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# Skills and Training in the Construction Industry 2014

June 2014

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# 1. Executive Summary

## Introduction

- In December 2013, the CITB commissioned this skills and training survey, with fieldwork being conducted in February and March 2014. The survey broadly replicates a similar survey conducted in summer 2009 and then again in early 2011. The survey's basic themes are recruitment difficulties and skill shortages, skills deficiencies and gaps in established workforces, and training and development activity in the construction industry across the UK.

- The survey comprised:

    - Quantitative survey of sector employers and of self-employed individuals currently working in the construction industry.

    - Qualitative interviews with sector employers.

- In the quantitative survey, samples of 1,053 employers (in establishments in which at least 2 people worked) and 157 self-employed individuals in the construction sector were achieved.

- In addition, targets were set for the numbers of interviews in each home nation such that 85 interviews were conducted in each of Scotland, Wales, and Northern Ireland. The remaining 995 interviews (80% of the sample) were conducted in England. Within England, further stratification of the sample ensured appropriate representation of the distribution of employers and self-employed businesses across the nine government office regions.

- At the analysis stage, the data was weighted to accurately represent the total population of construction businesses in the UK.

- To support the quantitative survey and to add further insights, ten 'qualitative' interviews were also undertaken with managers of construction businesses of varied sizes.

## Industry structure

- The majority of businesses with employees (85%) employ fewer than 10 staff at their site. Most of the remainder (10% of all employers) employ between 10 and 24 staff. Only one in twenty employers (5%) employ 25 or more staff at their site, including 1% that employ at least 100 staff.

- Three-quarters of businesses with employees (74%) operate within the construction sector, with the remainder (26%) operating within professional services.

- Half of the businesses with employees (50%) have contractor/agency/self-employed workers currently working for them.

## Recovery from recession

- In 2011, 45% of employers reported the recession/low demand/an uncertain economy as a factor that had limited their business that year. Although this was still the most significant factor, the proportion citing the factor, at 17%, is much lower in 2014, suggesting significant improvement in economic conditions in the last two years.

- Overall, around two-fifths of employers (44%) did *not* perceive any constraints on their business. This figure shows a marked increase, that is, a reduction in constraint, when compared with the equivalent 2011 statistic of 36% not experiencing constraint.

- There is a similar picture with regard to *anticipated* constraints on output in the next 12 months. Again, insufficient demand/uncertainty in the economy is the most likely to be mentioned, by 21% of employers. However, in 2011, 38% of employers cited recession/low demand/uncertain economy as a factor likely to limit business in the following year. Again, this suggests a more positive outlook and greater business confidence in 2014.

- The majority of employers reported no change in the number of staff employed in the last 12 months (69%) but, if there had been change, this was more likely to be positive rather than negative: 19% of business reported an increase while 11% reported a decrease.

## Recovery leading to a tightening labour market

- One in eight employers (13%) reported that, for *some* of the last year, they have not had enough skilled workers and a further 5% reported that for *all or most* of the last 12 months they had not had enough skilled workers. Both these proportions are significantly higher than in 2011 (2% for each).

- Four per cent of employers said that skilled and labour shortage had constrained output in the last year. This was a significant increase on 2011 when only 1% of employers reported this.

- Whilst, as above, 4% of surveyed businesses said they were currently constrained by labour and skills shortage, 7% expected this shortage to be a constraint in the *next* 12 months

- Two-fifths of employers (39%) have tried to recruit skilled labour (either direct or indirect) during the last 12 months. This represents a significant increase compared with the 2011 figure of 26%

- In the last 12 months, a quarter (26%) of those that have recruited any new direct employees have taken on someone into their first job on leaving school, college or university. This equates to 8% of all employers.

- A quarter of businesses (24%) that have recruited education-leavers have also recruited *other* young people – under the age of 25 –who were *not* entering their first post-education job.

- If education-leavers are taken into account, more than half (56%) of businesses that have recruited in the last 12 months have recruited a young person or education-leaver. This equates to 19% of employers (when those which did not recruit at all are included in the base for the calculation).

- More than a third (36%) of employers that have tried to recruit skilled staff have experienced difficulties in filling the positions. This equates to 18% of all employers. Thus, there has been an increase in the incidence of hard-to-fill vacancies since the 2011 and 2009 surveys when, respectively, 21% and 29% of employers that had vacancies had experienced recruitment difficulties.

- The most frequent recruitment difficulties were for labourers and general operatives, wood trades and other skilled trades.

- However, recruitment difficulty is not highly specific to particular occupational groups in the industry. Rather, it affects a range of jobs from labourers and general workers through the traditional skilled trades into technical, professional, and managerial levels.

- The most frequently cited cause of hard-to-fill vacancies is that applicants lack the skills required (80%). However, a recruitment difficulty is almost as likely to be a matter of applicants' attitudes and motivations (a factor in 73% of recruitment difficulties) as of lack of skills per se. Lack of appropriate work experience was also significant, in 68% of cases, as was lack of qualifications, in 60% of cases.

- The actual skills which are difficult to obtain from applicants are often those specific to the role that is being recruited. Three in ten employers with hard-to-fill vacancies (30%) cite job specific/trade skills, while a similar proportion (32%) cite experience/ knowledge relating to the role.

- However, more than a quarter of employers (28%) that have experienced recruitment difficulties specify a need for personal skills, such as the right attitudes and motivations and common sense.

- Recruitment difficulties have had an impact on 90% of employers that have reported them. This impact is most likely to have been the increased use of overtime and higher workloads for existing staff (70%)

- Further, half (49%) of employers that have had hard-to-fill vacancies cite an increase in operating costs and more than two-fifths (46%) report that they have lost business or that they have turned down opportunities to bid for work

## Skill gaps

Skill gaps are present but not extensive.

- The most frequent driver of new skills and knowledge among employers is new legislative or regulatory requirements (48%) closely followed by the introduction of new technologies or equipment (44%) and the introduction of new working practices (40%). These were the top three drivers of the need for new skills and knowledge among employers in 2011 (45%, 34% and 36% respectively).

- The three areas in which skills and/or knowledge are most frequently reported as needing improving or updating as a result of the drivers are technical/trade-specific skills (33%), skills and knowledge related to health and safety/first aid (31%), and skills and knowledge related to legislation/regulations (30%).

- Eight per cent of businesses said they had skill gaps in their existing workforces. This figure compares with 11% of employers within the construction sector and 15% of employers across all sectors who said, in UKCES' Employer Skills Survey of 2013, that they had skill gaps. Although there is some difference in timing between the two surveys, the main observation is that skills gaps appear to be the less frequent in construction than in the economy at large.

- The proportion of employers reporting skill gaps is a little lower than that reported in 2009 (10%).

- The majority of employers reporting skill gaps cite lack of experience or staff having been recently recruited as the reason (61% of those with skill gaps).

- When asked about the impact of skill gaps on business performance, just 14% of employers report that they have had a major impact, with 30% of employers reporting that the impact has been minor.

- The majority of employers (73%) with skill gaps are increasing training activity in order to overcome these gaps.

## Trends in training

The proportion of employers which train their staff is static but other training indicators are positive.

- More than half of all employers (57%) have funded or arranged any training, on or off-the-job, informal or formal, for any staff in the last 12 months.

- This is a similar proportion (56%) to that reported for the construction sector in the UK-wide 2013 Employer Skills Survey (UKCES). The current proportion of 57% is, however, below the national, all-sector, benchmark of 66% set by the Employer Skills Survey of 2013. It should be noted, however, first, that this national, all-sector benchmark includes public sector employers which have a particularly strong propensity to train and, thus, raise the overall average; and, second, that small firms generally train less frequently than large ones and, thus,

the construction sector's business size structure may also be implicated in the apparently negative comparison.

- Employers who provide training were asked about changes in their training in the last 12 months. Across a series of indicators, very positive changes from 2009 to 2011 to 2014 were observed. Proportions of workforces trained, training expenditure per trainee, and propensity to train towards recognised qualifications all increased substantially.

- More particularly, 39% of employers have funded or arranged *on-the-job* training for any staff in the last 12 months.

- On average, employers provided each person trained with 8 days on-the-job training last year. In 2011, the mean number of on-the-job training days per trainee provided by employers was 6.5. Hence, there has been an increase over the last two years in the average number of days allocated to on-the job training per trainee trained on-the-job.

- Forty five per cent of employers had funded or arranged *off-the-job* training for staff in the last 12 months. On average, employers provided each trainee who trained off-the-job with 5 days off-the-job training last year. This is the same figure as reported in 2011.

- Although training is most likely to have been provided by private training providers and internally, by staff, compared with 2011, training in 2013 was more likely to have been provided by professional institutions, by CITB, by self-learning, or was 'other miscellaneous off-the-job training'. It was less likely than in 2011 to have been provided by FE or HE institutions.

- Of employers that provided training in the last 12 months, 50% provided training towards a nationally-recognised qualification. This is significantly higher than the 2011 figure of 33%.

- Three-fifths (60%) of employers that funded or arranged training in the last 12 months formally assess whether the training and development received has an impact on the trainee's performance. This is a higher proportion than reported in 2011 (38%).

- Two-fifths (40%) of employers *that funded or arranged any training in the last 12 months* reported that they would have provided more training if they had been able to do so.

- Lack of funds (55%) and lack of staff time (45%) are the main reasons for these employers not providing more training.

- Respondents who had *not funded or arranged training in the last 12 months* were asked for the reasons why they have not done so. The main reason given was that all staff are fully proficient (81%).

## Apprenticeship

The proportion of employers with Apprentices is static but a range of other indicators on Apprenticeship are positive

- There is widespread awareness of Apprenticeships within the construction sector – 95% of employers have heard of them.
- When it comes to awareness of *specific* Apprenticeships within England and Wales, there is less knowledge. In England, 36% of construction employers that have heard of Apprenticeships have heard of Adult Apprenticeships and 32% have heard of Advanced Apprenticeships. Fewer have heard of Higher Apprenticeships (23%).
- In Wales, just over two-fifths (44%) of employers that are aware of Apprenticeships have heard of Adult Apprenticeships.
- Levels of awareness of specific Apprenticeships are higher in Scotland, where 78% are aware of Modern Apprenticeships and 57% are aware of Adult Apprenticeships.
- One in seven employers (13%) currently have staff undertaking Apprenticeships. This is the same proportion as that reported in 2011.
- More than half (55%) of employers that currently have Apprentices consider it likely that they will take on new Apprentices in the next 12 months.
- Compared with 2011, employers *not* currently offering Apprenticeships are more likely to consider doing so in the near future (16% in 2014 compared with 8% in 2011).
- Employers in the construction sector that offer Apprenticeships were asked if the number of Apprentices and new trainees recruited has changed in the last 12 months. More than a quarter (27%) reported that the number has increased, while half that proportion (13%) reported that the number has decreased.
- There has been a positive change in this respect compared with 2011, when 13% reported an increase in the preceding 12 months and 24% a decrease.

# 2. Background

## Aims and objectives

In December 2013, the CITB commissioned this skills and training survey. The survey broadly replicates a similar survey conducted in summer 2009 and then again in early 2011. The survey aims to determine skill needs and training practices amongst both self-employed individuals and employers working in the construction industry across the UK.

## Scope

The survey's basic themes are recruitment difficulties and skill shortages, skills deficiencies and gaps in established workforces and amongst self-employed individuals, and training and development activity.

Where possible, results are benchmarked against findings from the previous skills and training surveys in 2009 and 2011, as well as against findings from the nationwide Employer Skills Survey 2013 which is undertaken by the UK Commission for Employment and Skills (UKCES).

## Methodology

In order to meet the research aims and objectives a mixed-method approach was taken to provide a comprehensive picture of skills and training within the industry. This included:

- Quantitative survey of sector employers and of self-employed individuals currently working in the construction industry.
- Qualitative interviews with sector employers.

## Quantitative survey: sampling

Using IDBR[1] data as a guide, samples of 1,053 employers and 157 self-employed individuals in the construction sector (as defined by a series of 2-digit SIC codes) were achieved. For the employer sample, establishments in which at least 2 people work were included in the survey. Size of business was a key consideration in sampling, with targets set within each of four employer size bands (2-9, 10-24, 25-99, and 100+ employees). The proportion of interviews in each size band was guided by the distribution evident in the IDBR but with deliberate over-representation of larger businesses. This was to ensure that the sample contained an adequate number of these relatively rare businesses. The sample was also stratified according to two broad industry sub-groups, construction and professional services, in a ratio of 79:21 interviews respectively. This approach replicates the approach used in 2011. The following table shows a breakdown of the achieved sample by 2-digit SIC and employer size:

[1] Inter-Departmental Business Register, the UK government's 'official' record of enterprises

**Figure 1: Sector and size of employers surveyed; interviews achieved**

| SIC code | Number of employees | | | | | |
|---|---|---|---|---|---|---|
| | Self-employed | 2-9 | 10-24 | 25-99 | 100+ | Total |
| **Construction** | **122** | **400** | **186** | **187** | **67** | **962** |
| 41 – Construction of buildings | 39 | 154 | 67 | 63 | 39 | **362** |
| 42 – Civil engineering | 8 | 45 | 21 | 18 | 8 | **100** |
| 43 – Specialised construction activities | 75 | 201 | 98 | 106 | 20 | **500** |
| **Professional Services** | **35** | **86** | **32** | **41** | **54** | **248** |
| 71 - Architectural and engineering activities; technical testing and analysis | 33 | 81 | 27 | 39 | 52 | **232** |
| 74 - Other professional, scientific and technical activities | 2 | 5 | 5 | 2 | 2 | **16** |
| **Total** | **157** | **486** | **218** | **228** | **121** | **1210** |

In addition, targets were set for the numbers of achieved interviews in each home nation such that 85 interviews were conducted with employers and self-employed individuals in each of Scotland, Wales, and Northern Ireland. The remaining 995 interviews (80% of the sample) were conducted in England. Within England, further stratification of the sample ensured the appropriate representation of the distribution of employers and self-employed businesses across the nine government office regions (as indicated by IDBR data).

At the analysis stage, the data was weighted to accurately represent the total population of construction businesses in the UK. The employer (2+ employee establishments) and self-employed samples were weighted separately. Further details on the weighting process can be found in appendix 1 of this report.

Contact details for businesses were sourced from Experian's commercial database of establishments.

### *Statistical confidence*

The standard error associated with a given sample estimate is not determined by the size of the population being observed (providing the population is reasonably large), but by the size of the sample itself. In practice, once a sample size exceeds 100 cases (whatever the size of the total population) it is likely to deliver an acceptable degree of accuracy provided it is a random sample.

The samples generated in this research have the following maximum standard errors at the 95% level of confidence:

- Survey of 157 self-employed individuals: maximum standard error of +/-8%[2].
- Survey of 1,053 employers: maximum standard error of +/-3%[3].

Unless stated otherwise, all findings reported are statistically significant, whether reported as a comparison between the 2014 survey and previous surveys or whether a finding for a sub-group is compared with the overall total (minus that sub-group).

### *Questionnaire design and administration*

The quantitative questionnaire and qualitative discussion guide were designed by BMG and signed-off by the CITB. All interviews were undertaken between 30th January 2014 and 12th March 2014 and were administered by BMG's in-house call-centre using the Computer Assisted Telephone Interviews (CATI) technique. All survey interviews were designed to take no more than 20-25 minutes to complete. Potential respondents were called on a range of days and times and on up to 10 occasions before being recorded as a non-respondent.

### *Presentation of survey data in the report*

Individual question bases are provided on the graphs and charts in this report. Cross-tabulations were undertaken, based on key variables such as employer sector, size, and nation. Independent t-tests[4] were conducted at the 95% confidence level[5] to identify where differences between groups were statistically significant.

Most data used in this report are rounded to the nearest whole percentage. For this reason, on occasion, data in tables or charts may not add up exactly to 100 per cent.

Data relating to employers' responses to key questions by nation and English region is included in appendix 2 and 3 of this report respectively.

Question numbers and text are referenced alongside each chart and table.

## Qualitative research

To support the quantitative survey and to add further insights, ten 'qualitative' interviews were also undertaken with representatives of employers in the industry. These comprised:

- Micro businesses (under 10 employees) (1 interview)
- Small businesses (10-24 employees) (3 interviews)
- Small/medium businesses (25-99 employees) (3 interviews)

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[2] This means that in 95% of cases the true value for any binomial response will fall into a maximum of between +/-8% of that observed. So, for example, if 50% of respondents agree, it can be stated that 95% of the time the true value will lie between 42% and 58%.

[3] This means that in 95% of cases the true value for any binomial response will fall into a maximum of between +/-3% of that observed. So, for example, if 50% of respondents agree, it can be stated that 95% of the time the true value will lie between 47% and 53%.

[4] A T-test is a statistical test performed to determine if groups of data are significantly different from each other

[5] Confidence levels are used to indicate the reliability of an estimate

- Large businesses (100+ employees) (3 interviews)

Prospects for this qualitative phase were randomly selected from respondents interviewed in the CATI survey who had consented to make themselves available for follow-up interviews. In each case, interviews lasted around half to three-quarters of an hour and were conducted on the telephone using a topic guide as the basis of the discussion. The guide, agreed in advance with CITB, directed interviews to a range of topics and themes related to employment and business growth, employee skill needs, and training activity. Interviews were audio-recorded with respondent permission to allow accurate recall. Illustrative output from these interviews is added at the end of relevant chapters and contributes to the final 'Discussion' chapter.

## The report

The remainder of the report now sets out research findings.

# 3. Profile of businesses and workforces

## Self-employed individuals

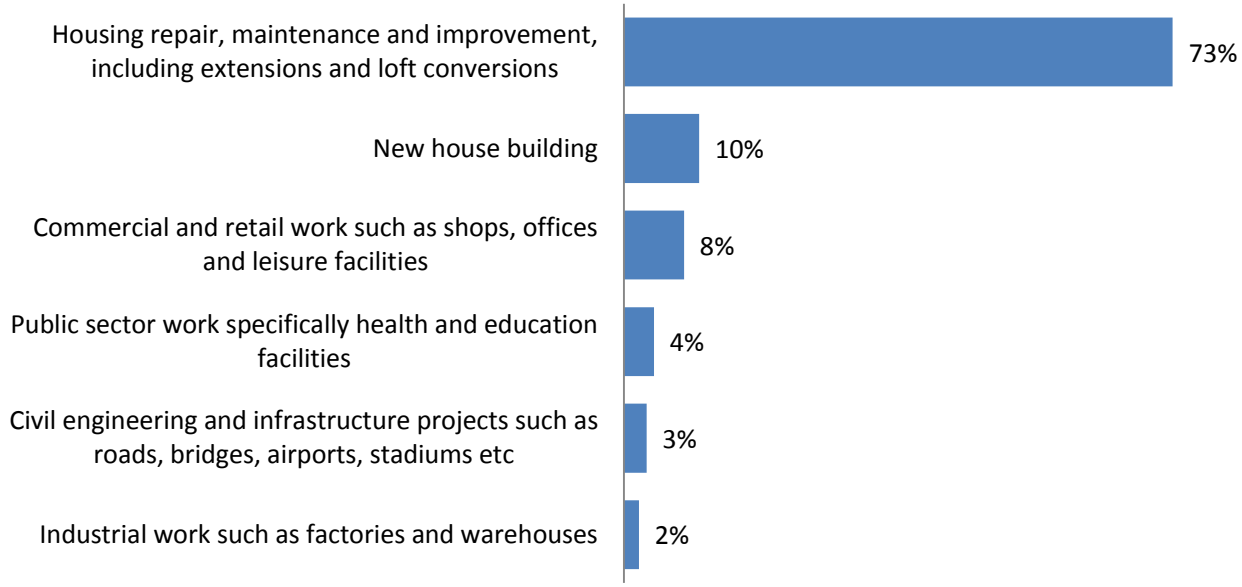
157 interviews were conducted with businesses with no permanent or directly employed staff other than the owner/manager (a self-employed individual).

## Sector profile (self-employed)

Two-thirds of self-employed individuals (65%) operate within the construction sector, with the remainder (35%) operating within professional services.

The majority of self-employed individuals within construction (73%) describe most of their business in the last 12 months as coming from housing repair, maintenance and improvement, including extensions and loft conversions.

**Figure 2: Self-employed individuals' main business area within the construction sector (all self-employed individuals in the construction sector)**

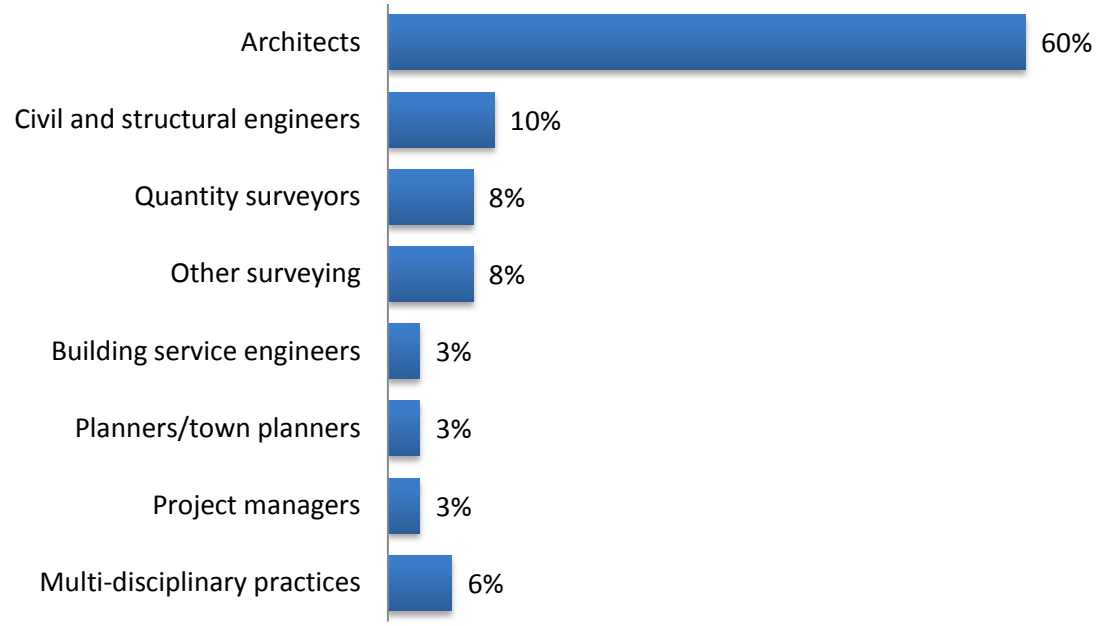



Unweighted sample base = 122

QA5 In which one of the following areas has most of your business been in the last 12 months? **READ OUT AND CODE ONE ONLY**

Three-fifths of self-employed individuals within professional services (60%) are architects. Approximately one in ten are civil and structural engineers (10%), quantity surveyors (8%), or other surveyors (8%).

