

Cross-Party Group Annual Report

Cross Party Group Details

Cross Party Group Title:

Construction

Group membership and office holders

Name of Group Chair:

Joyce Watson MS

Names of other Members of the Senedd:

David Rees MS

Mike Hedges MS

Mark Isherwood MS

Delyth Jewell MS

Name of Secretary and Organisation:

CITB (Mark Bodger – CITB / Matt Kennedy – CITB)

Names of other external members and organisations represented:

David Kirby, CIOB (DK)

Malcom Davies, Welsh Government (MD)

Gareth Davies, Knox and Wells (GD)

Gareth Evans, UWTSD (GE)

Gareth Williams, CITB (GW)

Gordon Brown, TfW (GB)

Christopher Hare, Welsh Government (CH)

David Humphrey, Morgan Sindall (DH)

Ifan Glyn, FMB (IG)

Julia Stevens, CITB (JS)

Keith Jones, ICE (KJ)

Ken Pearson, Bluestone Builders (KP)

Mark Hennessey, ASD Build (MH)

Matt Kennedy, CITB (MK)

Owain Jones, TRJ (OJ)

Rob Davies, CITB (RD)

Zak Clark, CITB (ZC)

Other meetings of the Group since the last AGM

Meeting 1

Date of Meeting:

26.06.23

Attendees:

Joyce Watson MS (JW) – Chair

Nitesh Patel (NP) – Support Staff

Matt Kennedy (MK) - CITB

Ken Pearson (KP) - Bluestone Construction

Tom Perry (TP) - Support Staff

Richard Wilson (RW) - Welsh Government

Gareth Davies (GD) - Knox and Wells

Ed Evans (EE) - CECA

Mark Harris (MH) - HBF

Mark Hennessey (MHe) - ASD Build

Jim Mckirdle (JM) - WLGA

Gareth Evans (GE) - CWIC

David Kirkby (DK) - CIOB

Keith Jones (KJ) - ICE

Christopher Hare (CH) - Welsh Government

Gareth Williams (GW) - CITB

Bethan Sayed (BS) - Climate Cymru

Thomas Owen (TO) - Support Staff

Andrew Eldred (AE) - ECA

Ryland Doyle (RD) - Support Staff

Jill Fairweather (JF) - Welsh Government

Summary of the issues discussed:

Meeting started at 13:41. JW welcomed everyone to the meeting and invited MK to present on the first item.

MK provided a brief overview of the CPGs new report – Insights from Industry. MK said the report reflected the wide range of topics the CPG has covered in the most recent period of meetings but that the skills system as a subject had come to the fore. So that the report focussed on skills system challenges and opportunities reflecting on the insights shared by members during the meetings.

MK added that the report is not intended to be all-encompassing but covers some of the key points/elements.

MK said the report firstly looks at the skills system and challenges in the FE sector around capacity and keeping pace with innovation in industry. MK said about the positive examples of companies working closely with FE but that ongoing progress was needed in this area.

MK said that the report reflects on the fact that the skills system is often confusing for employers to understand and interact with. But said there were more opportunities through flexible learning/short courses to help companies find the time to release workers to upskill. MK also highlighted the role of social value metrics but said the report suggests reporting needs to be simpler.

MK went on to speak about attracting and retaining talent – highlighting the value of keeping experienced workers to mentor and upskill new entrants. And the impact that the Shared Apprenticeship schemes have had in supporting smaller employers to employ an apprentice.

MK summarised the final section of the report on net zero where he highlighted that the report emphasises the need to speak in a universal language about net zero and prioritise knowledge amongst both technical and non-technical staff. MK also highlighted the need to promote government initiatives – such as the new Green Personal Learning Account to support skills development within industry.

MK ended by saying that hopefully the report provides value in supporting the CPG to think about how to shape future meetings and the focus of its ongoing work.

JW thanked MK for his contribution and asked RW to provide his view from a Welsh Government perspective.

RW thanked the group for inviting him to the meeting. RW provided some reflections on the report, welcoming its overall focus. RW reflected that many of the challenges put across in the report, despite being about the contemporary environment have persisted over many years. RW said one of the key issues is around how people (and a greater diversity of people) are attracted to work in industry. And then the other key issue as RW saw it was around retention.

RW reflected on the challenges for industry in Wales, where the sector is predominantly made up of SMEs, of being able to afford the cost and time of training and upskilling without greater certainty that there'll be a pay-off in the ability to compete for future contracts and work. RW added the importance of prompt payment for firms in the face of the cost-of-living crisis.

