

**Scottish Enterprise Glasgow**  
**Construction Skills Action Plan**  
**Mid Term Evaluation**  
**Executive Summary**



**Scottish Enterprise**  
**Glasgow**

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## Construction Skills Action Plan

### Mid Term Evaluation Executive Summary

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“Since gaining access to the CSAP funding in November 2005, Energy and Utility Skills (a sector skills council) has been able to assist over 160 Scottish employers with the up-skilling of their workforce. Without the assistance of CSAP this would not have been achieved...”

**John Quinn,  
Skills Manager,  
Energy and Utility Skills**



## 1. Executive Summary

### 1.1 Background

Launched in 2003, the Construction Skills Action Plan (CSAP) represents a groundbreaking approach to addressing the needs of one of Scotland's major industries. Scottish Enterprise (SE) initially approved the £35 million package of construction related training programmes and projects (£25 million with SE Glasgow and a further £10 million across the SE Network) in response to clear evidence<sup>1</sup> that the construction industry would be unable to meet an unprecedented level of demand for development in the built environment and its accompanying infrastructure requirements. Industry forecasts indicated an anticipated shortfall of 4,000 employees by 2005, whilst at the same time there was insufficient investment in the existing workforce to equip them with the necessary technical skills to manage the scale and complexity of future major construction investment.

The CSAP has a clear remit to address the specific market failures which have prevented the industry from effectively exploiting current and projected opportunities for expansion. Six priority themes were identified to address these failures, each with a comprehensive series of targeted projects and programmes, to be delivered by working in partnership with Sector Skills Councils, construction employers and contractors. The priority themes are;

- Raising the image of the industry
- Developing specialist skills areas
- Promoting more effective youth entry
- Expanding adult entry
- Promoting workforce development within the industry
- Creating capacity and develop training institutions

<sup>1</sup>Scotland's Construction Industry: Skills, Needs and Access to Opportunity 2001, McGregor, A; Greig M & Lavery, A; Construction Skills Foresight Report, 2003, ConstructionSkills



“In partnership and with support from Scottish Enterprise’s Construction Skills Action Plan, ConstructionSkills are happy to report an increase in many areas of our business.”

**Graeme Ogilvy,  
Scottish Director,  
ConstructionSkills**



At 30 September 2006, the CSAP reached its mid-term point of delivery. The mid-term evaluation was designed to assess the impact and performance of the CSAP’s wide range of demand-led programmes and projects after their first three and a half years of operation. An evaluation framework was established which included;

- Establishing a steering group with representatives from the construction industry
- Professional expertise and guidance on evaluation methodology and practice
- Consistent collation and analysis of monitoring information and outputs
- Undertaking of participant and employer surveys followed by independent analysis
- Commissioning of an external assessment of Gross Value Added (GVA) of the CSAP to the Scottish economy

## 1.2 Changing Context

As the first of SE’s 12 national/regional priority industries to deliver a comprehensive skills strategy and action plan, the CSAP has taken a lead role in implementing SE’s Skills and Learning agenda by:

- Setting clear direction for SE’s Skills & Learning programmes, by utilising National Training Programmes to respond to industry needs and offering targeted support where market failure exists
- Delivering new programmes and training qualifications in response to industry needs
- Showing the way forward in terms of good practice for other priority industries as they develop their responses to the challenges which they face
- Implementing a range of workforce development support for construction companies
- Assisting major infrastructure providers including First Engineering, Scottish Water and Scottish Water Solutions in implementing strategic workforce development plans to improve the capability, flexibility and confidence of personnel. Without this provision, building work in the public and private sector would be delayed influencing the growth of the Scottish economy



The Construction Learning Account training needs analysis developed by Scottish Enterprise Dumfries and Galloway and supported by funding from the CSAP has helped Border Utilities to identify the training needs of their company. The identification of the future needs will ensure the company can plan and invest in the correct training for them in order to maximise future work.

**Scottish Enterprise  
Dumfries and Galloway**

Over one hundred individual projects have been developed, delivered or are in the delivery phase since the CSAP's inception in 2003. The CSAP initial objectives and targets, set in 2003, have been rigorously monitored and, where external influences have demanded, have been amended accordingly.