**Figure 3: Self-employed individuals' main business area within the professional services sector (all self-employed individuals in the professional services sector)**




Unweighted sample base = 35

QA6 Which of the following most closely describes the main activity of this establishment? **READ OUT AND CODE ONE ONLY**

## Employment of sub-contractors

Although they have no permanent, directly employed staff, around a quarter (26%) of self-employed individuals has contractor, agency or other self-employed staff working for them.

The mean number of contractors/agency/self-employed workers per self-employed unit was 1.2.

## Employers

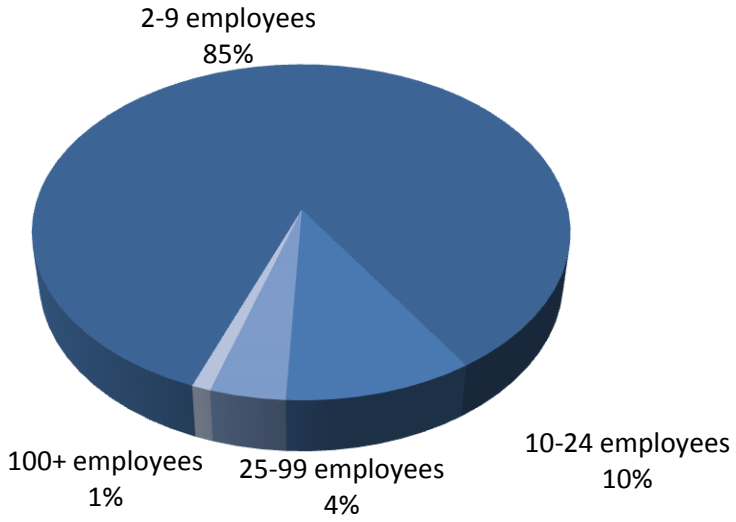
1,053 interviews were conducted with businesses with employees. These businesses have a minimum of 2 employees (that is, the owner/manager and at least 1 other employee).

## Size profile

The majority of businesses with employees (85%) employ fewer than 10 staff at their site. Most of the remainder (10% of all with employees) employ between 10 and 24 staff.

Only one in twenty employers (5%) employ 25 or more staff at their site, including 1% that employs at least 100:

**Figure 4: Number of employees at that site (all businesses with employees)**




Unweighted sample base = 1053

QA1 Including yourself and any working proprietors, but excluding any contractor, agency or self-employed workers, how many people are on the payroll at this location? **PROMPT FOR A BEST ESTIMATE, WRITE IN**

The national profiles by business size are similar although there are fewer employers in Northern Ireland within the 2 to 9 employee size band (78%) and slightly more in the 10 to 24 employee size band (14%).

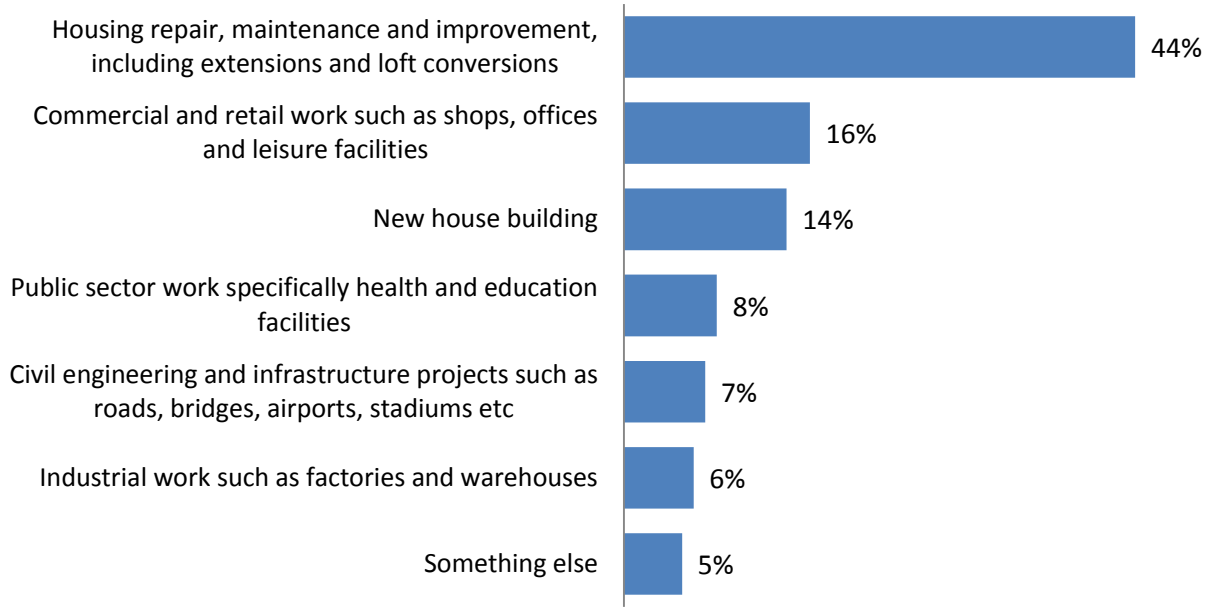
## Sector profile

Three-quarters of businesses with employees (74%) operate within the construction sector, with the remainder (26%) operating within professional services.

More than two-fifths (44%) of businesses with employees within construction describe most of their business in the last 12 months as coming from housing repair, maintenance and improvement, including extensions and loft conversions.

By nation, there is a higher proportion of businesses operating in the housing repair sub-sector than average in Scotland (52%), while a quarter of businesses in Northern Ireland mainly operate within new house building (24%) and a significantly higher than average proportion of businesses in Wales (18%) mainly undertake civil engineering and infrastructure projects.

**Figure 5: Employers' main business areas within the construction sector (all construction sector businesses with employees)**



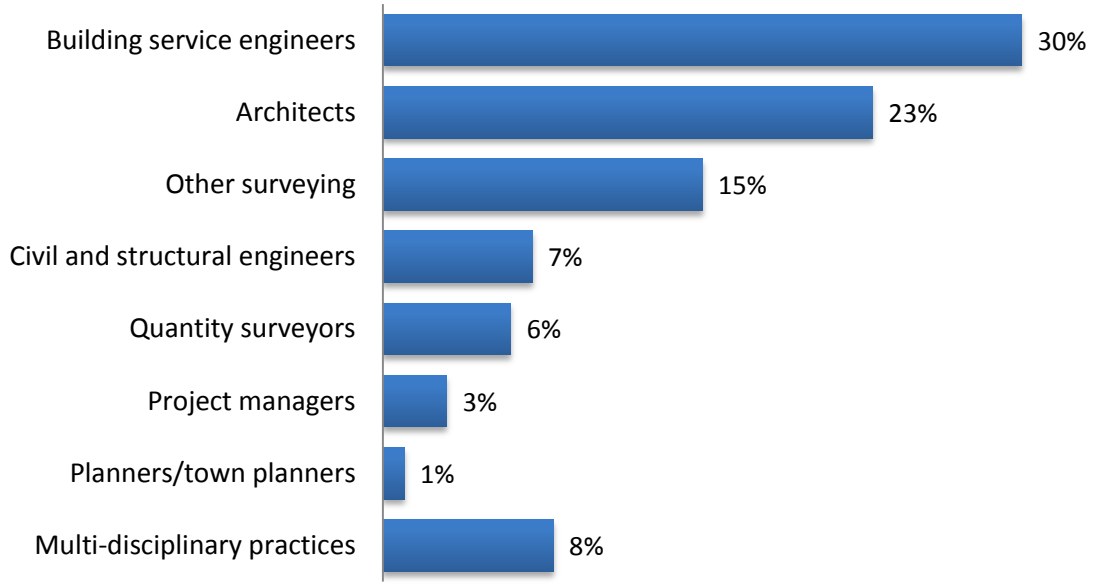

Unweighted sample base = 840

QA5 In which one of the following areas has most of your business been in the last 12 months? **READ OUT AND CODE ONE ONLY**

There are differences by business size, with larger businesses significantly more likely to work on civil engineering and infrastructure projects (24% of businesses with 25-99 employees; 30% of those with 100+ employees) and to be more likely than smaller businesses to undertake mainly public sector work (13% of businesses with at least 10 employees, compared with 7% of those with fewer). Few larger businesses work mainly in the area of housing repair, maintenance and improvement (13% of businesses with 25 or more employees).

Three in ten employers in professional services (30%) are civil and structural engineers and a quarter (23%) are architectural practices.

**Figure 6: Employers' main business areas within the professional services sector (all professional services businesses with employees)**




Unweighted sample base = 213

QA6 Which of the following most closely describes the main activity of this establishment? **READ OUT AND CODE ONE ONLY**

## Employment of sub-contractors

Half of the businesses with employees (50%) have contractor/agency/self-employed workers currently working for them. This proportion is higher within construction (52%) than in professional services (46%). It is lowest amongst businesses in Scotland (30%).

The mean number of contractors/agency workers/self-employed working within businesses with employees is 7. This increases with business size:

5 within businesses with between 2 and 9 employees
11 within businesses with between 10 and 24
13 within businesses with between 25 and 99
79 within businesses with 100 or more employees

The mean number is slightly higher in construction than in professional services (7, compared with 5).

## Occupation profile of workforce

Employers were asked about the occupations employed in their business and self-employed individuals were asked about their own occupations.

Occupational groups employed in the business, by sector, are summarised in the table below.

Excluding the fact that respondents were themselves managers or directors and are, of course, universally present in all businesses, other managers/directors are the most frequently employed occupational group, although fewer professional services

than construction businesses employ them. This may reflect the fact that professional groups such as architects, engineers and surveyors double up as managers/directors in these businesses (and are identified as the former rather than the latter). Administrative staff are the second most frequently employed occupational group, this to an equal extent in construction and professional services. HR, legal and business professionals are equally likely to be represented in both sectors, while staff with a varied, multi-tasking, role are more likely to be employed in construction businesses than in professional services. Labourers and general workers are frequently employed in the construction sector whilst carpenters/joiners are the most frequently employed type of craft worker:

**Figure 7: Occupational groups employed – prompted, multiple response (all businesses) *denotes less than 0.5%**

| | Employers | | | Self-employed individuals | | |
|---|---|---|---|---|---|---|
| Column percentages | All employers | Construction | Professional services | Self-employed | Construction | Professional services |
| Carpenters/joiners | 15 | 19 | 2 | 12 | 18 | 0 |
| Bricklayers | 7 | 9 | 1 | 9 | 14 | 0 |
| Painters/decorators | 2 | 3 | 0 | 4 | 6 | 0 |
| Plasterers | 5 | 6 | 0 | 8 | 13 | 0 |
| Roofers | 5 | 6 | 0 | 9 | 14 | 0 |
| Floorers | 1 | 1 | 0 | 2 | 4 | 0 |
| Scaffolders | 3 | 5 | 0 | 1 | 2 | 0 |
| Plant and machine operatives | 7 | 10 | * | 0 | 0 | 0 |
| Electricians | 1 | 2 | 0 | 3 | 2 | 3 |
| Plumbers | 2 | 3 | * | 5 | 7 | 0 |
| Labourers and general operatives | 24 | 32 | 4 | 1 | 2 | 0 |
| Supervisors | 8 | 11 | 1 | 0 | 0 | 0 |
| Technical staff | 5 | 6 | * | 0 | 0 | 0 |
| Architects | 5 | * | 18 | 13 | 0 | 38 |
| Architectural technologists | 2 | 0 | 7 | 8 | 0 | 22 |
| Building service engineers | 3 | * | 10 | * | 0 | 1 |
| Civil engineers | 3 | * | 12 | 2 | 1 | 3 |
| Mechanical engineers | 2 | * | 8 | 1 | 0 | 3 |
| Other engineers | 5 | 1 | 18 | 6 | 1 | 15 |
| Town planners | * | * | 1 | 1 | 0 | 3 |
| Technicians | 3 | 0 | 10 | 0 | 0 | 0 |
| Building surveyors | 1 | * | 5 | 2 | 0 | 5 |
| Quantity surveyors | 2 | 1 | 5 | 3 | 0 | 8 |
| Landscape designers | * | 0 | * | 0 | 0 | 0 |
| Project managers | 2 | 1 | 6 | 1 | 0 | 3 |

| Column percentages | Employers | | | Self-employed individuals | | |
|---|---|---|---|---|---|---|
| | All employers | Construction | Professional services | Self-employed | Construction | Professional services |
| Scientists | * | 0 | 1 | 0 | 0 | 0 |
| Managers/directors | 64 | 67 | 55 | 4 | 5 | 3 |
| HR, legal and business professionals | 7 | 7 | 8 | 0 | 0 | 0 |
| Administrative staff | 39 | 39 | 39 | 1 | 0 | 3 |
| Staff with no one main role or who multi task | 8 | 10 | 5 | 7 | 9 | 3 |
| *Unprompted additional occupations:* | | | | | | |
| Estimators | 1 | 1 | 1 | 0 | 0 | 0 |
| Sales & marketing staff | 2 | 2 | 1 | 0 | 0 | 0 |
| Road workers/Tarmac layers | * | 1 | 0 | 1 | 2 | 0 |
| Fabricators/Welders | 1 | 2 | * | 0 | 0 | 0 |
| Pavers | * | * | 0 | 2 | 2 | 0 |
| Drivers | 1 | 1 | * | 0 | 0 | 0 |
| Tilers | * | * | 1 | * | 1 | 0 |
| Designers | 1 | 1 | 2 | 2 | 2 | 0 |
| Glazers | * | 1 | 0 | 1 | 2 | 0 |
| Ground workers | 1 | 1 | 1 | 0 | 0 | 0 |
| Mechanics | * | * | 0 | 0 | 0 | 0 |
| Builders | 1 | 1 | 0 | 1 | 2 | 0 |
| Cleaners | * | * | * | 0 | 0 | 0 |
| Other | 1 | 1 | 1 | 9 | 13 | 3 |
| *Unweighted sample bases* | *1053* | *840* | *213* | *157* | *122* | *35* |

QD1 EMPLOYERS: You said earlier that there were **X** directly employed staff at this establishment. How many of these are mainly employed as…? SELF-EMPLOYED: In which trade do you mainly work or operate?

# 4. Output constraints

## Current constraints

Respondents were asked if any factors currently limited their business's sales and output. They were not prompted with a list of factors but their responses were allocated as far as possible to a pre-determined list which had been developed in previous surveys. This list was augmented as necessary.

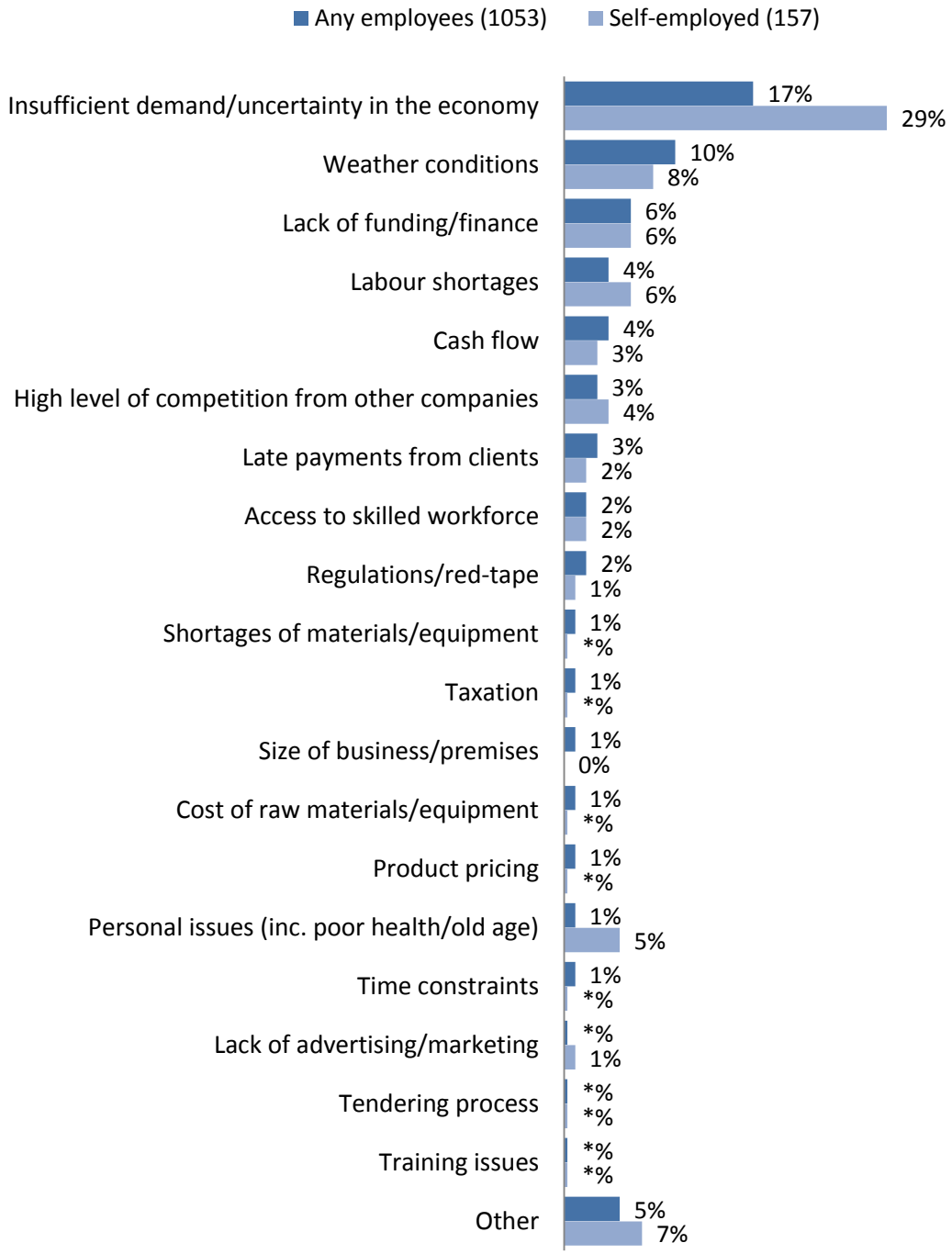
In 2011, 45% of employers and 48% of self-employed/single employee businesses reported the recession/low demand/an uncertain economy as a factor that had limited their business that year. Although this was still the most significant factor, the proportion citing the factor is lower in 2014 (17% of employers; 29% of self-employed individuals), suggesting significant improvement in economic conditions in the last two years.

One in ten employers (10%; 8% of self-employed individuals) mentioned weather conditions as current limiting factors. This is likely to reflect the extreme weather experienced during the winter of 2013/2014. Weather conditions were cited by just 2% of businesses with employees in 2011.

Lack of funding/finance is cited as a constraint by 6% of both employers and the self-employed and this echoes 2011 findings (8% of employers and 6% of the self-employed), while a similar proportion cite labour shortages (4% of employers and 6% of the self-employed), which represents a significant increase since 2011 (1% of both) although this issue remains marginal as a constraint to sales and output.