JW thanked RW for his reflections and opened up the discussion for wider comments from members.

EA welcomed the report but added that there were other issues also requiring attention. EA said that certainty over large scale contracts only provides confidence to large firms, rather than smaller subcontractors who are likely to do the bulk of training. EA added that from an ECA perspective the lack of people being produced through the skills system is a real concern. EA also raised concerns over how employers more widely could engage with the actions in the Insights from Industry report.

BS introduced herself to the group as being from Climate Cymru and said the organisation would like to get more involved in supporting discussions with the construction industry on climate change and highlighted that there may be an opportunity to engage with NGOs and the third sector around joint action to prompt united actions on climate change.

OJ welcomed RW's comments, and the broader action by Welsh Government to try and mitigate inflationary pressures and cost increases. But highlighted that there has been real challenges in getting some clients to come forward with any clarity on the support on offer to contractors to ensure work in the pipeline continues to be viable.

OJ also welcomed the view on the Shared Apprenticeship Schemes, particularly Cyfle. But he highlighted that despite having 80 high quality candidates ready for the fresh intake, current government funding would only cover 50 of these places.

OJ moved on to talk about the role of CITB in providing greater support at a regional level and reflected on an initial discussion with the University of Trinity St. David and CWIC over further training provision in scaffolding and roofing.

RW highlighted work he'd been aware of within the housing and regeneration department that placed variable clauses into contracts to account for cost volatility. RW also reflected on the impact of debt and the importance of Project Bank Accounts in limiting the exposure of SMEs to payments lagging.

OJ highlighted that the material cost assistance provided by government would usually be matched by clients, but that this was not happening at present with contractors expected to take the majority of the cost burden. OJ raised concerns that this could lead to some contractors going out of business.

KP highlighted the growth in his business from 3 staff to 12 staff. He reflected on experiences of attempting to work in public sector contracts but due to a similarly negative experience as described by others, decided to continue working solely with private clients. KP added that the growth in economic activity in West Wales would put an increased strain on the need for skills.

KP said that each person in industry should have a personal learning account they can monitor development through. He highlighted that the green industry is developing at such a pace that attempting to replicate the required learning within the education system is challenging. KP advocated for closer collaboration with manufacturers to create short courses.

GE welcomed the paper but highlighted the missing link in the role of the Higher Education sector – particularly with the work ongoing to develop degree apprenticeships for key roles within industry. GE supported OJs points around working with CWIC and the wider sector to look at streamlining how specialist provision can be provided in key trades with the current focus around roofing and groundworks.

CH explained from a Welsh Government perspective the support for the shared apprenticeship model has been expanded to a range of other sectors and across a greater span of Wales geographically. CH added that there's a balance in addressing the funding differential and ensure equity across industries benefiting from the model.

MHe reflected on OJs point around contractors being expected to take on the additional cost of work driven by inflation/cost pressures. MH used an example where ASD Build had been

awarded a fixed cost contract to deliver affordable housing, but when it came to beginning development 15 months later there was no support available to address the additional costs that had been realised in the time since being awarded the work. MHe highlighted the need to bring practitioners from all sides together to consider the framing of tender opportunities in the face of the demand for more homes across South Wales.

EE welcomed the report but flagged that many of the issues at hand had been the focus of discussion for decades. EE reflected on the opportunities for the skills system to evolve as a result of the roll-out of the new curriculum for Wales and the opportunities for industry to support the new approach within the school system.

EE added that the drive towards net zero was a real opportunity to attract new people into the industry and attract people from different backgrounds to increase diversity within the workforce.

EE said that there still seems to be a very transactional approach in terms of public sector contracting. EE added social value provides a different opportunity to begin to turn the tide in terms of mentality and focus. EE also advocated a more proactive approach of pump-priming work to ensure there is greater clarity of the expectation on what gets delivered and by who.

JW invited RW to provide further reflections based on the discussion so far.

RW reflected on the challenge of mitigating price increases in contract awards due to the time lag between award and subcontracts being agreed and work beginning to take place.

KP asked CH if his update meant that with the expansion of the shared apprenticeship model to other industries if numbers within the construction industry would be diluted and if the funding is being spread more broadly, rather than increased. CH suggested a further conversation outside of the meeting to clarify how the funding arrangement operates.

JW moved the meeting on to focus on future priorities for the group.