This flexible demand led approach has been pivotal to the success of the CSAP, which from the outset recognised that the complexity, diversity and fragmentation of the industry, together with the cyclical nature of contracting patterns required rapid responses to the expressed industry demand. Development of a relevant and targeted Plan was made possible by:

- Understanding the market; building in the flexibility to respond to the analysis of labour market intelligence and forecasting made available annually through both Sector Skills Councils and Futureskills Scotland
- Working closely with Sector Skills Councils, employers, training providers and local regeneration agencies in response to projected skills shortages, to deliver appropriate bespoke training courses and develop relevant qualifications for today's consumer trends
- Flexibility, recognition that existing National Training Programme models may need to be adjusted to meet the unique challenges facing this industry

There are **11,000 Construction Modern Apprentices** currently in training (adult and youth at March 2007) across all trades. The percentage of new construction apprentices in Scotland **has risen by 37%** since 2002, whilst Scotland's percentage share relative to the rest of the UK has **grown by 13%**. The combined interventions of the CSAP and the Sector Skills Councils have had a major impact on the increased engagement of construction businesses in the employment of apprentices.



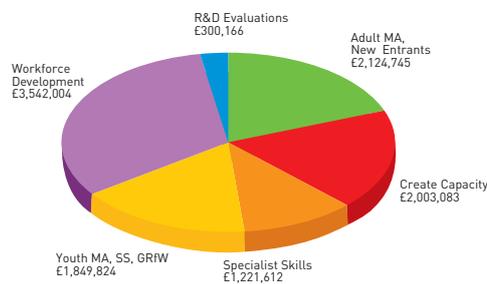
“The college will as a consequence of the CSAP support be ideally placed to respond to the needs of local employers and community residents for both vocational training and adult education. A key feature of the exciting new campus is its sustainable development philosophy which encompasses an energy efficient approach to water supply and recycling, heating, ventilation and insulation using 'green' technologies.”

**Ian Graham Principal,  
John Wheatley College,  
Glasgow**

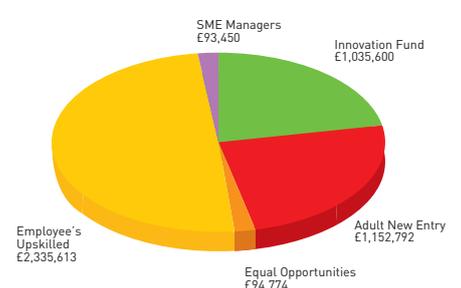
## 1.3 Expenditure

Just over £15.5million (44%) has been spent by the CSAP at 30 September 2006. The expenditure is profiled as a Glasgow budget and a National budget in line with the SE Board approval paper.

### Glasgow Expenditure



### National Expenditure



The combined expenditure has been targeted at the following areas:-

- **64%** upskilling and qualifying the existing construction industry workforce
- **18%** on training new entrants for the industry
- **11%** to ensure that there are modern dedicated construction training facilities in the Glasgow FE Colleges for future generations
- **7%** developing new qualifications, researching the industry needs, monitoring and evaluating projects

Of the total funding **36%** has been directed through the Sector Skills Councils, to increase the impact of their Sector Skills Agreements.

The impact of the CSAP on the industry has been substantial. Not only has it been successful in meeting industry demand, it has also contributed to raising construction industry performance against a number of industry Key Performance Indicators. It has supported a shift in the cultural attitude of construction employers in favour of upskilling and developed successful approaches to support the unemployed into sustainable employment.



“I felt I wasn’t ready to stop working and the programme has given me the chance not only to learn a new skill, but also given me a good job. It has really given me my life back again.”

**John McDonald,**  
aged 57. Skill to Build  
new entrant, Glasgow

## 1.4 Targets and Achievements

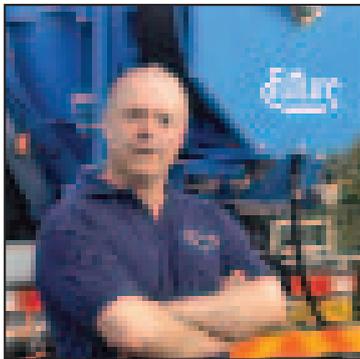
Participants in the many CSAP projects and programmes have benefited from a range of opportunities and additional support for both employability and upskilling. Both the Glasgow (Table 1) and national tables (Table 2) show the original targets set in 2002 and the achievements made against those targets as of 30th September 2006.