Overall, around two-fifths of businesses (44% of those with employees; 36% of those without) did *not* perceive any constraints on their business (at the time of the survey). These recent figures show a marked increase for employers and a marginal decline for those without employees when compared with 2011 statistics (36% of those with employees; 39% of those without); that is, business constraints, primarily related to economic conditions, for employing businesses at least, have eased :

**Figure 8: Factors that are currently limiting sales and output (businesses with employees/self-employed individuals)**



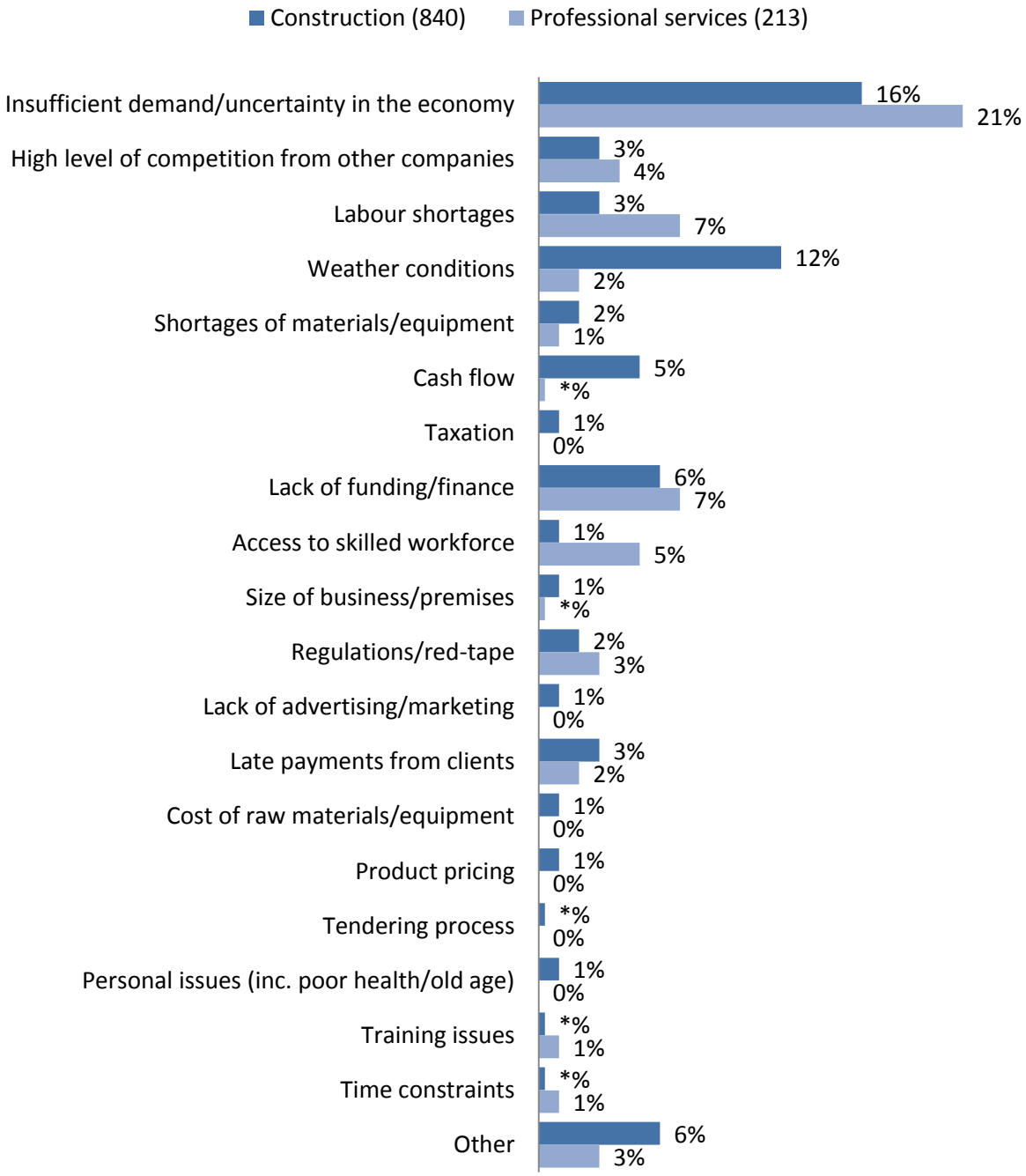

Unweighted sample bases in parentheses *denotes less than 0.5%

QB1 What factors, if any, are currently limiting your business? By limiting your business we mean limiting your sales and output **DO NOT READ OUT. CODE ALL THAT APPLY**

By sector, similar proportions of construction and professional services businesses do not perceive any constraints on their business (at the time of the survey) (44% in construction; 46% in professional services). Economic uncertainty is key in both sectors (16% in construction and 21% in professional services), although more

frequently mentioned in professional services, while weather conditions were significantly more likely to be a constraint in construction than in professional services (12%, compared with 2% respectively):

**Figure 9: Factors that are currently limiting sales and output, by sector (businesses with employees)**




Unweighted sample bases in parentheses *denotes less than 0.5%

QB1 What factors, if any, are currently limiting your business? By limiting your business we mean limiting your sales and output **DO NOT READ OUT. CODE ALL THAT APPLY**

A review of limiting factors by nation/region highlights particularly high proportions of employers in Northern Ireland that report insufficient demand/uncertainty in the economy (46%), of businesses in the North East of England which report adverse weather (21%), and of businesses in the South West which report lack of funding/ finance (14%). The following table sets out a detailed geographical breakdown of constraints:

**Figure 10: Factors that are currently limiting sales and output, by region (businesses with employees)**

| | | Nation | | | | England GOR | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Column percentages** | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Insufficient demand/ uncertainty in the economy | 17 | 16 | **46** | 15 | 20 | 19 | 12 | 10 | 21 | 15 | 18 | 17 | 14 | 22 |
| Weather conditions | 10 | 11 | 6 | 1 | 11 | 13 | 4 | 9 | **21** | 7 | 13 | 14 | 11 | 4 |
| Lack of funding/finance | 6 | 6 | 3 | 11 | 3 | 4 | 7 | 5 | 0 | 10 | 2 | **14** | 7 | 5 |
| Labour shortages | 4 | 5 | 2 | * | 5 | 1 | 8 | 3 | 1 | 4 | 8 | 3 | **13** | * |
| Cash flow | 4 | 4 | 0 | 5 | 6 | 2 | 3 | 5 | 10 | 0 | 4 | 4 | 2 | 6 |
| High level of competition from other companies | 3 | 3 | 3 | 9 | * | 3 | 6 | 2 | * | 3 | 2 | 4 | 7 | 0 |
| Late payments from clients | 3 | 3 | 2 | 5 | 0 | 3 | 0 | 5 | 4 | 5 | 4 | * | 0 | 4 |
| Access to skilled workforce | 2 | 2 | 0 | 0 | 0 | * | * | 1 | * | 0 | 2 | 6 | 9 | 3 |
| Regulations/red-tape | 2 | 2 | 0 | * | 2 | * | 4 | 0 | 0 | 6 | 4 | * | 5 | 3 |
| Shortages of materials/equipment | 1 | 1 | 0 | 2 | 0 | 2 | * | 0 | 0 | * | 1 | 5 | 5 | 1 |
| Taxation | 1 | 1 | 0 | 1 | 2 | 0 | 0 | 3 | 0 | 0 | 1 | 0 | 0 | 0 |
| Size of business/premises | 1 | 1 | 0 | 0 | 1 | * | * | 0 | 0 | 0 | 1 | 2 | 0 | 4 |
| Cost of raw materials/ equipment | 1 | 1 | 0 | 1 | 0 | 2 | 0 | 1 | 4 | 4 | 0 | 0 | 0 | 0 |
| Product pricing | 1 | 1 | 0 | 3 | 0 | 2 | 0 | 0 | 1 | 2 | * | 0 | 0 | 3 |
| Personal issues | 1 | 1 | 0 | 0 | 2 | 3 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Time constraints | 1 | 1 | 0 | 0 | 0 | 2 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lack of advertising/ marketing | * | * | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 |
| Tendering process | * | * | 0 | 0 | 0 | 2 | 0 | 0 | 0 | * | * | 0 | 0 | 0 |
| Training issues | * | * | 0 | 0 | 5 | * | 0 | 0 | 0 | 0 | 1 | * | * | 0 |
| Other | 5 | 6 | 7 | 1 | 0 | 6 | 12 | 6 | 0 | 7 | 3 | 5 | 5 | 6 |
| Nothing | 44 | 44 | 40 | 45 | 45 | 48 | 52 | 53 | 45 | 41 | 40 | 37 | 40 | 43 |
| Don't know | 1 | 1 | 0 | 7 | 2 | * | * | * | 0 | 4 | 1 | 0 | 0 | * |
| *Unweighted bases* | *1053* | *836* | *72* | *74* | *71* | *114* | *68* | *121* | *34* | *86* | *163* | *100* | *74* | *76* |

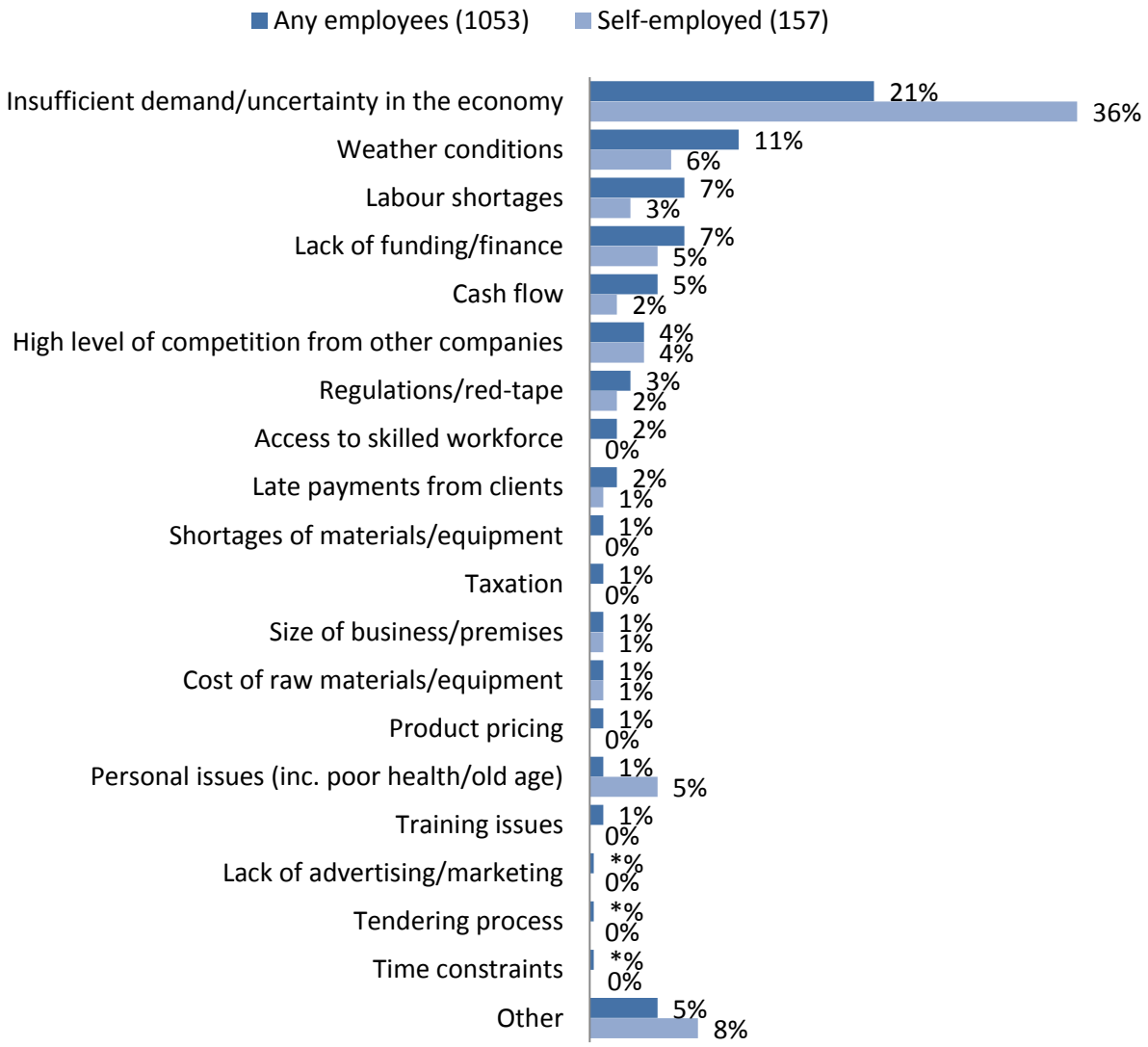
Figures in bold font are significantly higher than average minus the sub-group tested *denotes less than 0.5%

QB1 What factors, if any, are currently limiting your business? By limiting your business we mean limiting your sales and output **DO NOT READ OUT. CODE ALL THAT APPLY**

## Anticipated constraints

There is a similar picture with regard to *anticipated* constraints on output in the next 12 months. Again, insufficient demand/uncertainty in the economy is the most likely to be mentioned (21% of employers; 36% of self-employed individuals). However, in 2011, 38% of employers cited recession/low demand/ uncertain economy as factors likely to limit business in the following year. Again, this suggests a more positive outlook and greater business confidence in 2014. One in nine employers (11%; 6% of self-employed individuals) mentioned weather conditions as a potential limiting factor. Obviously weather conditions cannot be predicted to any level of certainty and this expectation may be a hangover from the poor weather which prevailed at the time of survey:

**Figure 11: Factors that businesses expect to limit sales and output in the next 12 months (businesses with employees/self-employed individuals)**

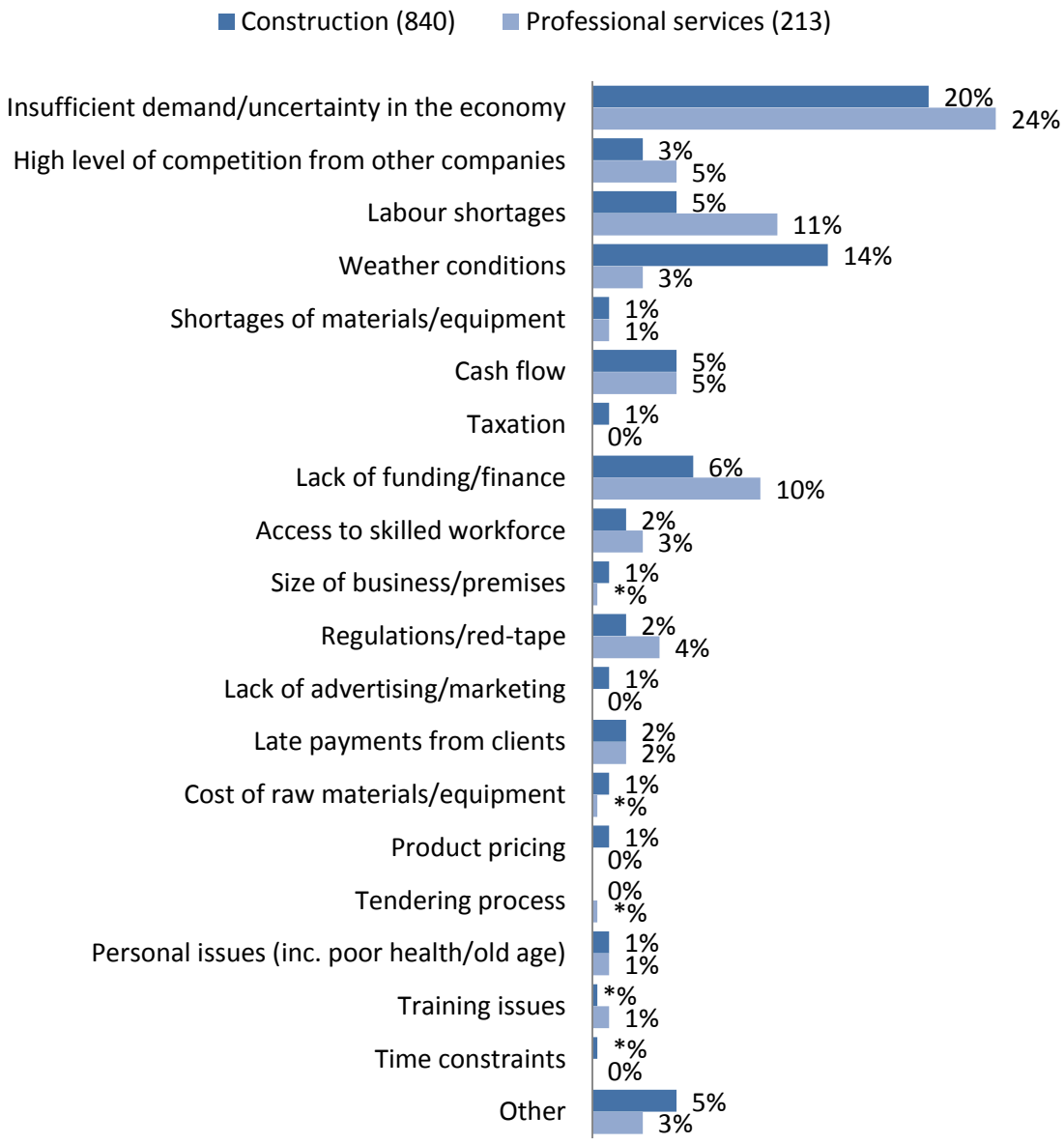



Unweighted sample bases in parentheses *denotes less than 0.5%

QB2 And what factors do you think are most likely to limit your business over the next 12 months? **DO NOT READ OUT. LISTEN, PROBE, CODE ALL THAT APPLY**

A third of both construction and professional services businesses do not anticipate any constraints in the next 12 months (34% and 31% respectively). A similar proportion within each sector anticipate constraints resulting from continued uncertainty in the economy (20% in construction; 24% in professional services), while construction businesses are significantly more likely than professional services businesses to expect weather conditions to have a detrimental effect (14%, compared with 3%) and professional services businesses are significantly more likely than those in construction to cite labour shortages (11%, compared with 5%):

**Figure 12: Factors that businesses expect to limit sales and output in the next 12 months, by sector (businesses with employees)**




Unweighted sample bases in parentheses *denotes less than 0.5%

QB2 And what factors do you think are most likely to limit your business over the next 12 months? **DO NOT READ OUT. LISTEN, PROBE, CODE ALL THAT APPLY**

A review of expectations of limiting factors by nation/region highlights a particularly high proportion of businesses in Northern Ireland that cite insufficient demand/uncertainty in the economy (40%), in the North East of England (26%) and in Wales (19%) which cite weather conditions, in the South West of England (14%) which cite lack of funding/finance, and in Wales (15%) which cite cash flow issues. A detailed geographical analysis of anticipated constraints is shown in the following table:

**Figure 13: Factors that businesses expect to limit sales and output, by region (businesses with employees)**

| | | Nation | | | | England GOR | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Column percentages | All employers | England | Northern Ireland | Scotland | Wales | East Of England | East Midlands | London | North East | North West | South East | South West | West Midlands | Yorkshire and Humber |
| Insufficient demand/ uncertainty in the economy | 21 | 20 | **40** | 23 | 18 | 19 | **30** | 17 | 14 | 16 | 24 | 20 | 17 | 27 |
| Weather conditions | 11 | 12 | 4 | 5 | **19** | 13 | 9 | 12 | **26** | 7 | 12 | 17 | 10 | 1 |
| Labour shortages | 7 | 7 | 6 | 3 | 5 | 4 | 7 | 5 | 21 | 4 | 10 | 9 | 11 | 3 |
| Lack of funding/finance | 7 | 7 | 6 | 12 | 2 | 7 | 4 | 6 | 6 | 9 | 3 | **14** | 8 | 8 |
| Cash flow | 5 | 5 | 2 | 6 | **15** | 4 | 6 | 8 | 2 | 2 | 4 | 4 | 5 | 9 |
| High level of competition from other companies | 4 | 3 | 4 | 7 | 3 | 2 | 1 | 6 | 5 | 5 | * | 4 | 9 | 0 |
| Regulations/red-tape | 3 | 3 | 0 | 0 | 2 | 4 | 2 | 1 | 4 | 3 | 6 | * | 3 | 4 |
| Access to skilled workforce | 2 | 2 | 0 | 0 | 0 | * | * | 2 | 0 | 2 | 3 | 4 | 8 | 4 |
| Late payments from clients | 2 | 2 | 0 | 5 | 0 | 3 | 0 | 4 | 4 | 1 | 4 | 2 | 0 | 1 |
| Shortages of materials/equipment | 1 | 1 | 0 | 0 | 0 | * | * | * | 4 | 2 | 2 | 2 | 3 | 1 |
| Taxation | 1 | * | 0 | 1 | 3 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| Size of business/premises | 1 | 1 | 0 | 0 | 1 | * | 3 | 1 | 0 | 0 | 1 | 0 | 0 | * |
| Cost of raw materials/equipment | 1 | 1 | 1 | 1 | 0 | 2 | 0 | 1 | 0 | * | 2 | 0 | 0 | 0 |
| Product pricing | 1 | * | 5 | 3 | 0 | 0 | 0 | 0 | 1 | 2 | 0 | 0 | * | 0 |
| Personal issues | 1 | 1 | 0 | 0 | 0 | 2 | 2 | 0 | 0 | 0 | 1 | 0 | 0 | 4 |
| Training issues | 1 | 1 | 2 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | * | * | 4 | 0 |
| Lack of advertising/marketing | * | * | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 |
| Tendering process | * | * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | * | 0 |
| Time constraints | * | * | 0 | 0 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 5 | 5 | 5 | 8 | 3 | 6 | 5 | 3 | 1 | 7 | 1 | 8 | 7 | 3 |
| Nothing | 33 | 35 | 27 | 26 | 23 | 34 | 36 | 40 | 18 | 46 | 35 | 24 | 35 | 35 |
| Don't know | 4 | 3 | 10 | 3 | 14 | 4 | 2 | * | 4 | 2 | 2 | 7 | * | 5 |
| *Unweighted bases* | *1053* | *836* | *72* | *74* | *71* | *114* | *68* | *121* | *34* | *86* | *163* | *100* | *74* | *76* |

Figures in bold font are significantly higher than average minus the sub-group tested *denotes less than 0.5%

QB2 And what factors do you think are most likely to limit your business over the next 12 months? **DO NOT READ OUT. LISTEN, PROBE, CODE ALL THAT APPLY**

## Trends in employment

Respondents in businesses with employees were asked about changes in the size of their workforces in the last 12 months.

The majority of employers (69%) reported no change in the number of staff employed in the last 12 months but, if there had been change, this was more likely to be positive rather than negative: 19% of business reported an increase while 11% reported a decrease.

Employers in Scotland are significantly more likely than average to have reported an increase in the number of staff employed in the last 12 months (29%), while those in Northern Ireland are significantly more likely than average to have reported a decrease (21%).

Of those reporting a decrease, half (51%) report the cause as being the ‘recession’. This increases to 88% of employers in Northern Ireland that report a decrease in the number of staff employed.

# 5. Skill Shortages, Skill Gaps and Emerging Skill Needs

This section of the report examines the skills which businesses have difficulty in finding when recruiting ('skill shortages') or which are lacking in their existing, current workforces ('skills gaps'). Businesses were also asked to look ahead in order to identify skill needs emerging as a consequence of future projects, diversification, and industry developments.

## Skill Shortages

### Capacity

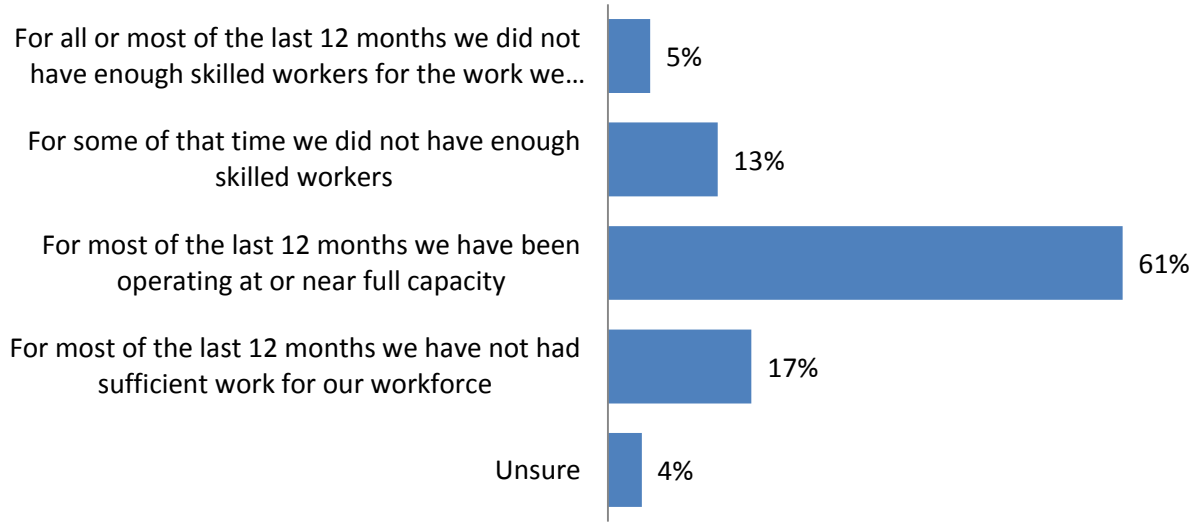
All respondents in businesses with any directly employed and/or contracted employees were asked about the relationship, over the last year, between their workload and their ability to resource that workload with the skills they had at their disposal.

