire and the Humber – YORhub
- North Wales – North Wales Construction Framework
- South Wales - Rhondda Cynon Taf County Borough Council

Further details regarding the NACF are on the NACF website - <http://www.nacframework.org.uk>. The references to NACF frameworks in this report refer to the construction frameworks of NACF partners in England only unless stated otherwise.

### **3.0 Introduction**

3.1 This Report concerns the CITB Approach to appointing apprentices via Shared Apprenticeship Schemes and the National Skills Academy for Construction Client Based Approach.

3.2 A survey was carried out with the NACF members to review to establish what is currently being delivered and to establish any commonality in approach to delivering



Serving the Public Sector

Employment and Skills outputs by the NACF members. A survey was commissioned in September 2015.

#### **4.0 Meeting with CITB**

- 4.1 In June 2015 Keith Watkins and Debbie Johnson were invited to join the NACF meeting to outline the NSAfC Client Based Approach, to discuss any issues and to give some background on the CITB Shared Apprenticeship Schemes.
- 4.2 Issues were raised about the apparently onerous reporting requirements against the 14 KPIs in the employment and Skills Plans and the challenges of engaging with the CITB "SPONSA" database.
- 4.3 There was a general recognition that the ESP is a recognised industry standard approach to clarify, plan and record client's E & S outputs.

#### **5.0 NACF Survey**

- 5.1 A survey was issued to all NACF members.

Questions were asked covering 7 areas:

- 1.) What is your approach to promoting learning, training and apprenticeship opportunities on projects procured through your framework?
- 2.) How do you deliver this approach?
- 3.) What has worked well?
- 4.) What has not worked well?
- 5.) What barriers do you face?
- 6.) have you any experience of working with CITB shared apprenticeship scheme and the CITB client lead approach (ESP) and if yes how well have they performed?
- 7.) Please advise any specific CSR policies and/or monitoring documents you may have.

## **5.2 Summary of Results**

Replies received from 10 organisations. As SCF includes CFSW, SE and London they are treated as a single entry. Questions were asked covering 7 areas. Detailed survey responses are included in Appendix 1.

Analysis of responses are summarised under each question area by percentage of respondents reporting against sub-questions as follows:

### **1.) What is your approach to promoting learning, training and apprenticeship opportunities on projects procured through your framework?**

30% - Work closely with the regional colleges who are informed of required apprenticeships for each project.

60% - Employment and Skills Outputs are contractually embedded into framework agreements.

80% - E & S outputs part of contractor selection

40% - Minimum standard KPI's.

80% - Contractors report against detailed KPI set for each project, across a range of areas. Monitored/Reported by Framework Management Team.

### **2.) How do you deliver this approach?**

50% - 'Meet the Buyer' events in order to engage local companies.

40% - Adoption of Client Based Approach process, although only 28% have National Skills Academy accreditation.

50% - Agreed E&S outputs/community improvement plans are written into their contractual deliverables.

50% - Audits, including site visits and evidence spot checks.

60% - CITB Shared Apprenticeship Scheme (SAS), there is 100% take up where an SAS exists. There is no CITB support where there is no CITB SAS, and only 22% benefit from additional CITB support.

10% - Non CITB SAS

**3.) What has worked well?**

60% - have set up a Special Interest Group

50% - report high levels of Local spend

56% - Numerous education events delivered by contractors compared to only 14% using ambassadors to promote construction progress.

**4.) What has not worked well?**

30% - time taken to set up Client Based Approach with poor support from the CITB

40% - difficulties with data gathering, and onerous administration to record Employment and Skills Outputs.

**5.) What barriers do you face?**

60% - Lack of client support/tension in each Local Authority between Project Delivery and Delivering Social Value.

50% - No consistent approach to delivering community benefits requirements.

50% - Skills Gap issues.

**6.) have you any experience of working with CITB shared apprenticeship scheme and the CITB client lead approach (ESP) and if yes how well have they performed?**

50% - Varying levels of engagement with Shared Apprenticeship Schemes.

50% - SPONSA software was not suitable and lack of flexibility from CITB.

**7.) Please advise any specific CSR policies and/or monitoring documents you may have.**

50% - Shared Apprentice Work Plan/Employment and Skills Plan Template and Benchmarks.

60% - KPI documents.

## **6. Recent significant Employment and Skills Initiatives**

6.1 CITB has recently gone through an extensive re-organisation with significant reduction of staff.

6.2 CITB has introduced a new version of the ESP based on 7 KPIs:

1. Work placements
2. Jobs created
3. Construction careers information, advice and guidance events
4. Training weeks, which is aggregated into 3 reporting areas; apprentices, traineeships, new entrants undertaking higher qualifications.
5. Qualifying the workforce
6. Training plans
7. Case studies approved.