**Table 1**

Priority	Glasgow Targets 2003 - 2010	Achievement to 30th September 2006	2010 Targets Achieved
Specialist Skills	800	1100	✓
Youth Entry	375	756	✓
Skillseekers	330	144	
GRfW	No target	230 additional support	N/A
Adult Entry	625	807	✓
TfW/ non TfW	1100	526	
Individual Grants	700	392	
Workforce Development	1800	8530	✓
Create Capacity	No target	6 projects	N/A

**Table 2**

Priority	National Targets 2003 - 2010	Achievement to 30th September 2006	2010 Targets Achieved
Equal Opps	100	171	✓
Innovation	No target defined	11 projects	N/A
New Entrant	600	329	
Youth Entry	125	17	
Adult Entry	100	190	✓
Workforce Development	500	11,980	✓
SME Manager Development	600	209	



“The programme has worked very well for our company. We currently have four trainees working with us and making a positive contribution. I would certainly recommend the programme to other employers.”

**Frank Reid**  
**Operations Manager,**  
**FUTURE**  
**ENVIRONMENTAL**  
**SERVICES, Glasgow.**

The combined performance of the Glasgow and National plans has delivered significant results, including:

The CSAP response to the overwhelming industry demand for qualifying and upskilling of the existing construction workforce has resulted in over 19,000 individuals accessing support. This has had major implications in raising standards and safety of the whole industry.

Over **800** unemployed individuals have accessed industry recognised training programmes designed to ensure that each individual has the required industry qualifications, site experience and skills to move into long-term sustainable employment. The percentage of adults achieving employment currently stands at **52%** which is above national SE benchmark of 50%. This figure is anticipated to rise further as those individuals currently in training move into employment.

The CSAP has provided support to **773** youth Modern Apprentices (MAs) and **1014** adult Modern Apprentices (AMAs). This funding is in addition to the SE network National Training Programme budget.

It has improved the image of the industry, through the production of an interactive CD promoting construction to school leavers, whilst committing investment to ensure that **1,580** future MA entrants to the industry will be provided with modern training facilities in Glasgow's FE Colleges.

## 1.5 Impact

### 1.5.1 Gross Value Added

SE Glasgow commissioned GEN Consulting to assess the Gross Value Added (GVA) attributable to the CSAP. This is the first attempt in the UK to assess the impact of GVA against skills and learning interventions. The report presents the result of the impact calculation carried out for the CSAP intervention to the 30 September 2006.

GVA is essentially the income generated by businesses out of which is paid wages and salaries, the cost of investment in the business and financial charges before arriving at a figure for profit. As such it is used as a measure of productivity and overall economic performance. This is assessed based on changes in turnover associated with hiring, upskilling or accrediting the construction sector workforce.



The Raploch Urban Regeneration Company's 'Breaking The Mould' initiative, won the ESF Good Practice Award in the category 'Employment in Non-traditional sectors' before scooping a bronze lifelong learning award at the Scottish Qualifications Authority (SQA) awards.

**Scottish Enterprise  
Forth Valley**

The key conclusions arising from this study, based on impact figures from the primary and secondary research, are that the CSAP has generated the following impacts based on measurable expenditure of £9.5 million.<sup>2</sup>

- The **gross GVA** impact of CSAP as at 30 September 2006 was **£40.4 million**
- The **net impact** of CSAP was between £14.3 and £21.2 million as at 30 September 2006, with a mid point suggesting impact of around **£17.7 million**
- The estimates suggest that from the **investment of £9.5 million** as of September 2006 there will be a net **impact of around £41.2million** as at March 2010 based on a medium impact estimate
- CSAP has generated a return on investment to date – even when assessed on a low, medium and high estimate of impact
- Generating a return on investment at the mid point of the programme is a **solid achievement** and suggests that over time the return should increase

### 1.5.2 Survey Analysis

During the evaluation, participants and employers were surveyed under each of the priority themes. The results of these surveys were independently analysed by TL Dempster. The key findings were as follows;