This year, one in eight (13%) reported that for some of that time that they had not had enough skilled workers and a further 5% reported that for all or most of the last 12 months they had not had enough skilled workers in relation to the work they had or could have had. Both these proportions are significantly higher than in 2011 (2% for each).

Three-fifths of employers (61%) and two-fifths of self-employed individuals that have contract staff (42%) reported having been working at or near full capacity for most of the last 12 months; that is, their workload and skills supply were in balance.

For a further one in six employers (17%), there had not been sufficient work for their workforce. This is a significantly lower proportion than reported in 2011 (32%). This year, it is significantly higher than average in Northern Ireland (36%) and Wales (27%).

**Figure 14: Capacity and the use of workforce skills in the last year (businesses with employees)**




Unweighted sample base = 1053

QC1 Thinking about skills over the last 12 months, which one of the following comes closest to the situation for this establishment? **READ OUT AND CODE ONE ONLY**

There is little variation by sector or size in respect of meeting workloads with existing skills, although businesses with 25 or more staff are significantly more likely (69%) than average (61%) to report that they have been operating at full capacity for most of the last 12 months without skill shortage issues arising.

Among self-employed individuals with contract staff, the picture is slightly different. A third of these (31%) reported a lack of work for their workforce, higher than the average for businesses with employees. However, they are also more likely to report that, for all or most of the last 12 months or for some of that time, they did not have enough skilled workers (17% and 8% respectively compared for the averages of 13% and 5% for businesses with employees). It appears these self-employed individuals had more difficulty achieving a workload/skills supply balance than businesses with direct employees.

## Recruitment

Two-fifths of employers (39%) have tried to recruit skilled labour (either direct or indirect) during the last 12 months.

This represents a significant increase compared with the 2011 figure of 26% and is slightly higher than the 2009 figure of 36%. It suggests that employers across the construction industry are now more active in terms of taking on skilled workers than in recent years.

However, the trend for self-employed individuals shows little change with just 4% having tried to recruit staff in the last 12 months, compared with 3% in 2011.

A third of employers (31%) have turned work down. The proportion that has turned work down is significantly higher in construction than the professional services sector (35%, compared with 27%). More than half of the self-employed (54%) that have tried to recruit have turned work down due to the lack of skilled workers. Significantly lower proportions of employers than average have turned work down in Northern Ireland and Scotland (both 20%).

More than half of all employers (53%) have sub-contracted work in an attempt to overcome a lack of skilled workers, increasing to 67% of those with 100+ employees and 76% of the self-employed that have tried to recruit.

As above, two-fifths (39%) have tried to recruit experienced skilled employees. This proportion is significantly higher in professional services (52%) than in construction (36%). A third (34%) have tried to recruit skilled self-employed or other indirect labour, increasing to 52% of the self-employed that have tried to recruit, while slightly fewer employers and self-employed individuals (31% and 30% respectively) have tried to recruit Apprentices or less experienced staff to train up.

The proportion addressing their lack of skilled workers through recruitment increases with business size as shown in the next table:

**Figure 15: Steps taken to try and tackle a lack of skilled workers in the last 12 months (businesses with employees and the self-employed who have tried to recruit staff in the last 12 months)**

| | | | Employers | | No. of employees (site based) | | | |
|---|---|---|---|---|---|---|---|---|
| Column percentages | Employers | Self-employed | Construction | Professional services | 2-9 | 10-24 | 25-99 | 100+ |
| Tried to recruit experienced, skilled employees i.e. direct labour | 39 | 23 | 36 | **48** | 36 | 56 | **65** | **79** |
| Tried to recruit skilled self-employed or other indirect labour | 34 | 51 | 35 | 31 | 33 | **41** | 37 | **54** |
| Tried to recruit Apprentices or less experienced staff to train up | 30 | 26 | 29 | 31 | 26 | **45** | **54** | **78** |
| Sub-contracted work | 53 | 77 | **55** | 45 | 52 | 55 | 56 | **67** |
| Turned work down | 33 | 50 | **35** | 27 | 33 | 32 | 32 | 32 |
| None of these | 22 | 5 | 20 | 28 | **24** | 13 | 12 | 5 |
| Unweighted bases | 1053 | 50 | 840 | 213 | 486 | 218 | 228 | 121 |

Figures in bold font are significantly higher than average minus the sub-group tested

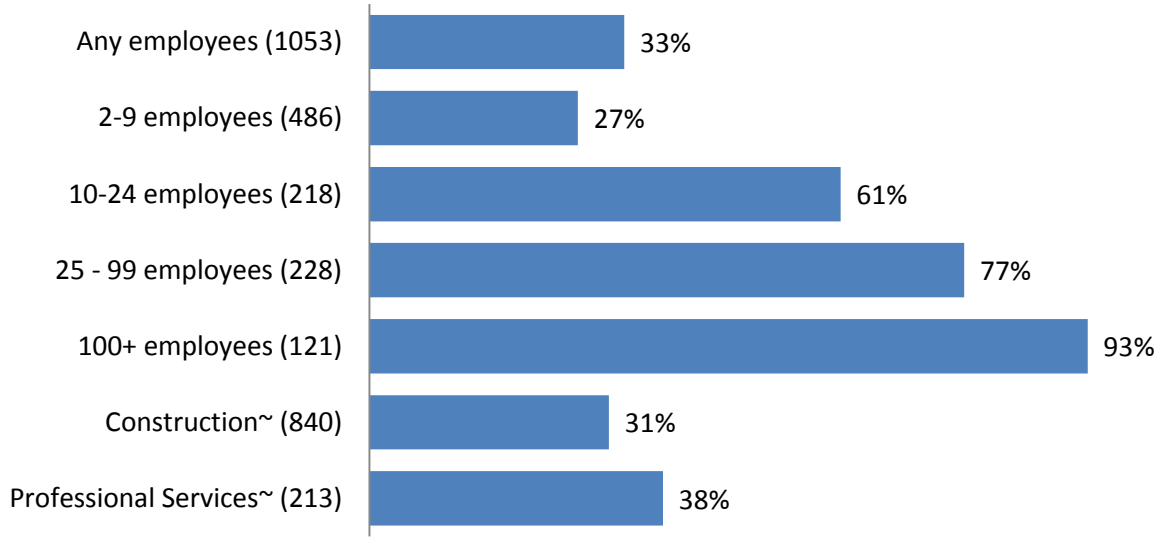
QC3 In the last 12 months, which of the following steps, if any, have you taken to try and tackle a lack of skilled workers? **READ OUT AND CODE ONE FOR EACH**

A third of employers (33%) have actually recruited staff in the last 12 months.

As shown in the following chart, this proportion is significantly higher within professional services than construction (38%, compared with 31%). It increases with business size from 27% of businesses with less than 10 employees to 93% of those with 100 or more employees.

The proportions that have recruited are slightly, but not significantly, lower than average in Wales (29%) and Northern Ireland (27%).

**Figure 16: Proportion of businesses that have recruited any new direct employees in the last 12 months (businesses with employees)**




Unweighted sample bases in parentheses ~based on employers only

QC4 In the last 12 months, has this establishment recruited any new direct employees?

## Recruitment of young people/education-leavers

In the last 12 months, a quarter of those that have recruited any new direct employees (26%) have taken on someone into their first job on leaving school, college or university. This equates to 8% of all employers.

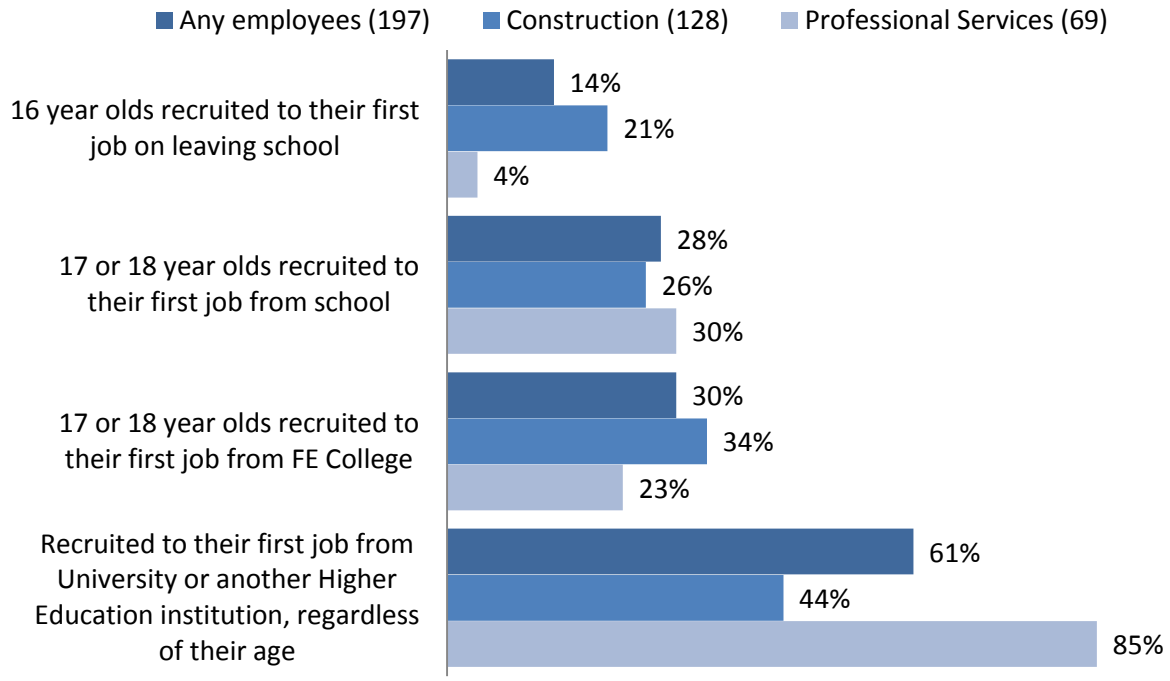
The proportion of employers within construction that recruited education-leavers in the last 2 to 3 years reported by the UK-wide 2013 Employer Skills Survey (UKCES) was 18%. This is a higher figure but based on a longer time frame.

The proportion recruiting into first jobs (average of 26%, as above) is significantly higher within professional services than in construction (35% of those that have recruited at all, compared with 22%). It increases with business size, to 68% of businesses with 100 or more employees which had any recruitment (60% of all 100+ employers, including those which did not recruit in the base for the calculation).

Particularly, three-fifths (61%) of employers that have recruited education-leavers have recruited young people to their first job *from university or another higher education institution*. This increases to 85% of professional services businesses that have recruited education-leavers.

More than a quarter (28%) of employers that have recruited education-leavers have recruited a 17 or 18 year old into their first job after leaving *school*, while slightly more (30%) have recruited someone into their first job after leaving *further education*. Construction businesses are significantly more likely than those in professional services to have recruited someone straight from an FE college (34%, compared with 23%). They are also more likely than professional services businesses to have recruited 16 year olds into their first job after leaving school (21%, compared with 4%):

**Figure 17: Proportion of businesses that have recruited any young people/education-leavers in the last 12 months (where recruited education-leavers)**




Unweighted sample bases in parentheses

QC6 Have any of these young recruits been…READ OUT AND CODE ONE FOR EACH

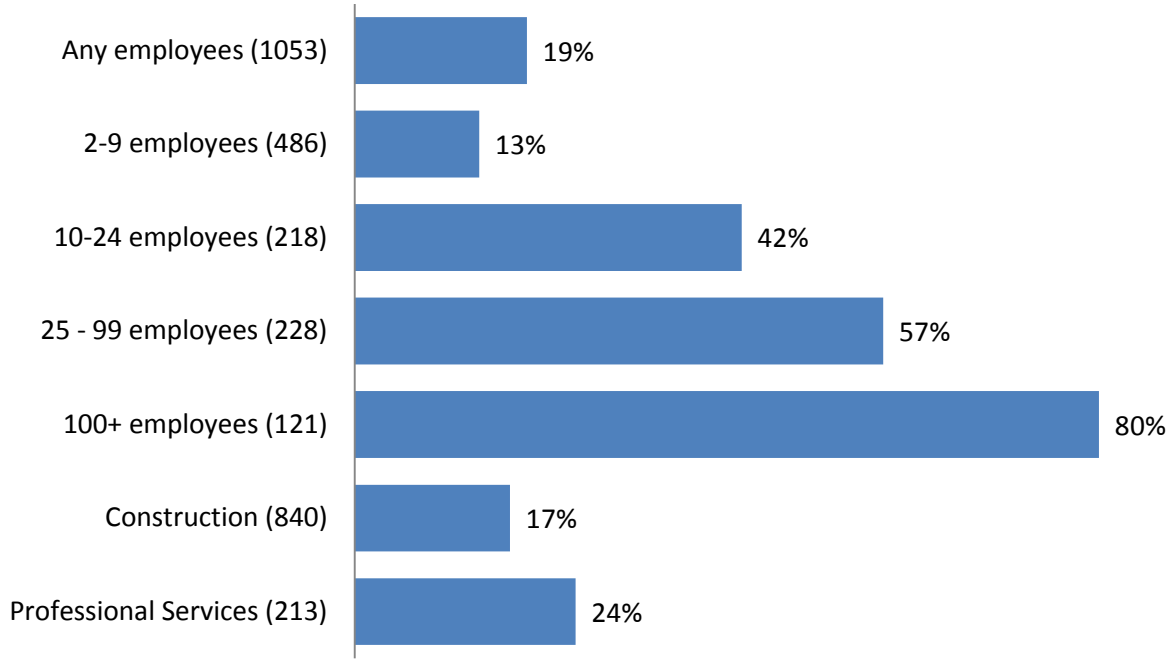
A quarter of businesses (24%) that have recruited education-leavers have also recruited *other* young people – under the age of 25 – who were *not* entering their first post-education job.

This proportion increases to over half (53%) of businesses with 25 or more staff that have recruited education-leavers. The proportion is higher in construction than professional services (32%, compared with 13%).

Around two-fifths (41%) of businesses that have recruited any new direct employees in the last 12 months have recruited someone under the age of 25 and not into their first job since leaving education. If education-leavers are taken into account, more than half (56%) of businesses that have recruited in the last 12 months have recruited a young person or education-leaver. This equates to 19% of all businesses with employees (when those which did not recruit at all are included in the base for the calculation).

The next chart summarises the proportion of all businesses with employees that have recruited anyone under the age of 25 and/or anyone into their first job since leaving education in the last 12 months:

**Figure 18: Proportion of businesses that have recruited anyone under 25/education-leavers in the last 12 months, by sector and size (businesses with employees)**




Unweighted sample bases in parentheses

QC5 Of these recruits, were any taken on to their first job on leaving school, college or university?
QC7 Have you recruited anyone else in the last 12 months under the age of 25 who were not recruited to their first job on leaving school, college or university?

## Recruitment difficulties

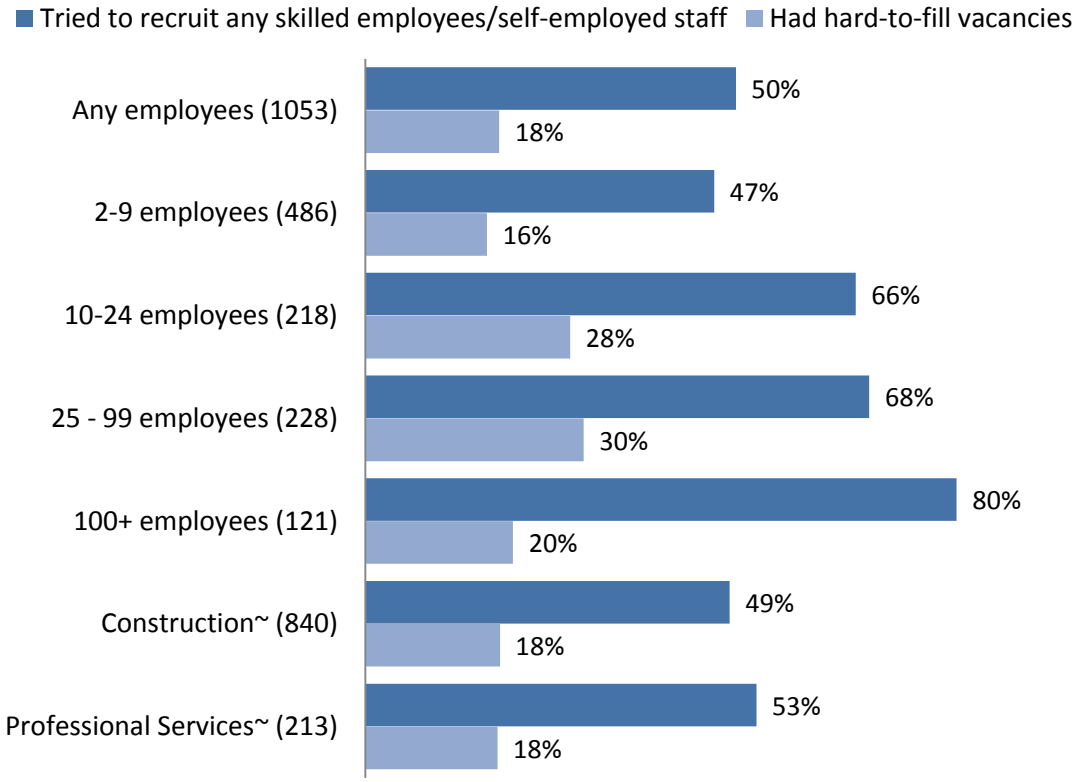
More than a third (36%) of employers that have tried to recruit skilled direct or self-employed staff have experienced difficulties in filling the positions. This equates to 18% of all employers. A third (33%) of the self-employed that have tried to recruit in the last 12 months have experienced difficulties.

Recruitment difficulties are more likely (although not significantly so) to have been experienced by businesses in construction than professional services (37% of the former who have tried to recruit, compared with 34%of the latter), particularly among businesses in the 'specialist construction activities' sub-sector (SIC 2007 43) (41%). The proportion is higher than average among employers in Scotland (41%) and lower than average in Wales (25%).

There has been an increase in the incidence of hard-to-fill vacancies since the 2011 and 2009 surveys when, respectively, 21% and 29% of employers that had had vacancies had experienced recruitment difficulties (compared with the 36% figure for 2014 obtained, as above, from this survey).

The chart that follows summarises attempted recruitment and the extent of hard-to-fill vacancies by industry group and business size. Recruitment, of course, increases with size of business. However, recruitment difficulties were more frequent for the intermediate sizes of business than for small and large businesses:

**Figure 19: Summary of recruitment activity and difficulties, by sector and size (businesses with employees)**




Unweighted sample bases in parentheses ~based on employers only

QC3 In the last 12 months, which of the following steps, if any, have you taken to try and tackle a lack of skilled workers? **READ OUT AND CODE ONE FOR EACH**
QC9 You mentioned that you tried to recruit skilled employees/self-employed staff in the last 12 months. Were any of these vacancies hard-to-fill?

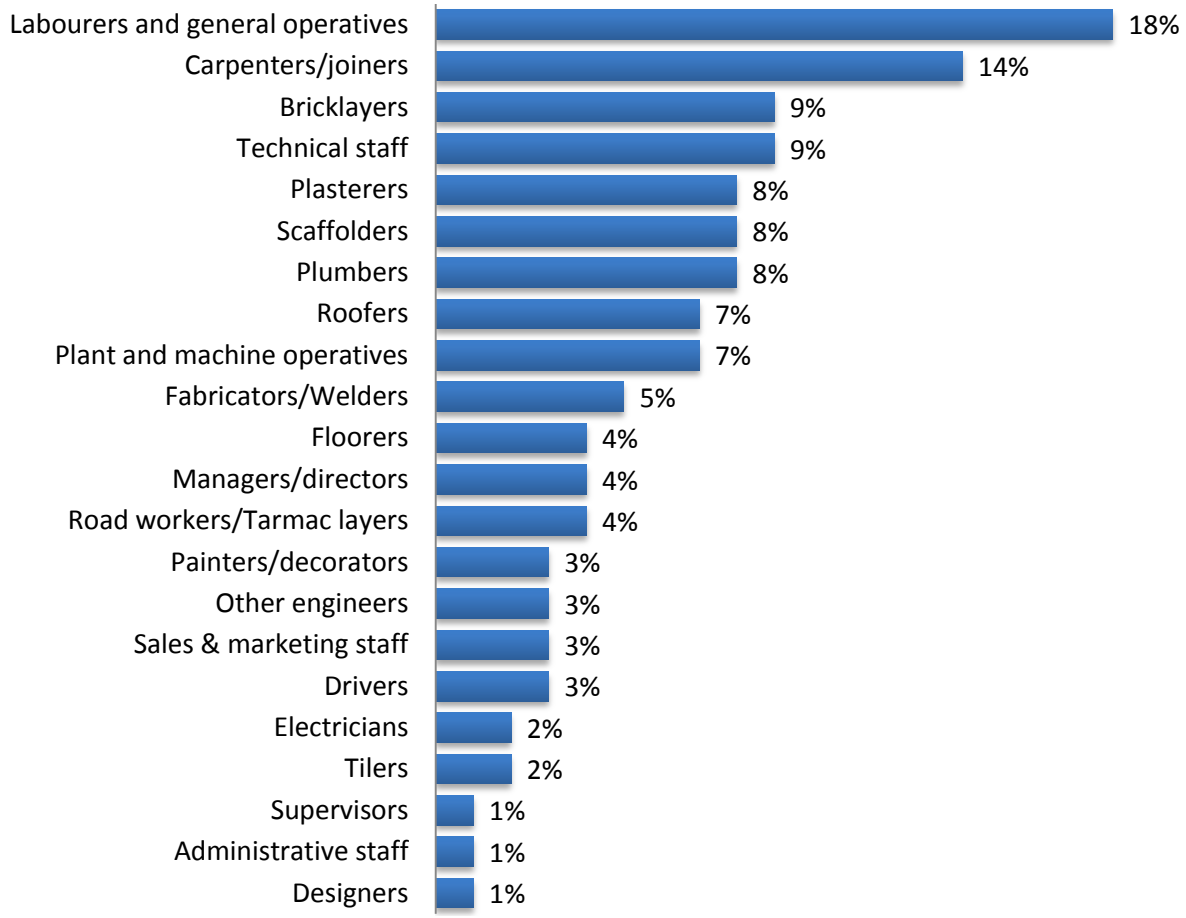
The proportion of self-employed individuals *who tried to recruit* who experienced recruitment difficulties was slightly lower (31% compared with the 36% figure for employing businesses or 5% of *all* self-employed individuals compared with the 18% figure for *all* employing businesses).