MK started by outlining the opportunity to engage with Hefin David's report on transitions into employment where there is a clear role for industry.

KP suggested net zero skills should continue to feature in the CPGs discussion and work given it's ongoing importance.

MH raised a concern over the lack of recognition of the economic impact homebuilding have in Wales. MH highlighted the creation of the Future Homes Hub in England and that Wales will have its own hub, but that this will be more limited in scope to focus on affordable housing. MH felt that this could limit the awareness of the contribution that private homebuilding has.

KJ added that an additional priority could be to look at ways to reduce the substantial gender imbalance present within construction and engineering.

MK highlighted that there may be an opportunity to do some work with the CPG on Housing – especially considering the prevalence of housing as a topic in the group’s discussions to date.

MK said that he’d send out a list of potential topics for the group to reflect and provide a view on.

JW agreed that a joint meeting with the Housing CPG could be useful and added that further engagement with Climate Cymru on the back of BS comments could be valuable too. JW further agreed that a session with Hefin David on his report would be timely following recess.

JW thanked everyone for attending and closed the meeting.

Meeting 2

Date of Meeting:

06.11.23

Attendees:

Joyce Watson MS (JW) - Chair

Nitesh Patel (NP) – Support Staff

David Kirby, CIOB (DK)

Hefin David, Aelod o’r Senedd | Member of the Senedd (HD)

Malcom Davies, Welsh Government (MD)

Gareth Davies, Knox and Wells (GD)

Gareth Evans, UWTSD (GE)

Gareth Williams, CITB (GW)

Gordon Brown, TfW (GB)

Christopher Hare, Welsh Government (CH)

David Humphrey, Morgan Sindall (DH)

Ifan Glyn, FMB (IG)

Julia Stevens, CITB (JS)

Keith Jones, ICE (KJ)

Ken Pearson, Bluestone Builders (KP)

Mark Hennessey, ASD Build (MH)

Matt Kennedy, CITB (MK)

Owain Jones, TRJ (OJ)

Rob Davies, CITB (RD)

Alexander Member Support Staff (AS)

Owen Thomas, Staff Cymorth yr Aelod | Member Support Staff (OT)

Zak Clark, CITB (ZC)

Summary of the issues discussed:

Meeting started at 12:54. JW was not able to welcome everyone to the meeting as another meeting overran, therefore MK began the meeting with HD presenting their report on Transitions to Employment.

HD outlined that he had been working with external partners to develop the report on how the transition from school to employment, from FE to employment and HE to employment was working and the issues surrounding these.

HD said the challenges of having a small team meant that it “would be impossible to speak to everyone” but still felt as though they had a good cross section of the industry. But in future would speak to work-based learning providers and community learning organisations too.

HD outlined that the objectives of the report were set by the Welsh Government and therefore the scope was limited in the number of people they could speak to. The objectives set by the Welsh Government were to review how education providers provide practical work-related experiences and make recommendations, with the idea being to look at how industry transfer initiatives are working.

HD outlined that this meeting was the CPG’s opportunity to say what was, missing from the recommendations or where the recommendations could go further.

HD then presented the report’s recommendations (which are available to view in English here, neu yn Gymraeg yma)

Recommendation 1:

HD highlighted that with the Careers Wales work experience, students weren’t getting an authentic and meaningful experience of the world of work until “perhaps post-16 education” and that the process lacked an effective system and engagement between employers and schools and colleges.

HD outlined that the first stage in aiding that would be for Welsh Government to ensure that FE employers and relevant stakeholders have access to learners that are aged below the age of 16 as well as those above that age – allowing choices to be made early on in their secondary school career.

Recommendation 2:

HD highlighted that there was no large problem when it comes to access to primary education but rather barriers arise around age 11 and are therefore students are unaware of the opportunities available to them when they come to make choices at the age of 16.

Recommendation 3:

HD outlined that the Commission for Tertiary Education and Research (CTER) should work with vocational education providers to reduce fragmentation in the sector and an increase in coordination and clarity.

Recommendation 4:

HD highlighted that the Welsh Government should ensure an offer of meaningful work experience and the need for placements to be made available to all learners aged 14 to 18. HD said that this offer should include tailored work experience for Key Stage 4 learners who are disengaging with education and are at risk of becoming NEET.

Recommendation 5:

HD outlined that work experience placement should be matched as closely as possible to learners' interests and skills arranged with reference to the learner's pathway to potential future qualifications and employment and also consider the local labour market, utilising local intelligence and the expertise of regional skills partnerships.