CITB have confirmed the definition for training weeks and introduced a revised set of targets based on value band and sector.

6.3 In the autumn statement 2015, the Chancellor of the Exchequer announced an apprenticeship levy, to help fund employer apprenticeship schemes and invest in Britain's future. This is due to come into effect in April 2017. The government is due to publish details on the structure of its proposed apprenticeship levy; this is currently later than planned following the Brexit vote.

There have been concerns that the new apprenticeship standards could hit contractors financially and curb the number of apprentices being trained, it is an issue that concerns CITB, SASs and contractors.

## **7. Conclusion**

7.1 There are concerns about the skills gap across the NACF members prompting a consistent commitment to deliver E&S outputs, albeit there are clearly some regional differences/successes in terms of available funding and established links with local colleges. The key themes for delivering these include Meet the Buyer Events, Special Interest Groups, and engagement with Education Events. The key barrier to delivering

E & S outputs appears to be due to inconsistent client requirements and buy in at Project Officer Level.

There has been 100% take up where CITB Shared Apprenticeship Schemes are available. However, these are not consistently available across the NACF.

There appears to be a consistent principle of testing Employment and Skills Outputs at contractor selection for “call off” projects and adopting the principles of collecting and monitoring of KPIs. The approach at Framework ITT stage is variable and the contractual demands placed on contractors appears to differ.

There appears to be a good opportunity to share lessons learned to raise the profile of leveraging E & S Outputs if appropriate.

CITB support appears to be variable across the country and some of the processes are inflexible.

## **7.2 Recommendations**

1. This report is published on the NACF website in order to share lessons learned across the NACF.
2. Review the new ESP and agree a consistent minimum standard for reporting KPIs.
3. Maintain dialogue with CITB to reflect the ongoing challenges in delivering E & S outputs.



Setting and reviewing benchmarks	Y		Y		Y	Y				
E & S Outputs tailored to project specifics.	Y	Y	Y		Y	Y				
Contractors report Social Value	Y		Y			Y		Y		
Post project KPI's directly linked to future tendering opportunities.			Y							
Minimum standard KPI's.	Y					Y		Y		
E & S Outputs vary between framework agreements (project type, value)			Y							
Focus on predictability of delivery						Y				
Contracting authority set project specific requirements.	Y		Y		Y			Y		
Training & Employment Special Interest Group (SIG)/Contractor Forums for High and Medium Value Frameworks	Y	Y	Y			Y		Y		
Contractors report against detailed KPI set for each project, across a range of areas. Monitored/Reported by Framework Management Team.	Y	Y	Y	Y	Y	Y		Y		
Including training weeks per £1m construction value – 52wks per £1m.	Y	Y		Y						

Contractor Partners work in partnership to deliver one activity per quarter under the NWCH banner.								Y	Y EMPA Academy	
Local Employment recorded 'Local' has different definitions.						Y				
<b>2.) How do you deliver this approach?</b>										
Minimum E & S apprenticeship appointments contractual requirement.	Y		Y			Y			Y	
Collaborative working encouraged to achieve our aims and objectives.	Y		Y					Y	Y	
Developed 'Partnerships' between Contractors, Training Providers and Supporting Organisations.	Y		Y					Y	Y	
Encouraging dis-aggregation of packages to attract local suppliers.								Y		
'Meet the Buyer' events to engage local companies.	Y		Y				Y	Y		
CITB National Skills Academy Accreditation		Y				Y				
Client Based Approach accreditation and adoption of Client Based Approach.	Y	Y		Y		Y				
Licenses are issued to each individual Local Authority with the intention for projects outside the framework and education.		Y								
Report Skills Academy KPIs quarterly.	Y	Y								