### *Occupations in which hard-to-fill vacancies have been experienced*

Given the numerous occupations that are employed, the roles that have been hard to fill are diverse.

The most frequent difficulties within the construction sector were experienced with regard to vacancies for labourers and general operatives, wood trades and other skilled trades. The following chart shows the proportions of employers that had had experienced hard-to-fill vacancies which had experienced them in respect of particular occupations:

**Figure 20: Occupations in which recruitment difficulties have been experienced within the construction sector (employers that have had hard-to-fill vacancies)**

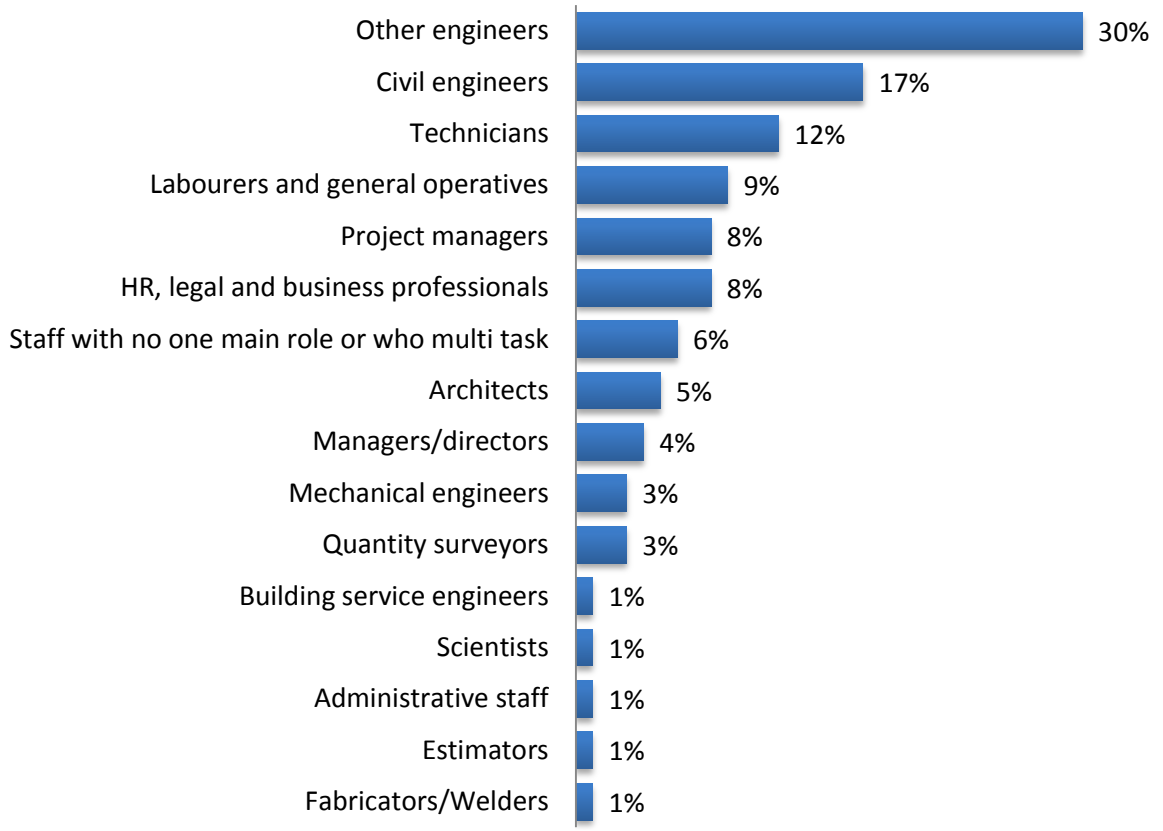



Sample base = 181

QC10 In which occupations have vacancies been hard-to-fill over the last 12 months? **DO NOT READ OUT. CODE ALL THAT APPLY**

Of particular significance within professional services businesses is difficulty in recruiting civil engineers (17% of professional services businesses with any recruitment difficulty) and 'other engineers' (30%):

**Figure 21: Occupations in which recruitment difficulties have been experienced within the professional services sector (employers that have had hard-to-fill vacancies)**




Sample base = 49

QC10 In which occupations have vacancies been hard-to-fill over the last 12 months? **DO NOT READ OUT. CODE ALL THAT APPLY**

## *Causes*

Respondents who experienced hard-to-fill vacancies were asked about the main causes of these difficulties. They were given a list of possible causes and asked to specify those that applied.

Among employers, the most frequently cited cause of hard-to-fill vacancies is that applicants lack the skills required (80%). That applicants lack the right attitude or motivation (73%) and that not enough young people are being trained in the construction industry (72%) are also significant as causes of recruitment difficulties.

A lack of attitude or motivation among applicants is significantly more likely to be cited as a cause of hard-to-fill vacancies by employers in the construction than the professional services sector (83%, compared with 43%). Employers within professional services are also less likely than those in construction to cite a lack of qualifications among applicants. These differences are summarised in the next chart.

Larger businesses are significantly more likely than those with fewer than 25 employees to cite competition from other employers as a cause of hard-to-fill

vacancies (50% of businesses with 25-99 employees; 69% of those with 100+ employees, compared with 31% of smaller businesses).

**Figure 22: Perceived causes of recruitment difficulties, by sector – prompted, multiple response (employers that have had hard-to-fill vacancies)**


Unweighted sample bases in parentheses

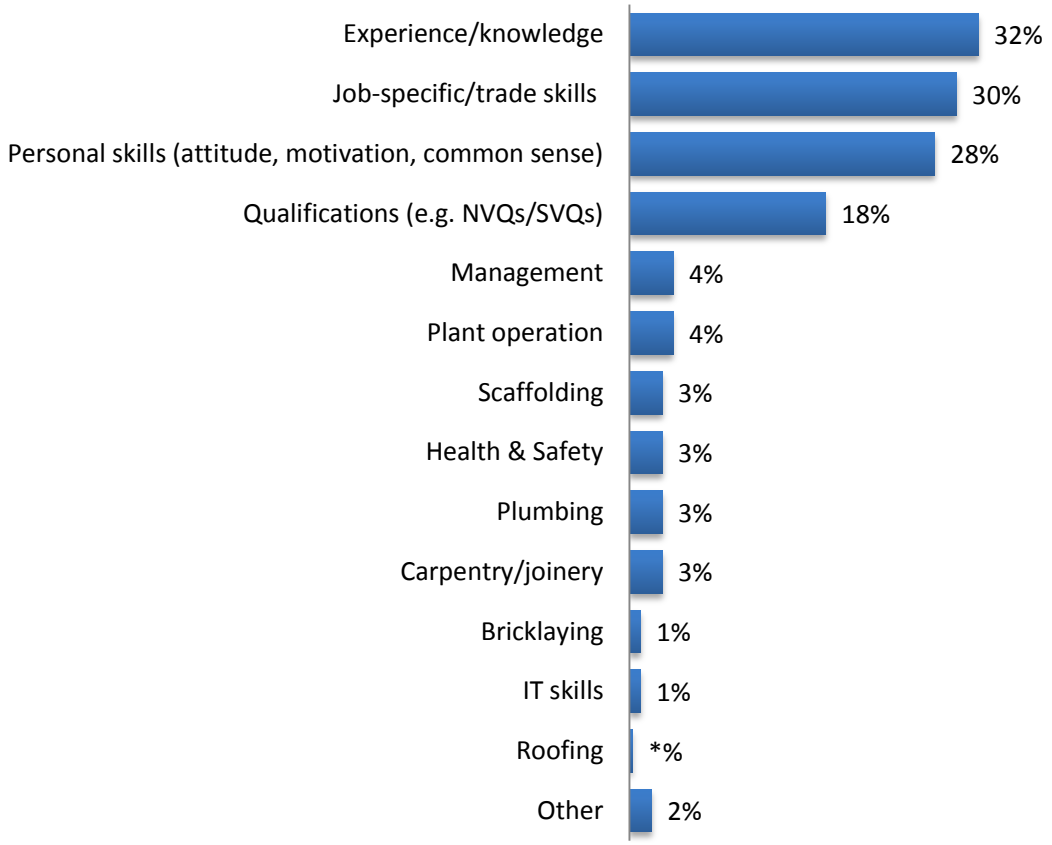
QC12 Which of the following do you feel are the main causes of having hard-to-fill vacancies for skilled staff? **READ OUT AND CODE ALL THAT APPLY**

### *Skills which are difficult to obtain*

The actual skills which are difficult to obtain from applicants are often those specific to the role that is being recruited. Three in ten employers with hard-to-fill vacancies (30%) cite job specific/trade skills, while a similar proportion (32%) cite experience/ knowledge relating to that role.

However, more than a quarter of employers (28%) that have experienced recruitment difficulties specify a need for personal skills, such as attitude, motivation, and common sense.

**Figure 23: Skills difficult to obtain from applicants – unprompted, multiple response (employers that have had hard-to-fill vacancies)**




Unweighted sample base =231 *denotes less than 0.5%

QC13 What have been the two main skills difficult to obtain from applicants? **PROBE FULLY AND WRITE IN**

## *Impact on business*

Recruitment difficulties have had an impact on 90% of employers that have reported them. This is most likely to have been the increased use of overtime and higher workloads for existing staff (70%). This is more likely to have been the effect in smaller businesses, with 70% of employers with fewer than 100 staff reporting this impact, compared with 64% of those with 100 or more staff.

Half (49%) of employers that have had hard-to-fill vacancies cite an increase in operating costs. This proportion is significantly higher in construction than in professional services (55%, compared with 31%).

More than two-fifths (46%) of employers that have had hard-to-fill vacancies report that they have lost business or that they have turned down opportunities to bid for work. This is less likely to have been an impact suffered by larger businesses, as 27% of businesses with 25 or more employees report this compared with 47% of employers with fewer than 25 staff:

**Figure 24: Impact of hard-to-fill vacancies – prompted, multiple response (employers that have had hard-to-fill vacancies)**

| | | | Employers | | No. of employees (site based) | | | |
|---|---|---|---|---|---|---|---|---|
| Column percentages | Any employees | Self-employed | Construction | Professional services | 2-9 | 10-24 | 25-99 | 100+ |
| Increase the use of overtime and the workload for staff generally | 70 | 55 | 73 | 60 | 67 | **81** | 79 | 64 |
| Increase operating costs | 49 | 45 | **55** | 31 | 49 | 47 | 52 | 59 |
| Lose business or turn down bidding for work | 46 | 64 | 47 | 41 | 49 | 41 | *27* | *26* |
| Outsource work | 44 | 38 | 40 | 55 | 43 | 46 | 47 | 34 |
| Miss project deadlines | 28 | 36 | 28 | 27 | 26 | 33 | 34 | 31 |
| Other impacts | 8 | 0 | 9 | 6 | 8 | 12 | 6 | 9 |
| None | 9 | 0 | 9 | 12 | 10 | 9 | 1 | 9 |
| Don't know | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 3 |
| Unweighted bases | 231 | 10 | 181 | 50 | 80 | 56 | 62 | 33 |

Figures in bold font are significantly higher than average minus the sub-group tested; those in italics are significantly lower than average minus the sub-group tested

QC14 Generally speaking, have hard-to-fill vacancies over the last 12 months caused the company to….? **READ OUT CODES 1-5, ROTATE AND CODE ALL THAT APPLY**

The use of overtime and increased workloads for existing staff is more common in 2014 (70%) than in the 2011 survey (29%) but is in line with the findings from 2009 (74%).

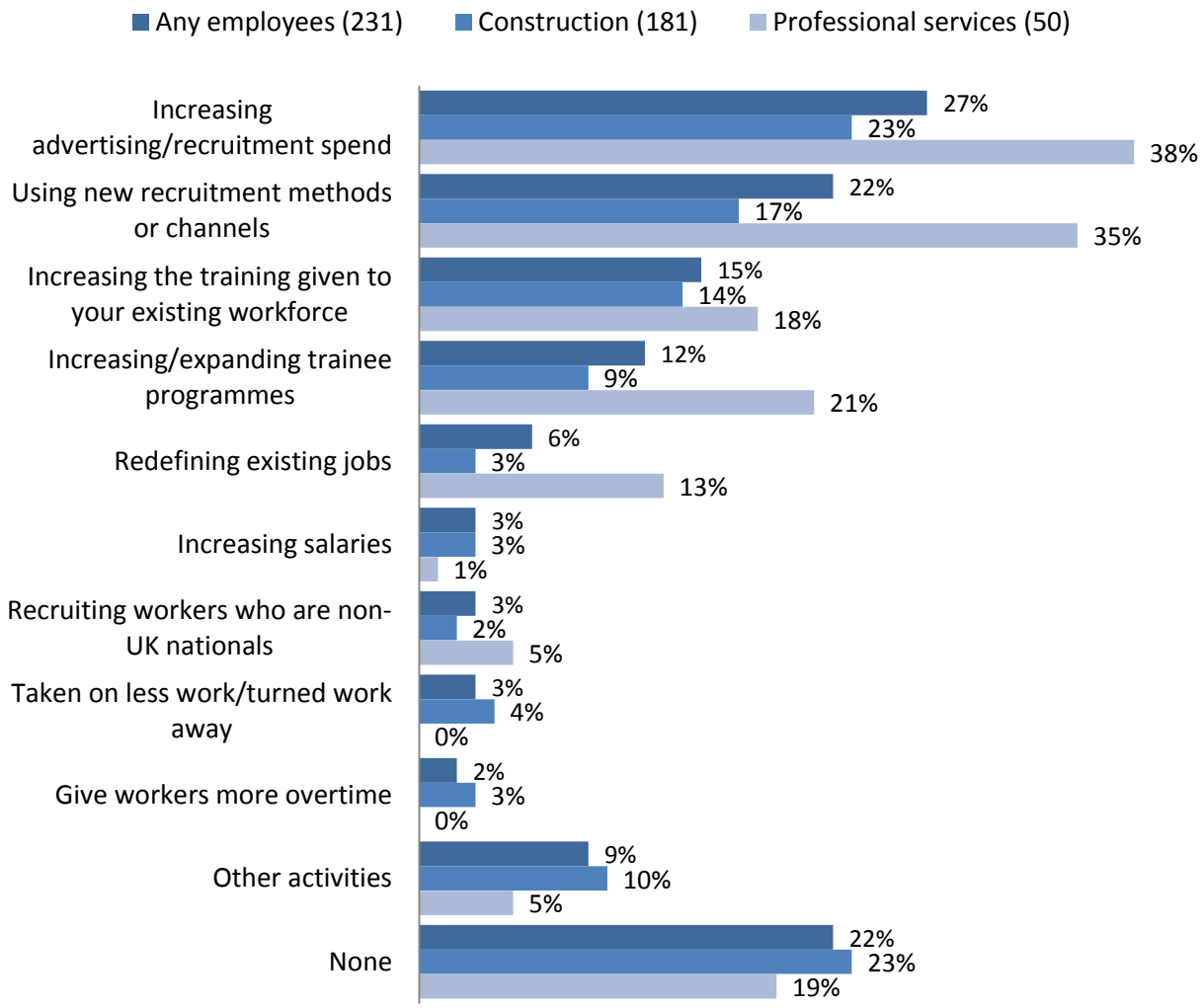
### *Overcoming recruitment difficulties*

Respondents were asked, without being offered a prompted list, about the steps their business has undertaken to overcome recruitment difficulties.

More than a quarter of employers (27%) that have had hard-to-fill vacancies have increased their advertising/recruitment spend. One in five (22%) have used new recruitment methods or channels.

As shown in the next chart, professional services businesses are more likely to increase spending on recruitment and expand their recruitment strategy than those in construction: 38% increased their spending, compared with 23% of construction businesses; 35% used new methods or channels, compared with 17% of construction businesses. In addition, they are more likely to have taken steps to increase or expand their trainee programmes (21%, compared with 9%) or redefine existing jobs (13%, compared with 3%):

**Figure 25: Activities that have been undertaken to overcome recruitment difficulties, by sector – unprompted, multiple response (employers that have had hard-to-fill vacancies)**

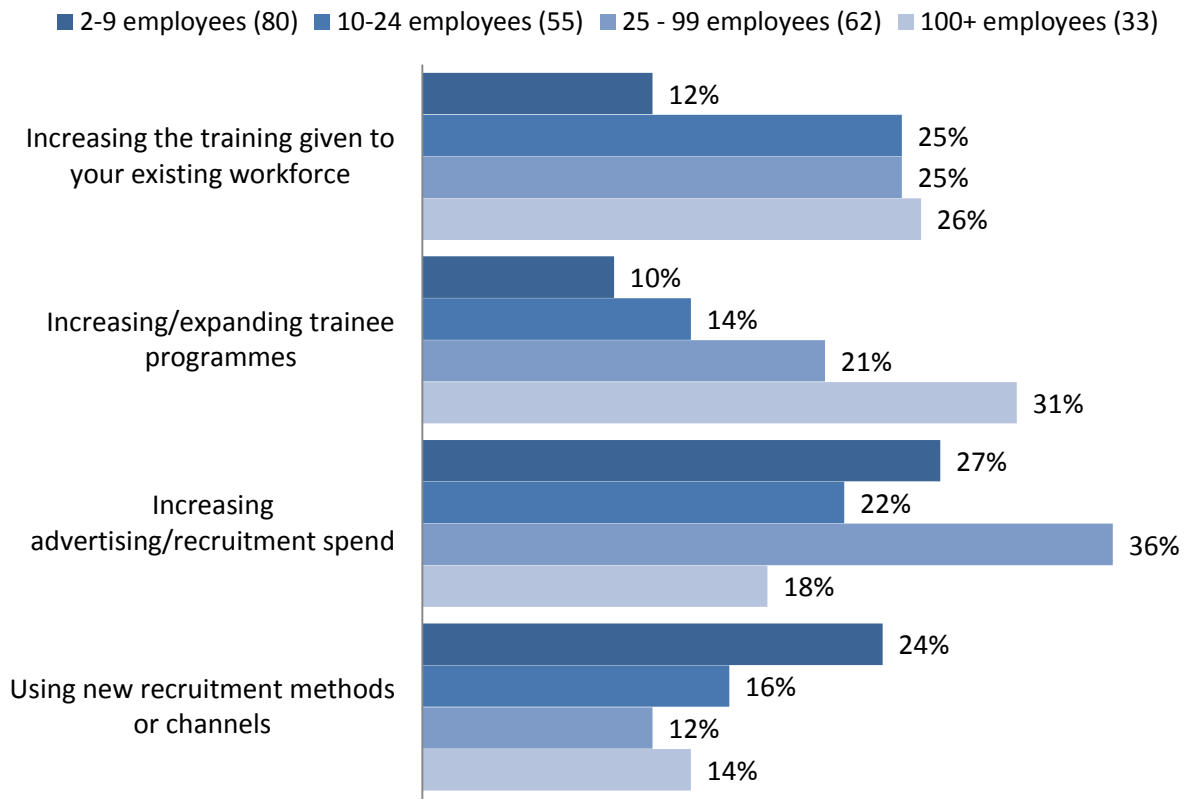



Unweighted sample bases in parentheses

QC15 What, if anything, is this establishment doing to overcome the difficulties that you are having finding candidates to fill these hard-to-fill vacancies? **DO NOT READ OUT. CODE ALL THAT APPLY**

Examination of responses according to size of business (see next chart) shows that businesses with 25 or more employees are more likely to respond to recruitment difficulties by expanding their training programmes and increasing training of their existing workforce. Smaller businesses are more likely to turn to new methods and channels of recruitment:

**Figure 26: Use of training and recruitment methods to overcome recruitment difficulties, by business size – unprompted, multiple response (employers that have had hard-to-fill vacancies)**




Unweighted sample bases in parentheses

QC15 What, if anything, is this establishment doing to overcome the difficulties that you are having finding candidates to fill these hard-to-fill vacancies? **DO NOT READ OUT. CODE ALL THAT APPLY**

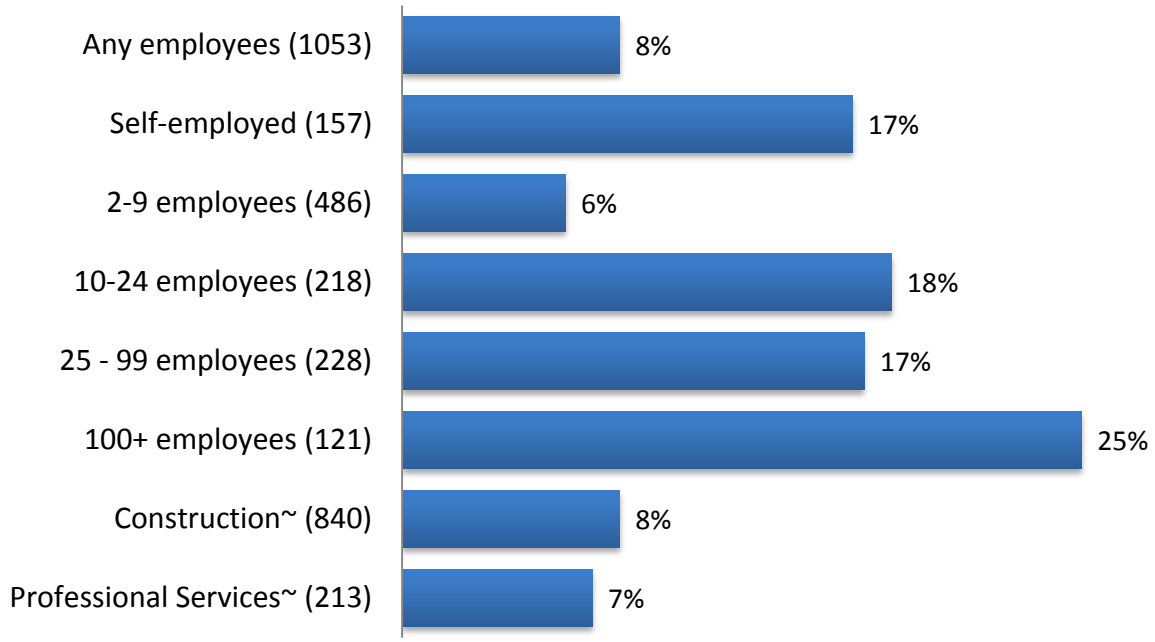
## Skill Gaps

Fewer than one in ten employers (8%) report skill gaps within their workforce. This proportion increases with business size, from 6% of the smallest employers to 25% of those with 100 or more employees. It is highest in Scotland (12%) and lowest in Wales (4%), with the proportion of employers with any skill gaps reflecting the UK average in England (8%) and Northern Ireland (7%).