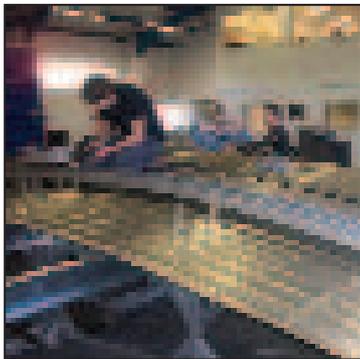
Participants – both new entrants and existing workers

- **81%** rated the training they received as good or very good
- **77%** learned an important new skill
- **70%** felt it prepared them for work
- **68%** felt it improved their job prospects

Employers

- **90%** of employers working with unemployed new entrants would recruit from the industry led programme again
- **66%** improved productivity
- **48%** improved their success in winning work
- **46%** had seen an improvement in the quality of outputs
- **46%** seen an improvement in site safety

<sup>2</sup>based on spend of £9.5 million as at 30 September 2006: spend excludes many projects still in the delivery phase as there are no results to contribute to the calculations, infrastructure expenditure, development of qualifications, research and development and raising the image of the industry



To date the CSAP funding has helped 8 operatives and 2 Estimator/Designers upgrade their skills to match the industry needs. This upskilling training ensures that Miller Roofing Ltd provide fully trained and competent operatives to meet the demands of today's construction industry.

**Scottish Enterprise  
Dunbartonshire**

### 1.5.3 Industry Key Performance Indicators (KPIs)

The employer survey results reflect the findings of the Industry KPIs with employers reporting definite improvements in the performance of their employees, following engagement in training such as the award of Construction Skills Certification Scheme (CSCS) competence cards and Site Safety Passports. Other benefits reported by employers are improved quality of outputs, productivity and success in winning work. These performance improvements are demonstrated in the longitudinal data (2004 -2006) collated for several construction industry KPIs.

- The number of companies reporting little or no defects increased in Scotland from 68% in 2004 to 81% in 2006 which equates to an impressive 13% rise. This rate was higher than that in the UK, which only rose to 77% in the same time period
- Productivity was recorded as 33% in Scotland in 2004; slightly higher than the UK level of 32.6%. It has improved nationwide, although the figure in Scotland remains higher at 38.9%, compared to 38.2% for the UK in 2006.
- Client satisfaction (product) rose from 82% in 2004 to 85% in 2006
- The number of companies reporting little or no defects increased at a steady rate over the period
- The proportion of companies achieving a zero accident incident rate more than doubled between 2004 and 2006 (The published Health & Safety Executive figures for Scotland from 2004/05, 2005/06 indicates a significant decrease in the rate of fatalities. However, this is an area where additional work is required, to ensure that the construction industry is a safe environment for everyone)
- More construction employees than ever before now have recognised qualifications; however, as there is no greater volume of people training, this indicates that training is now being concentrated in the qualifications that produce clear benefits with resultant increases in achievement. Qualifications and skills levels improved by 12% between 2004 and 2006 (KPIs)



Craig Suttie started with the Scottish Lime Centre as a yard Labourer. He instantly showed an aptitude for working with stone and was offered the first stone masonry apprenticeship delivered by the Scottish Lime Centre.

**Scottish Lime Centre,  
Fife**

## 1.6 Recommendations

The achievements of the CSAP in its first three and a half years of operation, demonstrate the importance of continuing to deliver high achieving areas for the remainder of the Plan's life. This early evidence of success can helpfully inform the emerging plans for other regional priority industries, through the development of actions which learn from the experiences of the CSAP's implementation and apply similar approaches in other industry settings.

### Continue the Success

- The highly successful models of **Modern Apprenticeship** delivery for both youth and adult entrants (in Glasgow) should be maintained to continue to deliver their targets focused on meeting industry demand
- **Short Courses, On-Site Assessment Training** and the appropriate **Competency Card Certification** should continue to be supported to meet the increased revised targets within the CSAP. In particular, the success of on-site or locally accessible training should be highlighted and applied across all applicable projects
- **Skill to Build** the successful new entrant programme should continue to be supported and expanded to help individuals access appropriate training and sustainable jobs which meet employers' needs. As unemployment figures fall and those most job-ready enter the labour market, the remaining individuals need a higher level of support to make the transition to employment. This model is pivotal to addressing the increased complexity of the needs of the unemployed and the barriers they face. Skill to Build provides a framework to Link Opportunity and Need (LOAN), meeting the requirements of both construction employers and the unemployed