Recommendation 6:

HD said that schools and colleges need to make sure that the offers previously mentioned are available to the students and they are available at an earlier stage.

HD outlined that public sector bodies such as Transport for Wales could take an exemplary lead through the rail degree in engineering at the University of South Wales and stated that once employers start to see the value of these, they may want to step in with funding and support and advice on the kind of apprenticeships and needed to be developed for the future. HD also said that employers should not take on the burden of funding.

Recommendation 7:

HD stated that a conversation needs to take place around the funding for degree apprenticeships and the inequality between the funding rules for regular degrees and degree apprenticeships.

Recommendation 8:

HD highlighted the need for national job coaching for those with additional learning needs, particularly young people with autism looking to go into employment.

Recommendation 9:

HD outlined the element of Welsh Language awareness being expanded within FE.

Recommendation 10:

HD said that the Welsh Government should ensure that opportunities within CWRE are brought in as much as possible to include those learners with protected characteristics as defined by the Equality Act 2010; young people aged 16 to 24 who are not in education, NEETs as well as raising awareness amongst those already most able and talented learners of vocational opportunities that may be available.

HD highlighted that they may do another piece of work on community related work experiences and older practitioners.

MD outlined an issue of the construction industry being perceived with little to no technological skills and HD offered to have a separate meeting with MD on this topic.

MD highlighted that when competing with other sectors to claim demands on the teachers and the awareness of their parents and guardians, they are the first group to engage with. HD also shared this view and added that schools and colleges are frustrated because parents saw vocational education as something secondary to the academic route.

MD stated that Welsh timber is fast growing but not structurally sound, KP added that softwood timber from New Zealand can be grown in the UK and can last up to fifty to sixty years.

KP highlighted that if an apprenticeship were to count as four GCSEs it would give more opportunity for young people to enter at the right level.

KP reflected that there should be a small period at the end of junior schools to look at the future of that individual progressing from school and what they would want to move into by getting employers more involved at that point– but stated that they did not know if that would be possible.

HD outlined that the reason for his attendance was to ask the CPG how to push this forward and make the attendees aware of the report.

JW thanked attendees and apologised for being late.

JW highlighted that the construction industry is not reaching women and ethnic minorities.

JW went on to say that if people understand that they could learn and earn it would drive people into the sector.

JW outlined that some small companies cannot afford to take on the full cost and responsibility of an apprentice.

HD agreed with JW and stated that one issue with the STEM program is that it is largely dominated by men. HD hoped that the work opportunities through Transport for Wales will change that.

HD outlined that the use of designer degree apprenticeships could be used to achieve a more gender and ethnically diverse industry.

HD cited his report, and quoted CBI director Ian Price, "A university designs a degree apprenticeship course and then ways to recruit, when actually what should be happening is that the employers are speaking to the universities, speaking to the colleges (as in the case of) the TFW model and having a degree-apprenticeship that is co-designed and co-funded." Adding that employers need to see the value in being engaged with designer degree apprenticeships – but construction may be different.

HD quoted the Head of FSB Wales Ben Cottam, "if you've got that infrastructure and presumption of co-design then that obviously favours larger organisations that have that training specialism within them, and... a lot of the bigger employers will have their own representative through the RSPs, will influence their own RSPs. It would be difficult for us (small firms) to engage that multitude of thousands of businesses and their interests and needs in RSP. The co-design concept is a good one but making it accessible and you know feeding in even the aggregated needs of much smaller businesses is really difficult to do."

HD linked this back to KP's comment and highlighted that the report found schools are good at engaging with small businesses as they are more likely to have organic links through the local community.

HD agreed with JW's comment and added that there is a challenge around that, and the sector needs to realise the complexity and respond accordingly. HD added that there is a challenge for politicians around how to get the government to act.

GE outlined the successes of CITB in this field mentioning that in 2018 CITB worked with the Innovation Centre in Swansea to put together a project that serviced all four areas of education (primary, secondary, higher and further) which was led by a regional contractor. This project outlined some of the emerging roles that were mentioned earlier such as digitisation and emerging technologies, and how local skills integrate with those.

GE posted the link to this in the meeting chat and can be found here.

GE highlighted the use of Minecraft clubs in schools where CITB have hosted competitions where young people could compete to build a new school, stadium, or other types of buildings.