When asked if they themselves are fully proficient, 17% of sole traders/the self-employed admitted to having a need to develop and improve their skills.

The proportion of employers reporting skill gaps is similar to that reported in 2009 (10%). As other comparators, the UK-wide 2013 Employer Skills Survey (UKCES) reported 11% of employers in the construction sector as having skill gaps and that the all-sectors average for the proportion of employers with skills gaps was 15%. The frequency of reported skill gaps by size of business and broad sectors is shown in the following chart:

**Figure 27: Proportion of businesses with skill gaps, by sector and size (all employers/self-employed individuals)**




Unweighted sample bases in parentheses ~ based on employers only

QD2 Thinking about these directly employed staff, I'd like to know how many you think are fully proficient at their job i.e. able to do the job to the required level. How many of your existing **OCCUPATION** would you regard as fully proficient at their job?

## Occupations in which skill gaps exist

Respondents provided detailed information on the occupations employed within their businesses and, in the case of the self-employed, the trades that they themselves work in. They were then asked to specify the number of people in each of these occupations that are fully proficient in their jobs.

The most numerous skill gaps, as a percentage of all skill gaps, are those affecting labourers and general operatives (14% of all skills gaps), carpenters/joiners (11%), administrative staff (11%) and scaffolders (10%).

However, focusing on the proportion of workers in each occupational group who have skill gaps offers a different picture. In this alternative way of looking at the issue, skill gaps most commonly affect scaffolders (10% of those employed in this occupation) and floorers (10%).

Among the self-employed with skill gaps, carpenters/joiners and architects vie for first place in terms of the occupations in which skill gaps are most likely to be present (12% each of all those with skill gaps amongst the self-employed). One in ten of the self-employed with skill gaps are plasterers (10%), while slightly fewer are bricklayers (9%) or roofers (9%).

## Skills

Overall, the three main skill areas in which staff with skill gaps require further development include personal skills (22%), 'experience and knowledge in general' (19%) and job specific/trade skills (15%). IT skills are reported as missing by 10% of employers with skill gaps.

The following table also shows a breakdown of employers' reports of types of skill gaps by some key industry occupations. *It is emphasized that, because of the very small numbers of cases, these statistics are illustrative or indicative at best.* The data *may* suggest, however, that: amongst skilled workers there are some gaps in basic skills of the trade; that personal skills are particularly likely to be insufficient amongst scaffolders and operatives; that some 'white collar' groups, including managers, lack IT skills; and that some technical/professional groups lack experience:

**Figure 28: Skills required, by occupation in which skill gaps are cited (employers with skill gaps)**

| Column percentages | Employers with skill gaps | Carpenters / joiners | Bricklayers | Roofers | Scaffolders | Plant and machine operatives | Labourers and general operatives | Supervisors | Technical staff | Civil engineers | Other engineers | Quantity surveyors | Managers/directors | HR, legal and business professionals | Administrative staff | Staff with no one main role or who multi task |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Personal skills | 22 | 0 | 0 | 0 | 57 | 73 | 18 | 33 | 3 | 5 | 35 | 17 | 11 | 5 | 5 | 51 |
| Experience/knowledge | 19 | 4 | 6 | 29 | 1 | 16 | 20 | 55 | 70 | 75 | 2 | 26 | 8 | 5 | 35 | 4 |
| Job-specific/trade skills | 15 | 5 | 6 | 23 | 1 | 1 | 13 | 30 | 62 | 14 | 40 | 45 | 2 | 53 | 17 | 32 |
| IT skills | 10 | 19 | 0 | 0 | 0 | 0 | 7 | 3 | 27 | 0 | 0 | 0 | 36 | 48 | 39 | 0 |
| Scaffolding | 3 | 0 | 0 | 0 | 27 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Health & Safety | 3 | 0 | 0 | 6 | 1 | 0 | 5 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Plumbing | 3 | 0 | 0 | 0 | 0 | 0 | 6 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 29 |
| Carpentry/joinery | 3 | 28 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Qualifications (NVQ's) | 1 | 0 | 0 | 6 | 3 | 9 | 5 | 0 | 0 | 0 | 0 | 4 | 2 | 5 | 8 | 0 |
| Management | 1 | 4 | 0 | 12 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 1 | 5 | 6 | 6 |
| Plant operation | 1 | 0 | 6 | 6 | 0 | 9 | 6 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6 | 0 |
| Roofing | 1 | 0 | 0 | 35 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Bricklaying | 1 | 2 | 20 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Various/General skills | 8 | 23 | 0 | 0 | 1 | 10 | 3 | 14 | 13 | 11 | 25 | 34 | 3 | 47 | 2 | 1 |
| Other | 1 | 0 | 0 | 0 | 0 | 0 | 4 | 0 | 0 | 10 | 12 | 29 | 0 | 0 | 1 | 6 |
| Don't know | 20 | 20 | 73 | 18 | 11 | 0 | 37 | 0 | 1 | 0 | 0 | 5 | 48 | 0 | 17 | 9 |
| *Unweighted Bases* | *141* | *11* | *5* | *8* | *19* | *10* | *26* | *12* | *12* | *8* | *7* | *7* | *13* | *6* | *27* | *10* |

QD5 **EMPLOYERS:** Thinking about **[OCCUPATION]** who are not fully proficient, which skills do you feel need improving? **SELF EMPLOYED:** Which skills do you feel you need to develop and improve?] **PROBE FULLY AND WRITE IN**

Among self-employed individuals with skill gaps, IT skills are the most frequently mentioned gap (26%), while one in five (20%) mention a gap in management skills.

## Causes

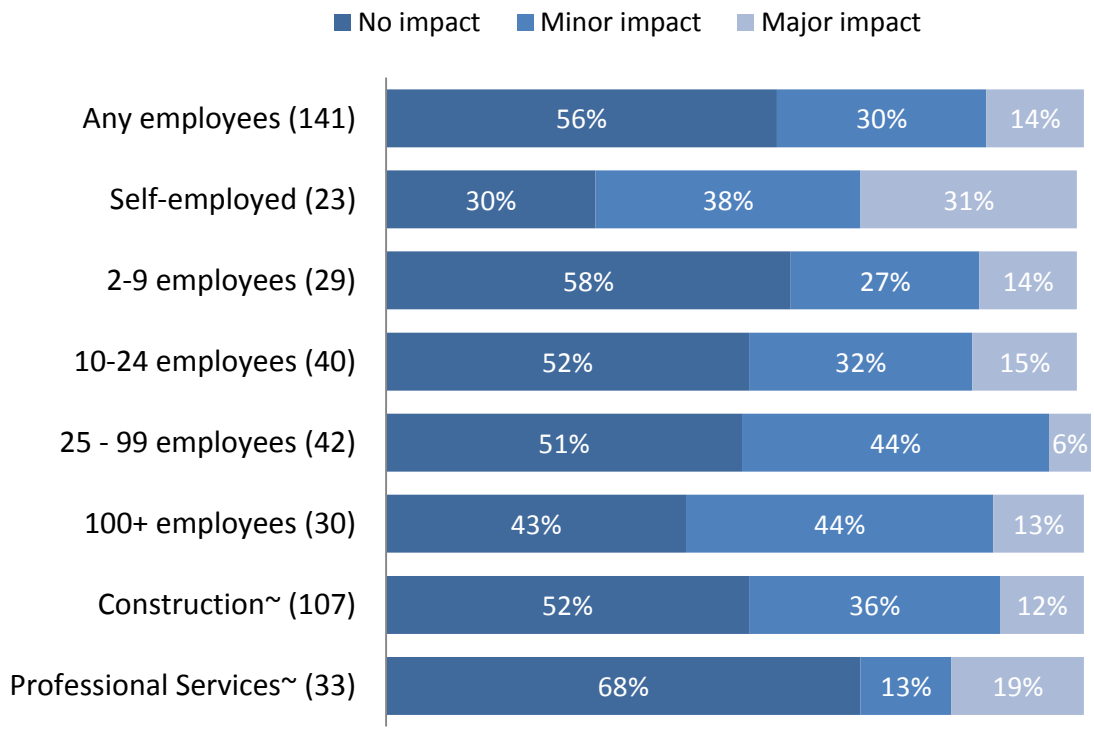
The majority of employers reporting skill gaps cite lack of experience or staff having been recently recruited as the reason (61% of those with skill gaps). One in six (17%) cited the fact that employees were still in training as the reason. Around one in ten employers with skill gaps mentioned that staff lack motivation to obtain the necessary skills (11%), or that there had not been the opportunity to train and develop the staff in question (8%).

## Impact

When asked about the impact of skill gaps on business performance, just 14% of employers and 31% of self-employed individuals report that they have had a major impact, with 30% of employers and 38% of self-employed individuals reporting that the impact has been minor.

Skill gaps have a lesser impact on businesses with employees (44% in aggregate), but most impact within businesses with 100 or more employees (57%). They are more likely to have an impact in the construction sector (48% in aggregate) than in professional services (32%):

**Figure 29: Extent to which skill gaps impact on business performance, by sector and size (where have skill gaps)**

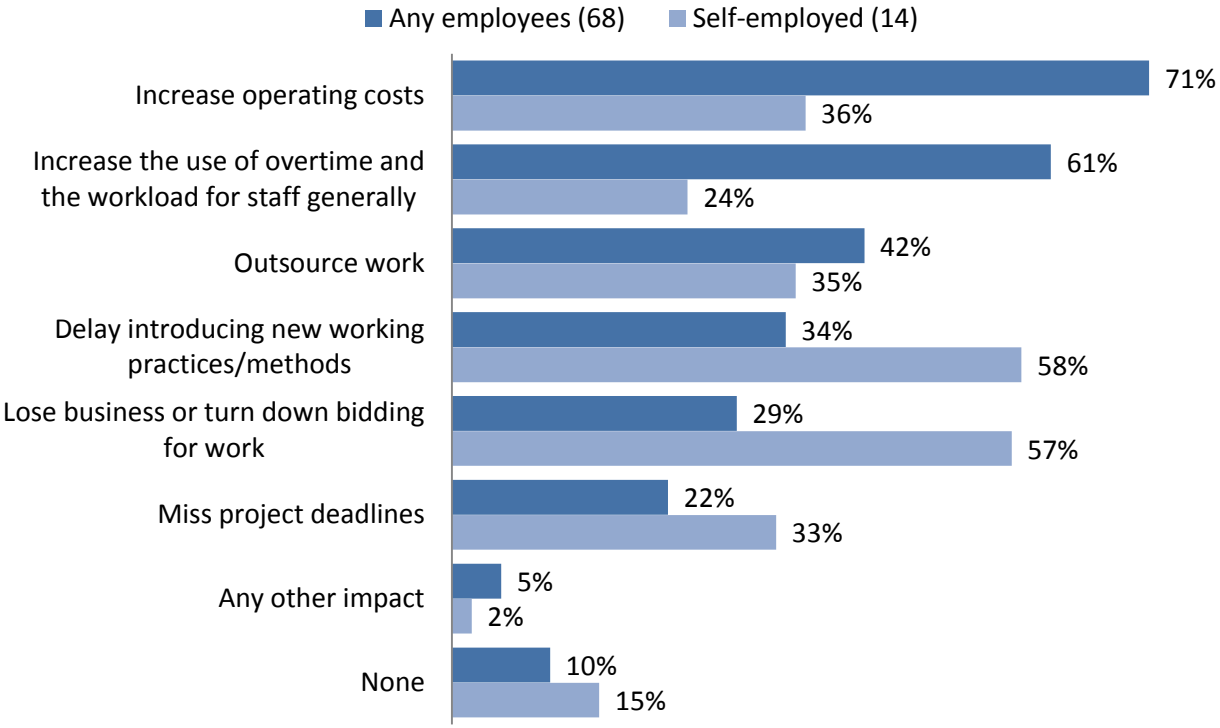



Unweighted sample bases in parentheses ~ based on employers only

QD6 **EMPLOYERS:** Thinking about your establishment as a whole, does the fact that some of your staff are not fully proficient have an impact on how your establishment performs? **SELF-EMPLOYED:** Does the fact that there are skills you need to develop and improve have an impact on your business?] **READ OUT AND CODE ONE ONLY**

As shown in the next chart, amongst employers, increased operating costs (71%) and increased use of overtime and increased workloads for staff (61%) predominate as impacts of skill gaps. For self-employed individuals, delay in the introduction of new working practices/methods (58%) and loss of business or having to turn down opportunities to bid for work (57%) predominate:

**Figure 30: Ways in which skill gaps are impacting on businesses (where have skill gaps)**




Unweighted sample bases in parentheses

QD7 **EMPLOYERS:** Is the fact that some of your staff are not fully proficient causing this establishment to…? **SELF-EMPLOYED:** Is the fact that you are not fully proficient causing your business to…?] **READ OUT AND CODE ALL THAT APPLY**

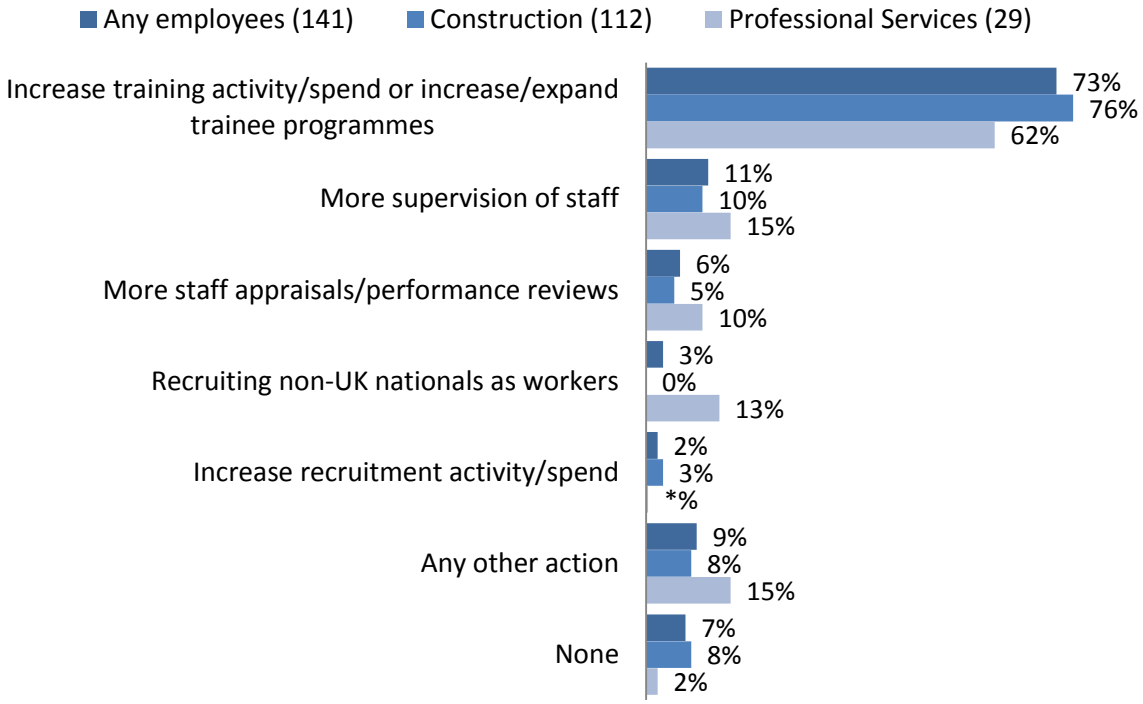
## Overcoming skill gaps

The majority of employers (73%) with skill gaps are increasing training activity or spend or increasing or expanding their trainee programmes in order to overcome skill gaps. This proportion increases to 90% of 100+ employers with skill gaps.

These larger employers are also significantly more likely than average to be undertaking more staff appraisals/performance reviews (26%, compared with an average of 6%) and imposing more supervision on staff (22%, compared with 11%).

Construction businesses are more likely than those in professional services to be increasing training activity (76%, compared with 62%), while professional services businesses are significantly more likely than construction businesses to be recruiting non-UK nationals as workers (13%; none of the construction businesses).

**Figure 31: Action businesses are taking to overcome skill gaps, by sector - unprompted, multiple response (employers with skill gaps)**




Unweighted sample bases in parentheses *denotes less than 0.5%

QD8 **EMPLOYERS:** What action, if any, is this establishment taking to overcome the fact that some of the staff are not fully proficient in their job? **SELF-EMPLOYED:** What action, if any, are you taking to develop or improve your skills? **DO NOT READ OUT. CODE ALL THAT APPLY**

Two-fifths (40%) of the self-employed with skill gaps are increasing training activity and spend to overcome skill gaps but a further two-fifths (40%) are not taking any action.

## Up-skilling

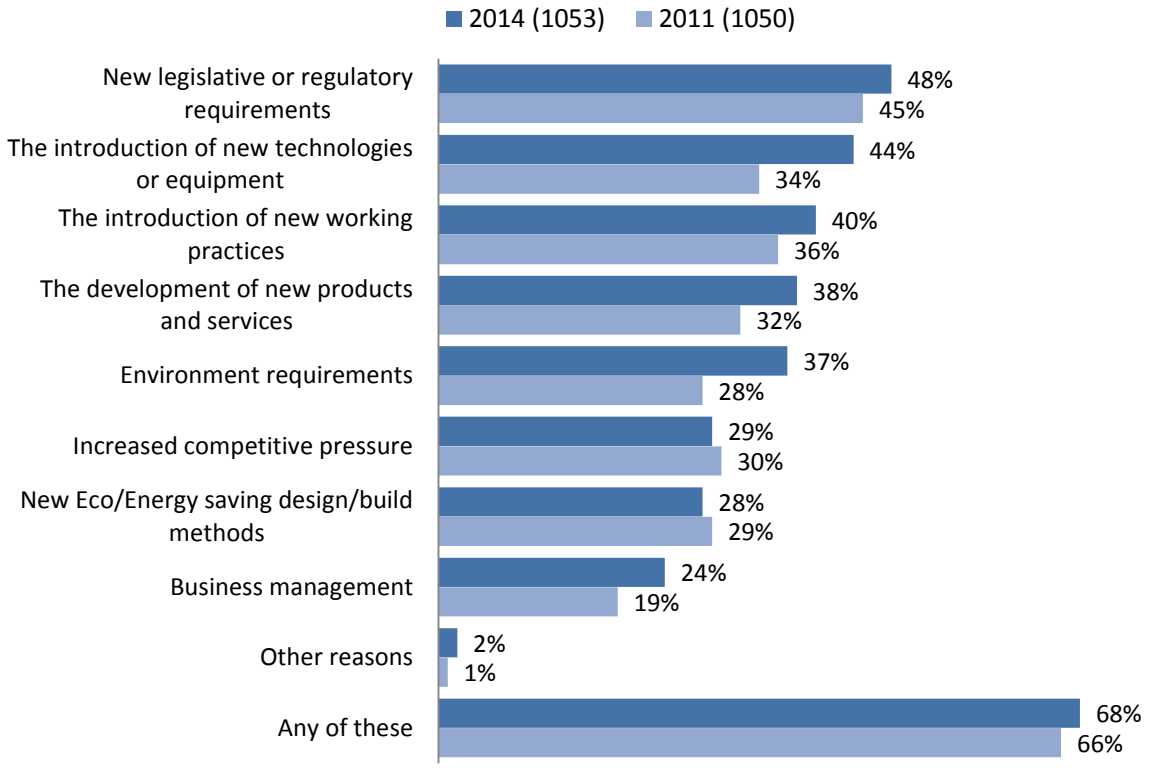
### Drivers of need for new skills and knowledge

All employers were asked whether a range of factors would require new skills in the workforce. Two-thirds of employers (68%) anticipated that one or more of the factors would have this effect. This is a similar proportion to that reported in 2011 (66%). It increases (but not significantly) to 75% in Northern Ireland.

The most frequent driver of new skills and knowledge among employers is new legislative or regulatory requirements (48%, increasing to 59% in Northern Ireland), closely followed by the introduction of new technologies or equipment (44%, although only cited by 31% of employers in Wales) and the introduction of new working practices (40%). These were the top three drivers of the need for new skills and knowledge among employers in 2011 (45%, 34% and 36% respectively).

Employers in Northern Ireland are significantly more likely than average to cite business management (35%) as a driver of new skills or knowledge.

**Figure 32: Drivers of new skills or knowledge, a year on year comparison - prompted, multiple response (all employers)**




Unweighted sample bases in parentheses

QE1 **EMPLOYERS:** Over the next 12 months do you expect that employees will need to acquire new skills or knowledge as a result of…? **SELF-EMPLOYED:** Over the next 12 months do you expect to need to acquire new skills or knowledge as a result of…? **READ OUT AND CODE ONE FOR EACH**

There is a similar picture amongst self-employed individuals, with two-thirds identifying a need to acquire new skills or knowledge (67%) with the drivers of this most likely to be new legislative or regulatory requirements (48%) and the introduction of new technologies and equipment (47%). For these businesses, however, 'new eco/energy saving design/build methods' features above the introduction of new working practices (41% and 36% respectively).

The extent to which any of these factors is likely to drive the need for improved skills and knowledge in the workforce increases with business size (see following table).

**Figure 33: Drivers of new skills or knowledge, by business size and sector - prompted, multiple response (all respondents)**

| | | | Employers | | No. of employees (site based) | | | |
|---|---|---|---|---|---|---|---|---|
| Column percentages | Any direct employees | Self-employed | Construction | Professional services | 2-9 | 10-24 | 25-99 | 100+ |
| The development of new products and services | 38 | 33 | *35* | **47** | 38 | 37 | 36 | **54** |
| New Eco/Energy saving design/build methods | 28 | 41 | *22* | **43** | 27 | 31 | 27 | **50** |
| The introduction of new working practices | 40 | 36 | 39 | 43 | 38 | **51** | **52** | **69** |
| The introduction of new technologies or equipment | 44 | 47 | *39* | **57** | 43 | **50** | **47** | **77** |
| New legislative or regulatory requirements | 48 | 48 | *45* | **56** | 46 | **58** | **62** | **72** |
| Increased competitive pressure | 29 | 30 | 29 | 31 | 28 | **35** | **37** | **50** |
| Business management | 24 | 26 | *22* | **31** | *21* | **40** | **42** | **53** |
| Environment requirements | 37 | 32 | 35 | 43 | 36 | **43** | **46** | **72** |
| Other reasons | 2 | 3 | 3 | * | 2 | 2 | 4 | 2 |
| Any of these | 68 | 67 | 65 | 77 | 66 | **80** | **77** | **84** |
| Unweighted bases | 1053 | 157 | 840 | 213 | 486 | 218 | 228 | 121 |

Figures in bold font are significantly higher than average minus the sub-group tested; those in italics are significantly lower than average minus the sub-group tested

QE1 **EMPLOYERS:** Over the next 12 months do you expect that employees will need to acquire new skills or knowledge as a result of…? **SELF-EMPLOYED:** Over the next 12 months do you expect to need to acquire new skills or knowledge as a result of…? **READ OUT AND CODE ONE FOR EACH**

## Occupations affected by the 'drivers'

In terms of the occupations that are likely to be most affected by the need to acquire new skills or knowledge, managers/directors are cited by one in four (24%) of those anticipating a need in this respect. This reflects the extent to which this occupation group is present in all businesses as well as managerial responsibility for managing the introduction and effects of the various drivers.