### Strengthen: building on lessons learnt

Rigorous appraisal of performance and employer feedback has enabled the identification of a number of areas, which might be strengthened:

- Enhance screening of candidates: matching the right individuals to the right jobs through candidate profiling, particularly for adult entrants. Skill to Build is an exemplar here
- Expand the support offered to small employers recruiting apprentices for the first time, such as that offered through Glasgow East Regeneration Agency

- Employers requested that the quality and consistency of training/ training staff required improvement especially within the Modern Apprenticeship frameworks. As this is the role of the Sector Skills Councils and qualification awarding bodies we would recommend that they review these areas
- Development of **new course topics and accreditation mechanisms**: there is clearly a need for further development of new course subjects, given the diversity of feedback from employers surveyed, which should be further analysed and subject to discussion with Sector Skills Councils. In particular, employers expressed a need for short workforce development courses focused on management and supervision
- There are opportunities to strengthen communications between clients, contractors and training providers focused on current and future contract requirements. '**Construction Charters**' are models designed to facilitate this process and many are currently operating in the UK although it is too early to evaluate their success. Glasgow is currently in the process of developing a charter linked to major physical projects within the City
- **Monitoring progress**; increased value will be added in terms of the lessons learnt from the CSAP, if the collation and consistency of recorded data can be strengthened. All contracts should require training providers to put into place consistent monitoring mechanisms for training outcomes

#### **Future Focus: areas for consideration**

- The needs of more mature new entrants require further consideration in order to increase the numbers completing training to ensure this potential source of labour is deployed effectively
- In light of Equal Opportunities legislation, parity of opportunity for adult entrants compared with youth entrants should be considered
- The evaluation has shown that there is far less enthusiasm from the industry for Skillseekers (SVQ Level 2) compared to Modern Apprenticeship's (SVQ Level 3.) SVQ Level 2 is only required in the areas where a Modern Apprenticeship framework does not exist
- The 'Positive about Construction CD' could be updated, possibly by the Sector Skills Councils, to a web-based resource to allow for rapid changes in industry demand to be reflected

## Acknowledgements

We would like to extend our thanks to the following organisations and individuals as without their full support this comprehensive mid-term evaluation report of the Construction Skills Action Plan would not have been possible:

### **The members of the Mid Term Evaluation Steering Group -**

Linda MacTavish CBE – Chairperson, Principal  
Annie'sland College,  
Scottish Enterprise Glasgow Board Member,  
Chair of the Scottish Enterprise Audit Committee

John Quinn (and latterly James Brown) – Energy and  
Utility Skills

Peter Ford & Douglas Grieg - Scottish Executive  
(now the Scottish Government)

Alan Watt – Civil Engineers Contractors Association  
(CECA)

Harry Frew – Union of Construction Allied Trades and  
Technicians (UCATT), Scottish Building Apprenticeship  
Training Council (SBATC)

Michael Levack<sup>3</sup> – Scottish Building Federation

Bernie Rooney – CCG, (Campbell Construction Group)

Graeme Ogilvy – ConstructionSkills

Colin Tennant – Scottish Stone Liaison Group (SSLG)

### **For the comparator analysis of skills based projects -**

Nev Wells, Head of Training and Development Agency,  
Whitefriars Housing Group

Nigel Heslop, Director, National Projects National  
Employment Panel Ltd

Guy Lawson, Chief Executive Officer, Construction for  
Merseyside Ltd.

### **The LEC Construction Delivery Group whose members are from:**

Scottish Enterprise Glasgow

Scottish Enterprise Ayrshire

Scottish Enterprise Borders

Scottish Enterprise Edinburgh and Lothian

Scottish Enterprise Renfrewshire

Scottish Enterprise Dumfries & Galloway

Scottish Enterprise Forth Valley

Scottish Enterprise Grampian

Scottish Enterprise Fife

Scottish Enterprise Dunbartonshire

Scottish Enterprise Lanarkshire

Scottish Enterprise Tayside

Special thanks to Professor Alan McGregor, Director,  
Training and Employment Research Unit (TERU),  
Glasgow University for his support, advice and  
guidance through out the evaluation process.

Prepared by Pauline Cameron,  
Consultancy and Research Services  
August 2007

<sup>3</sup>Part attendance due to unforeseen business commitments.

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