Agreed E&S outputs/community improvement plans are written into their contractual deliverables.	Y		Y	Y		Y				
Audits, including site visits and evidence spot checks.	part of regular liaison		Y			Y		Y	Y	framework coordinator and steering group
The Government of Wales Act 2006 sets out the Welsh Government's obligations.				Y						
Framework linked with support agencies to assist contractors in achieving these targets including	Y		Y	Y					Y	
CITB Shared Apprenticeship Scheme (SAS).			Y	Y		Y	Y	Y		Y
Additional CITB support.	CITB funded staff project		Y	Y						
Non CITB SAS								Y		
The Welsh Government employs apprentices on behalf of the industry and rotates them through hosted placements.				Y						
<b>3.) What has worked well?</b>										
Setting up SIG resulted: Collaboration across wide group. Building of trust and sharing of information. Contractors buy in, established ways of working Education on support from other agencies, optimised benefits	Y	Y	Y			Y		Y	Y	
College engagement	Y	Y	Y							
Framework exceeded minimum requirement of 52	Y	Y		Y						

person weeks per £1m										
Mixed success of E & S Output targets depending upon the contracting authority/client.	Y		Y			Y		Y		
Responses to the monitoring forms has generally been good. Stretching targets, expectations	Y		Y					Y	Y	
Developed local sub contractors in the region.			Y	Y						
High levels of local spend.	Y		Y	Y		Y				
Numerous education events delivered by contractors including health and safety awareness events for pupils.	Y		Y	Y				Y	Y	
Empowering 'ambassadors' within schools to communicate progress on site to other year groups.	Y			Y						
<b>4.) What has not worked well?</b>										
Time taken to obtain the Client Based Accreditation. Poor support from CITB, lack of grant funding		Y							Y	
Some E & S outputs difficult to deliver, key reason is time taken to set up the programme or the nature of the project.	Y		Y							
Long orientation time for suppliers to understand the employment and skills requirements. Impacted on level of outputs and supporting evidence.			Y							
Data gathering has been difficult sometimes with the project focus often being on			Y			Y				

costs and time.										
Resource requirements to record E & S outputs very onerous.				Y		Y				
Consistent commitment/lack of understanding/accountability from client team to deliver E & S Outputs.		Y				Y		Y		
Geographical location not taken into consideration when developing Shared Apprenticeship 'journey'.								Y		
<b>5.) What barriers do you face?</b>										
Variable contractor engagement/commitment to hosting "additional" Framework Apprentices to their own and those of their supply chain.		Y				Y				
Lack of client support/tension in each LA between project delivery to cost and delivery of E & S Outputs.			Y	Y	Y	Y		Y		
No consistent approach from LAs as to community benefits requirements through the tender process.		Y	Y			Y		Y		
CITB SPONSA system inflexible - Securing evidence base on our own server for ESP KPIs.		Y				Y				
Short project lead in times.	Y					Y				
The skills gap: <ul style="list-style-type: none"> <li>• Shortage of skilled labour,</li> <li>• Lack of appropriate training,</li> <li>• Those leaving training not fully trained</li> <li>• Changes in skills</li> </ul>	Y		Y			Y		Y		

requirements due to initiatives such as BIM and new building methods.										
Tension between College Funding and Workplace funding.						Y			Y	
<b>6.) have you any experience of working with CITB shared apprenticeship scheme and the CITB client lead approach (ESP) and if yes how well have they performed?</b>										
CITB Shared Apprentice Scheme with other partners, does not replace traditional apprentices.		Y	Y	Y		Y				
Consultation with CITB regarding Shared Apprenticeship Scheme – Local Authorities unwilling to fund.					Y					
Client Led Approach is of very limited success.  The targets often unrealistic. The system has been overly bureaucratic and creates a burden of data gathering for the client and contractor.							Y			
Varying levels of engagement with the CITB Shared Apprenticeship Scheme:	Y					Y	Y	Y		
SPONSA software was not suitable - Resource burden on contractors. (reservations)	Y	Y				Y	Y	Y		
CITB has reviewed its							Y			

processes and just reduced the burden of providing exhaustive proof for each criteria and introduced spot checks.										
<p>Slow in making decisions – CITB</p> <p>CITB in England and Wales are managed by different teams and differing levels of experience.</p> <p>CITB officer has been appointed across North Wales to establish partnership links with other organisations.</p> <p>No direct working with CITB. EMPA created own shared scheme but not sustainable without CITB funding</p>	Y	Y							Y	
<b>7.) Please advise any specific CSR policies and/or monitoring documents you may have.</b>										
Monitoring documents that have been created by the framework team.	Y	Y	Y					Y		
Shared Apprentice Work Plan/ESP Template and benchmarks.		Y	Y			Y		Y		
KPI documents	Y		Y		Y	Y		Y		
Welsh Procurement Policy Statement/ Social Value policy.				Y	Y					
Welsh Government Community Benefits: Delivering Maximum Value for Welsh Pound 2015				Y						



Other Framework ambition is 78wks per £1m.		Y		Y						
Under review: E & SS Output delivery models and post-job review, Reviewing inclusion of social value for future frameworks.			Y		Y			Y	Y	