Labourers and general operatives are cited as the occupational group most likely to be affected by one in eight construction businesses (12%) and 'other engineers' (those other than civil, mechanical and building service engineers) by 11% of professional services businesses:

**Figure 34: Top 10 occupations affected by the need to acquire new skills or knowledge in the next year, by sector (employers anticipating the need for new skills and knowledge)**

| Column percentages | Construction | | Professional services |
|---|---|---|---|
| Managers/directors | 24 | Managers/directors | 22 |
| Labourers and general operatives | 12 | Other engineers | 11 |
| Carpenters/joiners | 9 | Architects | 10 |
| Administrative staff | 8 | Building service engineers | 8 |
| Supervisors | 6 | Architectural technologists | 6 |
| Technical staff | 5 | Civil engineers | 5 |
| Scaffolders | 4 | Technicians | 5 |
| Plant and machine operatives | 4 | Administrative staff | 5 |
| Staff with no one main role or who multi task | 4 | Mechanical engineers | 3 |
| Bricklayers | 3 | Building surveyors | 3 |
| Unweighted sample base | 529 | Unweighted sample base | 139 |

QE2 Which single occupation will be most affected by this need to acquire new skills or knowledge? **PROMPT AS NECESSARY AND CODE ONE ONLY**

## Skills required as a result of the 'drivers'

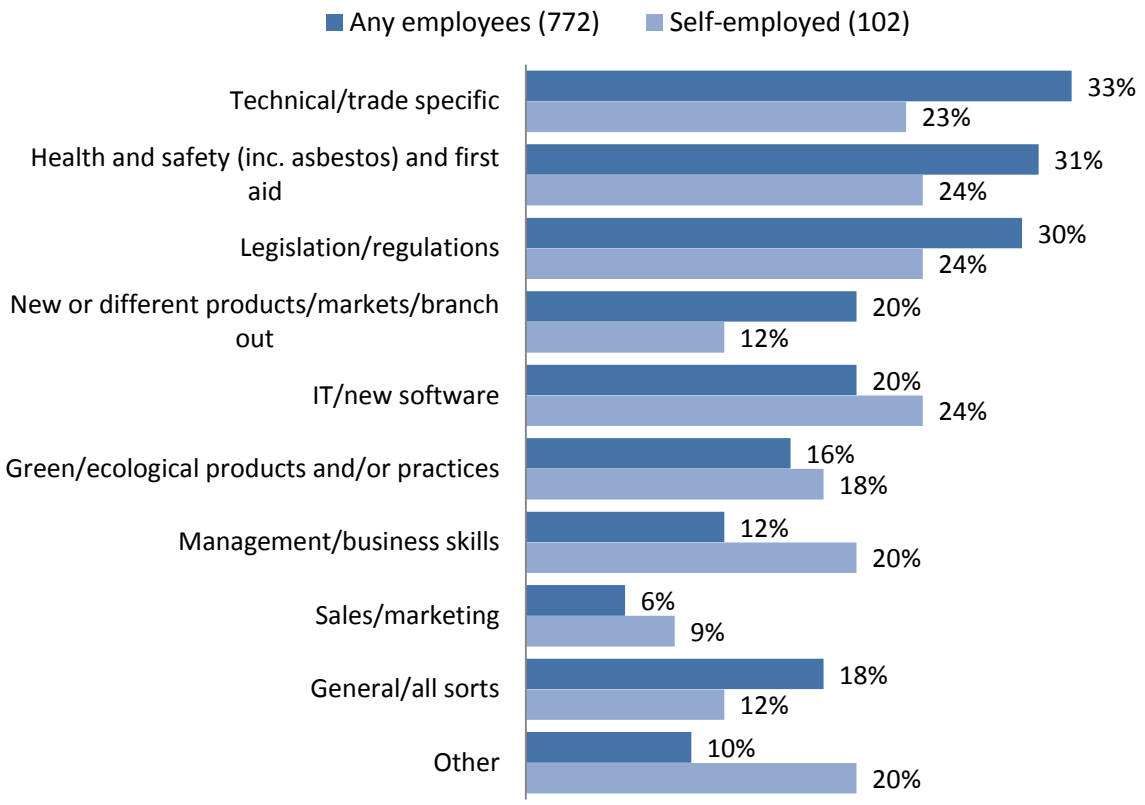
The three areas in which skills and/or knowledge are most frequently reported, by employers, as needing improving or updating as a result of the drivers are technical/trade-specific skills (33%, increasing to 51% in Scotland), skills and knowledge related to health and safety/first aid (31%, also significantly higher than average in Scotland at 47%) and skills and knowledge related to legislation/regulations (30%).

Needs for management/business skills are reported by higher proportions of employers in Northern Ireland (20%) and Wales (23%) than average (12%).

Of the two-thirds of self-employed individuals who anticipate a future skills need, around one in four cite health and safety (24%), legislation/regulations (24%), IT/new software (24%) and technical/trade specific (23%) skills. One in five (20%) anticipate the need for management/business skills.

These statistics can be seen in the following chart:

**Figure 35: Skills and knowledge that will need improving or updating over the next 12 months - multiple response (where need to acquire new skills or knowledge)**




Unweighted sample bases in parentheses

QE3 **EMPLOYERS:** Which skills do you feel will need improving or updating amongst your **STAFF** over the next 12 months? **SELF-EMPLOYED:** Which skills do you feel you will need to improve or update over the next 12 months? **PROMPT AS NECESSARY AND CODE ALL THAT APPLY**

As shown in the following chart, needs for health and safety skills/knowledge are more frequently cited by construction businesses (35% compared with 22% for professional services), while professional services businesses are most likely to cite technical/trade specific skills (43% compared with 28% for construction). Professional services businesses are also significantly more likely than construction businesses to cite skills and knowledge related to legislation/ regulations (37%, compared with 27%) and to IT/new software (32%, compared with 15%):

.

**Figure 36: Skills and knowledge that will need improving or updating over the next 12 months, by sector - multiple response (where need to acquire new skills or knowledge)**


Unweighted sample bases in parentheses

QE3 **EMPLOYERS:** Which skills do you feel will need improving or updating amongst your **STAFF** over the next 12 months? **SELF-EMPLOYED:** Which skills do you feel you will need to improve or update over the next 12 months? **PROMPT AS NECESSARY AND CODE ALL THAT APPLY**

## Findings from qualitative discussions: skills issues

### Drivers of skills demand

A first observation from in-depth discussions with construction businesses is that what drives demand for skills and what determines the character of that demand is a complex set of factors which impact on different businesses in different ways. Some of the 'drivers' can be identified.

Firstly, of course, recession and its aftermath set a basic context for labour and skills demand. Most of the small and medium businesses interviewed had maintained stable or fluctuating workforces over recent years. However, continued uncertainty about business levels had led to increased use of sub-contract labour (above traditionally high levels of sub-contracting) rather than direct employment, and to increased use of short-term contracts. For some small businesses, particularly those with older owner-managers, there was in any case little appetite for growth. For example, one manager of a scaffolding company reported:

> *'Things are picking up a bit but the company has grown only from 6 to 10 staff in the last 25 years. We work for a group of bigger companies that we have longstanding relationships with. We don't go out chasing work.'*

For larger businesses, formal business growth targets were more frequent and one major construction business reported growth in its direct employment of over 40% in the last two years.

This instance of growth highlights a second factor which conditions growth or otherwise for construction businesses (as in any other sector); that is, the competitive environment and businesses' market strategies in response to that market. Most businesses interviewed, from small to large, emphasised the extremely competitive conditions in which they worked. This was described in various interviews simply as many businesses chasing potential orders with resulting downward pressure on the prices they could charge. Others reflected on the increasing demand for 'professionalization' with more sophisticated customers requiring formal quality assurance and health and safety and on-site skills certification. Several businesses, including both SMEs and large ones, reported on the increasing importance of a full customer service operation giving an 'end-to-end', in-depth service to clients, taking them from initial project consultation to project after-care and maintenance. In the large business case noted above, the business had had the resource to make a major shift in strategy which moved their emphasis from flatter areas of demand and enabled them to compete successfully for very substantial mechanical/electrical engineering segments of major infrastructure projects. Generally, innovation had seen the company widen its needs for skills:

> *'We used to recruit graduates over half a dozen disciplines. Now we recruit from seventeen different disciplines, with information modelling leading the way on that. As our portfolio increases, that drives our recruitment needs'.*

For smaller companies, which tend to have a much more narrowly focussed capability, the ability or the will to shift that focus to meet changing markets appeared to be more limited, leaving them, as above, to compete with their peers for the fluctuating volume of work which the market supplies.

A further aspect of the competitive environment concerns location and reach. Large businesses interviewed had a national/international profile and could compete anywhere across the UK (albeit one said 'it's like Chinese Chequers – we have to get people to the right places at the right time, and that's a continuous challenge.'). However, for smaller businesses, though construction is, of course, a traditionally mobile industry, the high travel and subsistence cost of working 'out of area' in a time of tight margins prevented them from competing successfully or from seeking to compete at all if the contract was too distant.

From another point of view, location was also significant to the skills supply issue. Some businesses reported that staff were sometimes unwilling to relocate or commute long distances. Particularly in and around London, it was suggested that travel costs were hindering recruitment and driving up wages in cases where congestion charges and/or parking costs were a significant factor for potential new staff.

Technological change was also implicated in the development of business and market strategies. In some cases, little scope for technological development was reported in respect of basic methods. The scaffolding business interviewed reported, for example, that though system, 'slot together', scaffolding was available, for them it was still about 'poles, clamps, and planks', because the traditional method worked better for the churches and other heritage buildings on which they mostly worked. However, other businesses reported technology development. Two businesses, one micro-business and one medium-sized, reported information system development and introduction, particularly, of BIM (Building Information Modelling) into their design and communications processes. One large business suggested that:

> *'We've exploited innovation to expand our range and increase productivity. For example, in highways maintenance, we used to inspect assets manually. Now a CCTV vehicle does it easier and offers savings to the customer. This drives the business forward. It takes many less staff to do it but because it makes us more competitive, we win more business and the businesses grows overall.'*

Businesses were also asked about some possible significant influences on skills demand deriving from government policy. On one hand, the government's constraint on public spending allied to the earlier recession, had depressed demand in the view of several companies. One company also reported that changes in environmental policy [in respect of the Green Deal and ECO (Energy Companies Obligation)] would have negative effects on their particular area of the industry.

However, there were positive, off-setting factors. Different sub-sets of businesses recognised:

- A house building market boost from the Help to Buy programme was observed by some companies.
- One business saw EFG (Enterprise Finance Guarantee – a scheme to encourage additional lending to SMEs) as beneficial (but also suggested that banks have limited its effectiveness).
- Changes to planning regulations were believed by some businesses to have had a positive effect on domestic conversions and extensions.

When asked particularly about the impact of major infrastructure projects (such as the Olympics and Crossrail), views were very positive in almost all cases, such projects being seen as major drivers of labour and skills demand and as an impetus to skills development and businesses' quality of performance. One respondent in a large business recognised that smaller businesses could lose out given the dominance of large businesses as lead contractors for main sections of large infrastructure projects. However, he believed that large businesses were likely to promote local sourcing and responsible procurement of sub-contract services and were keen to drive quality standardisation and high performance working into their supplier networks – with positive consequences for those smaller businesses in their subsequent work. One SME reported that working on the Olympic project had raised their profile and allowed them to win further work.

Extension to the employment rights of agency workers was not seen as a significant matter by any of the companies interviewed (mainly because they rejected the use of agency staff as being of uncertain quality). However, one respondent, a small building contractor, observed that migrant labour was a factor in the industry, in this case pointing out its implications for on-site communications and, hence, for health and safety:

> *'Europe is getting bigger, there are more people coming in. There needs to be more done about language barriers and more opportunity for them to learn and communicate as there is a health and safety risk. If we are all going to work together, then let's do it property.'*

One respondent, a contracts manager for a medium-sized builder, whilst being asked to reflect on public policy influences on demand for industry services, made the case for abolition of VAT on renovations and extensions as a stimulus to job creation:

> *'One thing that would help the industry would be the abolition of VAT on extensions and renovations. A new build is VAT-free but 20% VAT on a renovation or extension is horrendous amount of money, especially on small jobs worth £10,000 as the customer ends up with a £12,000 bill. A reduction would be great but abolition of VAT would help and bring in a lot of work. We do get a lot of potential work but when the client discovers the VAT charge, they can no longer afford it'.*

Finally, in respect of factors influencing skills demand and supply, interviewees were asked for their views on the outflow of older workers through retirements and the inflow of young replacements.

Several smaller companies did not have a current 'ageing workforce' issue because the current age profile of their businesses was such that their older workers were 5 to 10 years away from the point where retirement might be expected. Other businesses had varied views on the matter. For example, one manager in a medium-sized architectural business valued experience and was not greatly exercised by the presence of an older segment of the workforce:

> *'We have people who are coming up to that age. It's part of the process and we think that they have a role to play in our business. Their experience is something that you can't buy, you can't teach experience.'*

Another respondent, however, perhaps running a more 'physical' workforce (from a position as Construction Director of a medium-sized buildings completion and finishing business) was more concerned to increase efficiency through the replacement process:

> *'We recognise that an aging workforce isn't as efficient as a young workforce. We are actively looking at lowering the average age for our company. That's going to be natural wastage as people leave and we will be looking for younger people'.*

On the 'inflow' side, there was wide agreement on the desirability of recruiting young people. However, there were a number of barriers to that happening easily. In some cases, it was simply that their recruitment was mainly for higher level staff and/or for positions requiring substantial experience which inherently inhibited recruitment of

lowly- or moderately-qualified young people. In other cases, the cost of taking on young people was noted (in this case by the manager of a medium-sized construction business):

> *'The biggest challenge is financial. Being able to afford to take them on, not because of their direct salary but because of the training that is involved, the level of supervision required – there is a cost pertaining to that. We would like to recruit more, because if we train them then hopefully there is a good future for them and us. But it takes money and finance to do that. Right now everything is very competitive.'*

The need to find young recruits with the right qualities was also observed. One manager (of a small building contractor) suggested that lack of experience and poor work attitudes was sometimes found:

> *'Young people struggle a lot more with positive attitude and motivation, in terms of applying themselves. They haven't got the life experience. You hope that the one you are taking on, depending on the information that they have given, that they are right and good for the job. A lot of them are good. But for some of them it is a shock to be at work for 7.30am. They are not always punctual and sometimes don't come in.'*

Another manager (of a scaffolding business) believed that the industry (or his sub-sector at least) attracted the 'wrong sort' of young people:

> *'It's a young man's game – you've got to be fit. But a lot hear about it from their mates and drift into scaffolding thinking anyone can do it. But it takes years to become a good scaffolder and you have to be the right sort to stick at it and do it properly – pay attention to detail and safety, not treat it casually.'*

Thus, in summary, some in-depth interviews with industry managers identified a range of factors which acted on different businesses in different combinations and to different degrees to condition the businesses' needs for skills, including:

- The business's underlying attitude to growth.
- The fall-out from the 2008/2009 recession.
- The particular types and strengths of competition faced by businesses and their ability to position themselves as advantageously as possible in the face of that competition.
- The business's location, its particular sub-sector, and its size of operation.
- The availability of, and resources to adopt, more efficient technologies.
- The varied impacts of different aspects of government policy.
- The age profile of the business's workforce and their ability and willingness to recruit able younger workers as replacements.

### Recruitment difficulty and skills shortage

The brief review above has suggested a number of impacts on skills needs arise from businesses' external environments, their particular market positions, and their individual sets of aspirations and resources.

Interviews, however, also had a specific focus on recruitment difficulty and skills shortages.

Most companies interviewed were able to identify some constraint. For smaller SMEs, a variety of shortages specific to their particular types of operation were mainly at semi-skilled or craft levels and included those for plasterers, cladding installers, bricklayers, and joiners/carpenters. In larger businesses, managers more often reported difficulties in respect of technical and professional staff – for example, for project managers with the right blend of qualifications and experience, for engineering site staff at middle management level, and for designers. One director of a medium-sized design business reflected that the business had historically drawn staff from other industries but the decline of these industries had caused them difficulties.

> *'We need design engineers in pipework. We used to get experienced people from shipyards or chemical plants but we don't have those locally anymore'.*

Reflecting on skills shortage problems, other perspectives were offered by individual respondents.

One manager in a large business involved in delivery of major infrastructure projects believed that these projects constituted a huge challenge for skills supply because of peaks and troughs in the 'infrastructure cycle'. His view was that this led to periods of undertraining which subsequently led to major skills shortages when new projects eventually came on stream.

Another respondent, a manager of a small building contractor, reported that recruitment was a process which required time and that individuals' true capability was difficult to assess on the basis of qualifications which themselves have a very wide range and on self-reports of experience which can be misleading:

> *'People who apply have a range of qualifications and it's difficult to sort out what would be right. In any case, experience can be more important. Sometimes, an older person may not have the bits of paper to say he can do the work but yet when you put him on site he is more competent in carrying the work out than someone who has more paper qualifications'.*

A manager in a medium-sized business contractor believed that fluctuations in workload were not a wholly negative phenomenon as they allowed the business to refresh its workforce and raise its overall efficiency:

> *'When there's a shortage of work it allows us to lose those whose skills aren't up to standard while we do everything we can to keep those who are too good to lose'*

But they also recognised that if downturns were too severe, this process could go too far:

> *'The trouble is that if we can't afford to keep even good workers on, when the work picks up again, they've gone somewhere else and we've lost them'.*

Finally, there was a belief that skills problems, of longstanding in the industry, may well continue into the future. A manager in a medium-sized architectural design business said:

> *'We do envisage a labour shortage of skilled labour in the industry in the coming months and years. We can see that as a problem on the horizon. We're hearing, within the market, that all types of skilled craftsmen are getting more difficult to find'.*

The same manager also reinforced the importance of the industry's workforce to its performance:

> *'The efficiency of the labour force is important. It is the lifeblood of the business. They need to perform but you need to interact with them, you need to keep them safe, and you need to train them'.*

### Qualitative interviews: skills issues – summary

A small set of telephone interviews, albeit in more depth than was possible in the quantitative telephone survey, cannot reliably quantify the underlying pattern of complex and interactive relationships between the factors that drive changing levels and types of skill needs. Nor can it necessarily capture all the drivers and impacts which may be involved – a much larger set of depth interviews would be required. However, the interviews do allow an outline model to be generated. Essentially, this suggests that a range of external influences disposing to change are filtered through the particular characteristics of businesses to produce a varied range of impacts of employment and skills needs and characteristics, thus:

| External influences | Variation in business characteristics and position (which influences the extent to which particular external influences are significant) | Employment and skills effects |
|---|---|---|
| Post-recessionary levels of demand for construction services and cyclical or random fluctuations in demand<br><br>Changing customer expectations; particularly rising demand for formal quality assurance (including of H&S and on-site skills) and, in major projects, for full-service delivery from pre-project consultation to post-project after-care<br><br>Varied impacts of different aspects of government policy including high level issues (such as overall government spending levels and major infrastructure investment strategies), particular decisions affecting some sub-sectors (such as Help to Buy), and regulatory demands (including H&S and environmental regulation)<br><br>Availability of new technologies to increase process efficiencies or to offer new materials<br><br>The capacity of the labour market and the educational system to supply potential recruits with the right skills and attitudes | Size of business (with all that infers for resources of management expertise and of investment capital)<br><br>Sub-sector of business<br><br>Location of business (with all that infers for size and strength of local markets and for availability and cost of labour)<br><br>Competitor frameworks (number and capability of competing businesses)<br><br>Business strategy (whether the business seeks to grow – not a given, particularly for some smaller businesses – and the ability of the business to re-position to take advantage of changing markets and market opportunities)<br><br>Workforce age profile (whether or not the business has a significant 'retirement group' which places demand on recruitment) | Size of workforce and variations in workforce size<br><br>Different levels and types of recruitment, recruitment difficulty, and skills shortages<br><br>Increase in sub-contracting and temporary contracts (to cope with fluctuating workloads)<br><br>New and widening skill needs (to adjust to new markets or technologies) |

The implicit or missing 'fourth column' in this model concerns what businesses do to respond to the skills challenges inferred in the 'employment and skills' effects itemised in the third column. In essence, there are two main responses – to recruit staff and to train staff. The recruitment issue as addressed by the quantitative survey was discussed earlier in this chapter (in the 'Overcoming recruitment difficulties' sub-section). Employer training behaviour, as addressed by the quantitative survey, is described in the next chapter. Some further insights into training derived from the set of qualitative, in-depth interviews, are added at the end of that next chapter.

# 6. Workforce Training and Development

This section describes the extent and nature of workforce training and development activity within the construction sector.

Employers and self-employed individuals who had contracted, agency or self-employed staff working for them at the time of survey were asked about training and development of all directly employed or contracted, agency or self-employed staff in the last 12 months.

They were asked to exclude anyone on formal, government-funded Apprenticeships when answering these questions. Apprenticeships are discussed in detail in a later chapter of this report.

Businesses were asked separately about on-the-job and off-the-job training or development activity. On-the-job training is defined as 'activities that would be recognised as training by staff and not the sort of learning by experience that would take place all the time'. Off-the-job training is defined as 'training away from the individual's immediate work position, whether on the premises or elsewhere'.

## Provision of training

More than half of all employers (57%) have funded or arranged any training, on or off-the-job, informal or formal, for any staff in the last 12 months.