GE outlined that these resources can be used as best practise and could be used to relaunch initiatives with the support of CITB and other funders.

JW thanked GE for the comments made and added that children's minds are different to that of an adult and finding that it opens the young people's mind on how to do something instead of just the theory.

MD outlined a project led by the University of South Wales on looking into a 'healthy home' that looks beyond a person's physical health to their well-being.

HD highlighted the reason for the report was to get a blanket approach so that all four areas of education are opening their doors to these ideas.

MK asked HD what additional insight he has had on addressing the number of young people becoming NEET that he could draw on from the research.

HD outlined that Engage to Change work children with additional learning needs (ALN) and how job coaching would assist those people. HD also mentioned that the problem with doing it universally is cost.

HD said that offering job coaching to everyone is incredibly difficult but offering it in a targeted way to those children ALN, would be a good opportunity and the model is there.

MK highlighted that some issues may be more palatable than others and asked what support the CPG could lend to have an impact on the construction industry.

HD outlined that he would have liked to see James Evans MS at this meeting as he asked questions around degree apprenticeship in the Senedd the week prior to the meeting in addition to Luke Evans MS.

HD reiterated that he would like a meeting with MD and stated that it would be helpful to have a meeting with JS about the progress of the construction degree apprenticeship, how it will work and how it is working.

HD also stated that he would like to look at work-based training providers and what they are doing to enhance the experience beyond the objectives of his report. HD said he was debating suggesting to the Welsh Government that he should do that as an addition to the report because he had feedback that he did not consider work-based training providers, but at the time, they were outside of the remit of the report.

HD highlighted how he would also like to look into community learning – linking this back to MK's first question and added that there are a number of other avenues he would like to take further on this.

HD outlined how he would like to have a statement from the Minister before the summer of 2024 to see whether these ideas have been taken forward and see what has been done.

JW suggested that when HD has the next update on this, it should be spread more widely so people from other political groups can lobby as well as this CPG.

HD responded by saying that he has plans to speak to James Evans MS and Luke Fletcher MS and stated that he is happy to meet with anyone else on this report.

HD outlined that construction and engineering go hand in hand. On this MD highlighted that a product called Bitco, is the next generation roofing solution for UV panels which Transport for Wales is now trialling its maintenance.

KP then commented that it is going to be more effective than the photovoltaic slates and can be placed on to flat roofs and vertical panels. KP also stated that this is fast moving and will need short training sessions of half a day to understand it.

KP highlighted that more onsite assessment needs to be done as opposed to college as the pupil would spend an extra day per week onsite for more manpower.

HD had to leave the meeting early to prepare for another meeting.

JW thanked HD for attending and invited HD back for another meeting, should he choose to.

JW then spoke of the situation at the end of the last CPG meeting stating that it will not be dropped until there is a satisfactory outcome.

JW stated that she would arrange a date for the next meeting and may get someone from the arts sector to join.

GE commented that something to look into would be the Velindre hospital as there are some different design concepts and construction methods being used there including biophilic methods.

GE outlined that he could put MK in touch with the right people to discuss this further, if requested.

JW highlighted that when people think of construction they do not think about plumbing, plastering, bricklaying and carpentry. JW also expressed interest in the new roofing panels.

JW thanked the group for coming and asked if there was any other business – none was forthcoming.

JW closed the meeting.

Meeting 3

Date of Meeting:

Click or tap here to enter text.

Attendees:

Click or tap here to enter text.

Summary of the issues discussed:

Click or tap here to enter text.

Professional lobbyists, voluntary organisations and charities the Group have met during the previous year.

[names of lobbyists/organisations/charities should be included as follows, e.g.]

Name of Organisation:

Click or tap here to enter text.

Name of Group:

Click or tap here to enter text.

Name of Organisation:

Click or tap here to enter text.

Name of Group:

Click or tap here to enter text.

Annual Financial Statement

Cross Party Group Title:

Construction

Date:

15/12/23

Name of Chair:

Joyce Watson MS

Name of Secretary and Organisation:

CITB

Title	Description	Amount
Group's Expenses	None	£0.00
Costs of all goods	No goods bought	£0.00
Benefits received by the group or individuals members from external bodies	No benefits received.	£0.00
Any financial support or other support.	No financial support was received.	£0.00
Total		£0.00

Services provided to the Group, such as hospitality.

All hospitality paid for [include the name of the group/organisation].

Date	Name and description of provider	Costs
N/A	N/A	£0.00

Total	£0.00
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