

A Hard Hat to Fill

A call to address the skills gap
in the home building industry

Introduction

While the Government's ambitions for home building are welcome, how successful they are will, in part, depend on the necessary skills and labour being available. At present, the industry has a workforce that allows it to deliver current levels of output, but delivery levels are far below where we need to be.

The home building industry has long faced a significant skills shortage due to:

- a shortfall in the number of recruits being attracted into house building.
- of those entering current construction related higher education courses, only 25% are going onto a career in house building.¹
- a severe loss of skills during the previous recession – 40% to 50% of skilled labour
- left the industry increases in demand – industry has delivered an increase in supply over the past decade an ageing workforce – 25% of the homebuilding workforce is aged over 50 meaning the sector is facing an impending retirement cliff edge.²

To deliver on the Government's housing targets, home building needs to increase by 80,000 units a year based on the most recent net additions figures. Research undertaken by the Home Builders Federation (HBF) has found that for every 10,000 new homes the industry builds, 30,000 new recruits are needed, which means that 240,000 people need to be recruited across a broad range of roles and skills. In addition, the transition to the Future Homes Standard will involve significant changes to the design and construction of new homes. While this presents an opportunity for the country to become a world leader in the knowledge and skills base for future housing design and delivery, the emergence of new skills requirements as a result has the potential exacerbate the skills challenge further still.

Even if all systemic levers are pulled to enable sufficient land and planning approvals for this level of home building, closing the skills gap requires a long-term plan for the future of apprenticeships, further education, and supporting the students and businesses which make up our workforce.

The Government has, so far, made numerous welcome announcements that aim at improving the recruitment and retention of the home building workforce, such as the replacement of the malfunctioning Apprenticeship Levy with the new Growth and Skills Levy, and the establishment of Skills England as a body to oversee the reforms and to identify and monitor gaps in the country's workforce.

However, as the current training figures show, the scale of the challenge is vast and there is still much more to be done.

¹ citb.co.uk/media/ongo2zsw/citb_fe_learners_summary.pdf

² hbf.co.uk/news/hbf-home-building-workforce-census-2023/

Apprenticeships

One of the most popular and utilised routes into a construction role is through apprenticeships. According to HBF's workforce census, around half of the onsite workforce had undertaken an apprenticeship for the trade they were working in.

However, in recent years, the ability for businesses to recruit and train apprentices has waned due to various reasons:

- Employer perception of the quality of apprenticeship courses is variable, with many organisations not able to access the courses they want within the region in which they operate and there are not enough apprenticeship positions available for everyone in further education courses to progress to one. This leaves many students unable to advance into their chosen industry.
- The Apprenticeship Levy has mostly been used for higher level qualifications, allowing those already in the industry to achieve higher qualifications, but has seen a reduction in the number of apprentices at Levels 2 & 3, meaning it is not addressing the lack of newer entrants into the industry.
- The remit of the Apprenticeship Levy is restrictive, the admin burden is bureaucratic and puts off small companies.
- Apprentices pay during the first year of training (potentially a minimum wage of £6.44) is simply not an option for young people, particularly those who live in London or the South East.
- The two year duration of many apprenticeship programmes can be off putting to many young people, especially considering the pay restraints.

Apprenticeship numbers

To reach 300,000 homes a year, we need 240,000 new recruits across the broader housing sector, including:

- 20,000 bricklayers
- 20,000 groundworkers
- 8,000 carpenters
- 3,200 plasterers
- 2,400 plumbers
- 2,400 electricians
- 2,400 roofers
- 1,200 tilers

However, the number of apprenticeships being supported by the current system is only a small portion of what is needed.

As the table below shows, is it only plumbers that had enough people undertake an apprenticeship for the trade last year. For bricklayers and groundworkers – the trades most in demand – just 10% and 3% respectively of the required additional workforce were being trained for these trades last year.

Overall, the last year’s apprentices made up just 17% of what is required across these eight key trades.

Job role	Needed for 300,000 homes	2023/24 apprentices	% in 2023/24 of required apprentices
Bricklayers	20,000	1,990	10%
Groundworkers	20,000	560	3%
Carpenters	8,000	4,150	52%
Plasterers	3,200	390	12%
Plumbers	2,400	2,590	108%
Roofers	2,400	450	19%
Tilers	1,200	40	3%

Even looking to the five-year totals for apprenticeships, there is still a significant gap, with just two of the eight trades seeing enough trainees coming through the system.

Job role	Five-year total	% of required apprentices
Bricklayers	11,350	57%
Groundworkers	2,420	12%
Carpenters	22,200	278%
Plasterers	1,870	58%
Plumbers	12,820	534%
Roofers	1,540	64%
Tilers	240	20%

Other routes into home building

Further education courses

Around 100,000 students are enrolled in further education (FE) construction courses at any one time, but the courses are not producing work-ready potential recruits.

Just 25% of these learners gain employment in construction within six months of finishing their course, while 60% leave the industry completely shortly after finishing their training.

Students completing FE courses are simply not at the level employers need them to be such that they are useful in the workplace and as a result, many find getting a work placement difficult and drift into other non-skilled roles outside of industry.

This is because the courses are not fit for purpose:

- There is a distinct lack of focus on practical skills and too much time spent on non-
- vocational, non-construction related areas.
- The requirement for FE courses is just 16 hours a week, meaning the time spent
- developing practical skills is minimal and not enough time to develop useful practical
- skills.

T Levels

T Levels were introduced in September 2020 as an alternative to A Levels (Level 3) for those seeking a technical qualification.

Since 2021 there has been a T Level in onsite construction available, which focuses on practical skills in areas like bricklaying, carpentry and joinery, plastering, and painting and decorating. Although still a new route, uptake has been relatively low.

In the 2022/23 and 2023/24 academic year, over 10,000 students undertook a T Level qualification. However, only 213 of these were in the onsite construction course – just 2% of the student base and a tiny proportion of the numbers we need to see to address the skills gap.

Recommendations

The industry stands ready to support the Government housing ambitions and to support with the training, recruitment and retention of the workforce. Government should work with the home building industry to implement the sector plan and create a blueprint of how we recruit enough key trades to deliver new homes target.

The key changes we need to see are:

- We welcome the replacement of the Apprenticeship Levy with a new, more flexible Growth and Skills Levy. As the replacement levy is being developed, Government should consult with the home building industry to ensure that it will support developers to recruit the broad range of skills needed to increase housing delivery.
- In particular, it is important that under the new Levy:
 - responsibility for the administration of hired apprentices should pass to the company that “receives” any future levy transfer, rather than leaving it with the “gifting” company.
 - All residual unspent funds should be ringfenced by the Government and reinvested into skills or training programmes, or other initiatives to improve apprenticeship uptake.
- HBF welcomed the recommendation of the ITB review that “DfE should, by exception, carefully explore and consult with industry on a modified legislative scope order”. We acknowledge that the Government has accepted the recommendation in principle subject to further scoping and urge it to expedite this work.
- Reform the apprenticeship training model which is out of step with employer needs - many employers now value block release over day release as the apprentice can be productive more quickly.
- Simplify the End-Point Assessment (EPA) process. Its introduction has overcomplicated and delayed apprenticeship completions which has had a knock-on effect on the delivery of full-time courses due to time and resources spent by colleges on trying to make this process work.
- Ensure FE colleges are properly funded and resourced.
- Restructure and reform FE construction courses to put a greater emphasis on the development of practical skills.



HBF

**The voice of the home
building industry**

hbf.co.uk