This is a similar proportion (56%) to that reported for the construction sector in the UK-wide 2013 Employer Skills Survey (UKCES). The current proportion of 57% is, however, below the national, all-sector, benchmark of 66% set by the Employer Skills Survey of 2013. It should be noted, however, first, that this national, all-sector benchmark includes public sector employers which have a particularly strong propensity to train and, thus, raise the overall average; and, second, that small firms generally train less frequently than large ones and, thus, the construction sector's business size structure may also be implicated in the apparently negative comparison.

A third of self-employed individuals (32%) have funded or arranged training for themselves or contract workers they are using in the last 12 months.

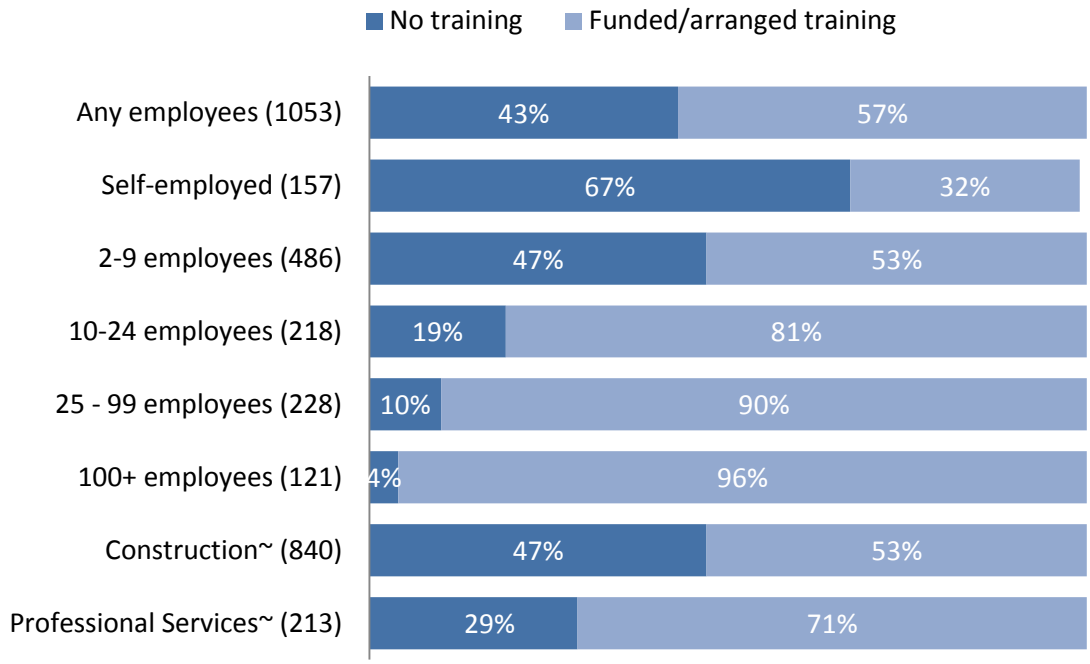
As shown in the next chart, the propensity to have provided any training increases with business size (to, on average, 85% of businesses with 10 or more employees) and is higher within professional services businesses (71%) than in construction (53%).

The provision of training is also at a higher level than the average of 57% among businesses that have recruited education leavers in the last 12 months (87%), businesses that have had hard-to-fill vacancies in this period (73%), businesses that have identified skill gaps in their workforces (87%) and construction businesses that offer Apprenticeships (remembering that respondents were asked to exclude training and development for Apprentices when answering these questions) (71%, compared with 55% of those that do not train Apprentices).

To some extent, the propensity to train among these sub-groups reflects the fact that these businesses also tend to be larger employers. However, it also reflects the needs to train inexperienced new workers and to respond to skills difficulties.

There are no statistically significant differences in the propensity to have funded or arranged any training in the last 12 months by nation, although employers in Wales are least likely to have done so (50%, compared with 58% in England and Northern Ireland and 59% in Scotland).

**Figure 37: Proportion of businesses that have funded or arranged any training in the last 12 months, by sector and size (all respondents)**




Unweighted sample bases in parentheses ~ based on employers only

QF1 Over the past 12 months have you funded or arranged any off-the-job training or development for yourself or staff i.e. training away from the individual's immediate work position, whether on your premises or elsewhere?
QF2 Have you funded or arranged any on-the-job or informal training over the last 12 months (whether for yourself, direct staff, the self-employed or others)?

## On-the-job training

Approaching two-fifths (39%) of all businesses with employees have funded or arranged any on-the-job training for any staff in the last 12 months.

This is a similar proportion to that reported for the construction sector (37%) in the 2013 UK-wide Employer Skills Survey (UKCES).

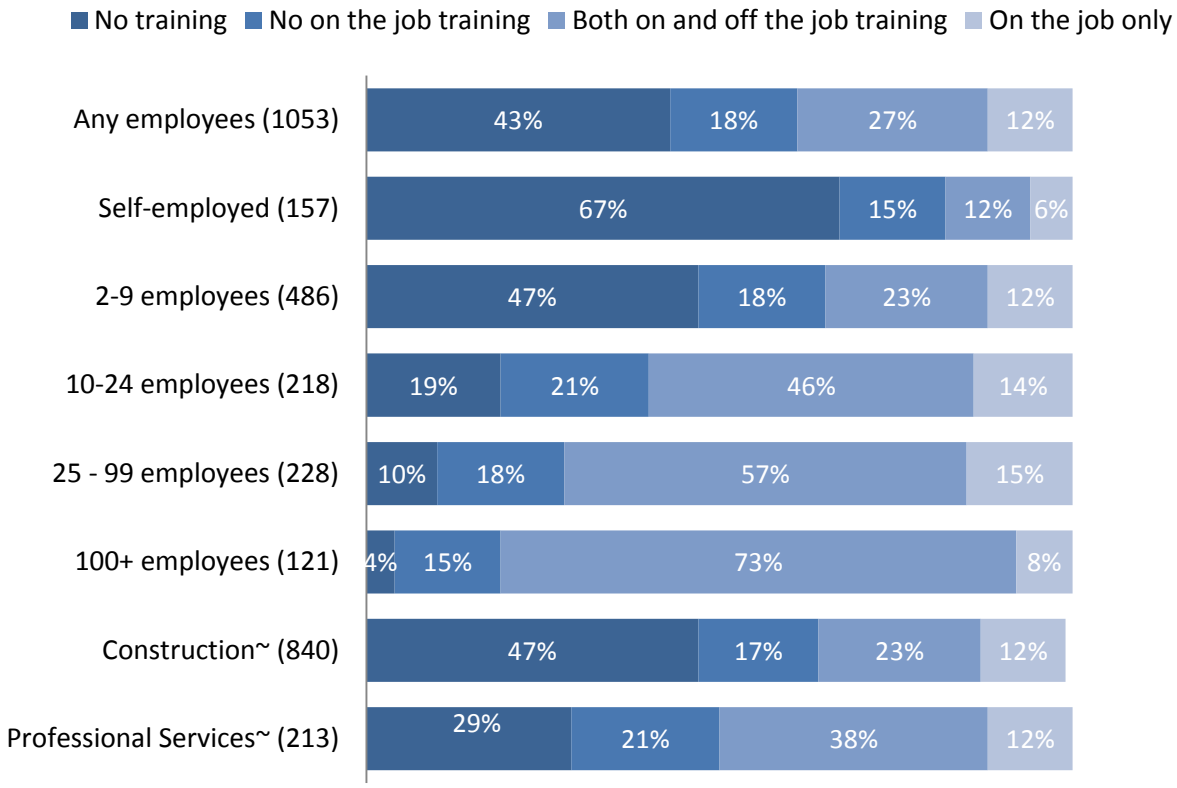
Provision of on-the-job training increases with business size and is significantly higher among professional services businesses than amongst those in construction.

By nation, employers in Northern Ireland (32%) and Wales (31%) are less likely to have funded or arranged any on-the-job training than those in England (39%) and Scotland (44%).

One in six self-employed individuals (18%) has funded or arranged on-the-job training for themselves or contract/agency/self-employed workers in the last 12 months:

The following chart sets out a more detailed analysis.

**Figure 38: Proportion of businesses that have funded or arranged on-the-job training in the last 12 months, by sector and size (all businesses)**




Unweighted sample bases in parentheses ~ based on employers only

QF2 Have you funded or arranged any on-the-job or informal training over the last 12 months (whether for yourself, direct staff, the self-employed or others)?

### *Scale of on-the-job training provision*

On average, employers provided each person trained with 8 days on-the-job training last year. In 2011, the mean number of on-the-job training days per trainee provided by employers was 6.5. Hence, there has been an increase over the last two years in the average number of days allocated to on-the job training per trainee trained on-the-job.

The mean number of days on-the-job training provided for each trainee in the last 12 months is significantly higher in the professional services sector than in construction (13 days, compared with 6 days), while by nation, the mean number of days spent on-the-job training is highest in England (9 days) and lowest in Scotland (4 days), compared with 5 days in both Northern Ireland and Wales.

The mean among self-employed individuals is 9 days of on-the-job training in the last 12 months.

As a proportion of all employees, 38% have been provided with on-the-job training. This proportion is significantly higher within the professional services sector (44%, compared with 36% in construction).

By nation, the proportion of all employees who have been provided with on-the-job training is similar across all four nations:

| | |
|---|---|
| England | 38% |
| Wales | 41% |
| Northern Ireland | 36% |
| Scotland | 39% |

### *Profile of workforce receiving on-the-job training*

Within construction the occupations most likely to receive on the job training were roofers, bricklayers, plasterers and plant and machine operatives, while within professional services, the occupations most likely to receive on the job training were architects and civil engineers. The data in the table below is indicative, since some of the bases (which are based on employee numbers rather than employers) are low at below 5,000 employees.

**Figure 39: Proportion of employees within occupations that have received on-the-job training (all employees)**

| Construction | | | Professional Services | | |
|---|---|---|---|---|---|
| | *Weighted base* | % | | *Weighted base* | % |
| Roofers | *467* | 59 | Architects | *828* | 70 |
| Bricklayers | *240* | 53 | Civil engineers | *3410* | 60 |
| Plasterers | *154* | 51 | Technicians | *1339* | 57 |
| Plant and machine operatives | *5584* | 51 | Quantity surveyors | *822* | 51 |
| Floorers | *94* | 41 | Building service engineers | *1369* | 44 |
| Managers/directors | *5572* | 37 | Mechanical engineers | *989* | 39 |
| Scaffolders | *821* | 35 | Scientists | *54* | 37 |
| Carpenters/joiners | *1076* | 31 | Administrative staff | *1979* | 34 |
| Painters/decorators | *171* | 27 | Project managers | *1998* | 33 |
| Plumbers | *226* | 27 | Architectural technologists | *76* | 30 |
| HR, legal and business professionals | *1482* | 25 | Other engineers | *2639* | 29 |
| Electricians | *476* | 21 | Managers/directors | *1918* | 28 |
| Labourers and general operatives | *13292* | 20 | Staff with no one main role/multi task | *1320* | 28 |
| Technical staff | *8422* | 19 | HR, legal and business professionals | *539* | 27 |
| Administrative staff | *12994* | 11 | Landscape designers | *6* | 17 |
| Supervisors | *3703* | 8 | Building surveyors | *478* | 8 |
| Staff with no one main role/multi task | *8775* | 5 | Town planners | *88* | 6 |

F8 And for roughly how many of the [occupation] have you funded or arranged on-the-job training in the last 12 months, including any who have since left?

## Off-the-job training

More than two-fifths (45%) of all businesses with employees had funded or arranged any off-the-job training for staff in the last 12 months.

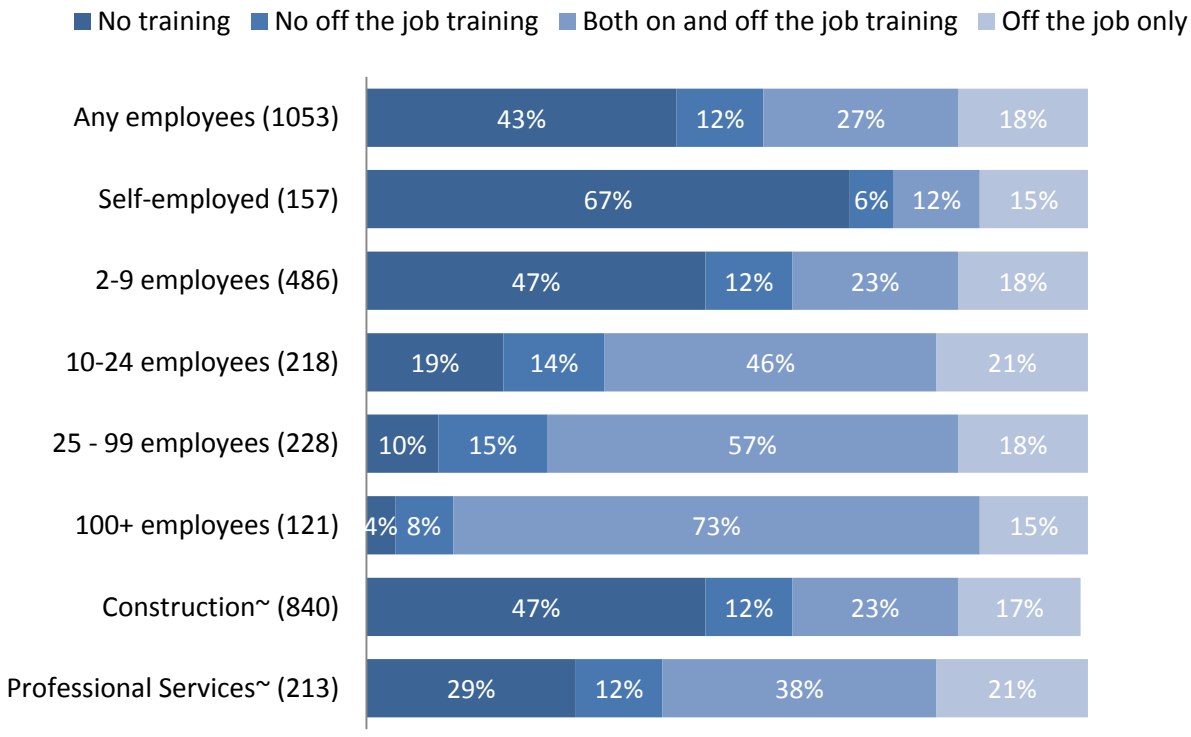
This is the same proportion (45%) as that reported for the construction sector in the UK-wide 2013 Employer Skills Survey (UKCES).

Based on findings from that 2013 Employer Skills Survey, which covered all industry sectors across the UK, construction is one of the few sectors where the proportion of employers supplying off-the-job training is higher than the proportion supplying on-the-job training. The only other sector that had lower proportions of employers supplying on-the-job training than of off-the-job training was agriculture, while within mining & quarrying, electricity, gas & water, business services and education, proportions of employers supplying on- and off-the-job training were similar.

By nation, employers in Northern Ireland (54%) are most likely to have funded or arranged off-the-job training, while those in Wales are least likely to have done so (40%). England (45%) and Scotland (43%) are closer to the UK average in this respect.

Just over a quarter of self-employed individuals (26%) had funded or arranged any off-the-job training for themselves or contract/agency/self-employed workers in the last 12 months:

**Figure 40: Proportion of businesses that have funded or arranged off-the-job training in the last 12 months, by sector and size (all businesses)**




Unweighted sample bases in parentheses ~ based on employers only

QF1 Over the past 12 months have you funded or arranged any off-the-job training or development for yourself or staff i.e. training away from the individual's immediate work position, whether on your premises or elsewhere?

### *Scale of off-the-job training provision*

On average, employers provided each trainee who trained off-the-job with 5 days off-the-job training last year. This is the same figure as reported in 2011.

The mean number of days off-the-job training provided to each trainee in the last 12 months is slightly higher in the professional services sector than in construction (5 days, compared with 4 days). There is little difference by business size and by nation (5 days in England, Scotland and Wales; 4 days in Northern Ireland).

The mean among self-employed individuals is 3 days of off-the-job training per trainee in the last 12 months.

In terms of the share of time between on- and off-the job training, overall, more than half was for on-the job training (55% of days spent). Within construction businesses the balance was more equal between the two (48% off-the-job; 52% on-the-job, compared with 41% off-the-job; 59% on-the-job in professional services).

In England and Northern Ireland, the share of time between on- and off-the job training is in favour of on-the-job training, while the reverse is true in Scotland and Wales:

| | |
|---|---|
| England | 44% off-the-job; 56% on-the-job |
| Northern Ireland | 35% off-the-job; 65% on-the-job |
| Scotland | 60% off-the-job; 40% on-the-job |
| Wales | 54% off-the-job; 46% on-the-job |

As a proportion of all employees, 41% have been provided with off-the-job training.

This proportion is similar across the two sectors of construction (40%) and professional services (42%). It varies widely by nation (as a consequence of sample sizes), with the proportion of all employees that have been provided with off-the-job training being highest in Northern Ireland and lowest in Scotland:

| | |
|---|---|
| Northern Ireland | 60% |
| Wales | 48% |
| England | 43% |
| Scotland | 32% |

It can also be noted that UKCES' Employer Skills Survey suggests that the average, all-sector number of training days per trainee per year is around 7 days. This figure is not directly comparable with this survey's estimates because it includes both on- and off-the-job training but it serves to make the point that the relatively small number of days spent in training per trainee in the construction sector does not appear to be atypical.

### *Profile of workforce receiving off-the-job training*

When we look at the training data as the proportions of people who received training as a proportion of all employees within each occupation, we can see that there is a very high likelihood of trade occupations having received off-the-job training in

construction. Within professional services, there is a high likelihood of technicians, architects, civil engineers and quantity surveyors receiving off the job training. The data in the table below is indicative, since some of the bases (which are based on employee numbers rather than employers) are low at below 5,000 employees.

**Figure 41: Proportion of employees within occupations that have received off-the-job training (all employees)**

| Construction | | | Professional Services | | |
|---|---|---|---|---|---|
| | *Weighted base* | % | | *Weighted base* | % |
| Floorers | *94* | 90 | Technicians | *1339* | 68 |
| Roofers | *467* | 80 | Architects | *828* | 59 |
| Painters/decorators | *171* | 70 | Civil engineers | *3410* | 59 |
| Plasterers | *154* | 62 | Quantity surveyors | *822* | 54 |
| Bricklayers | *240* | 54 | Managers/directors | *1918* | 38 |
| Carpenters/joiners | *1076* | 47 | Other engineers | *2639* | 37 |
| Scaffolders | *821* | 45 | Scientists | *54* | 37 |
| Plumbers | *226* | 45 | Architectural technologists | *76* | 34 |
| Managers/directors | *5572* | 41 | Project managers | *1998* | 30 |
| Electricians | *476* | 40 | Staff with no one main role or who multi task | *1320* | 25 |
| Plant and machine operatives | *5584* | 33 | Building service engineers | *1369* | 24 |
| HR, legal and business professionals | *1482* | 21 | Mechanical engineers | *989* | 21 |
| Labourers and general operatives | *13292* | 20 | Administrative staff | *1979* | 21 |
| Supervisors | *3703* | 12 | Landscape designers | *6* | 17 |
| Technical staff | *8422* | 11 | HR, legal and business professionals | *539* | 16 |
| Administrative staff | *12994* | 10 | Building surveyors | *478* | 8 |
| Staff with no one main role or who multi task | *8775* | 3 | Town planners | *88* | 6 |

QF5 And for roughly how many of the [occupation] have you funded or arranged off-the-job training in the last 12 months, including any who have since left?

## Types of training provision

Businesses that funded or arranged training in the last 12 months were asked about the types and sources of training which they used. Two-thirds (68%) of employers that trained delivered training in the formats which involved a more experienced worker passing on skills to less experienced staff – effectively on-the-job training – or training delivered by a private training provider (67%).

More than half (57%) of employers that funded or arranged training in the last 12 months have encouraged self-learning (where staff study using books, manuals, CD-

roms or other materials). Compared with 2011, training was more likely to have been provided by professional institutions, by CITB, by self-learning, or other miscellaneous off-the-job training. It was less likely to have been provided by FE or HE institutions:

**Figure 42: Types of training provided – prompted, multiple response (where funded/arranged training)**

| | | | Employers | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Column percentages | 2014 Employers | 2011 Employers | Construction | Professional services | Self-employed | 2-9 | 10-24 | 25-99 | 100+ |
| Training delivered by an FE college | 16 | 25 | 16 | 15 | 14 | 12 | **20** | **31** | **63** |
| Training delivered by Higher Education | 9 | 12 | *8* | 13 | 13 | 8 | 10 | **16** | **61** |
| Training delivered by the NCC/CITB-ConstructionSkills NI | **14** | 5 | 15 | 11 | 10 | 12 | 12 | **29** | **40** |
| Training provided by any other private training provider | 67 | 63 | **70** | 59 | 41 | 63 | 74 | **86** | **87** |
| Training provided by a manufacturer or supplier | 40 | 37 | *37* | **45** | 40 | 40 | 38 | 38 | **63** |
| Other off-the-job training such as courses or formal instruction | **52** | 37 | *48* | **62** | 36 | 49 | **61** | **67** | **81** |
| Learning or training from a more experienced worker on-the-job | 68 | 51 | 66 | 72 | 35 | 65 | **77** | **77** | **89** |
| Any self-learning | **57** | 36 | *50* | **72** | 70 | 55 | **64** | 62 | **73** |
| Training provided by a Professional Institution | **44** | 24 | *37* | **60** | 55 | 41 | 49 | **62** | **74** |
| Training delivered by/ through an industry federation/ body | 21 | - | 19 | 23 | 8 | 18 | 26 | **36** | **42** |
| None of these | 3 | - | 3 | 3 | 5 | 3 | 5 | 2 | 0 |
| Unweighted bases | 738 | 572 | 565 | 173 | 42 | 246 | 173 | 204 | 115 |

Figures in bold font are significantly higher than average minus the sub-group tested; those in italics are significantly lower than average minus the sub-group tested

QF17 Still excluding any apprentices, but thinking about all training in the last 12 months, which of the following types of training provision have you or your staff used in the last year? **READ OUT AND CODE ONE FOR EACH**

The propensity to have used any of the types of training listed increases with business size, reflecting the increased incidence and diversity of training in larger firms. Professional services businesses are more likely to have used most types than construction businesses.

Within Northern Ireland, 45% of employers providing training used training delivered by CITB-ConstructionSkills NI. Employers in Northern Ireland are significantly less likely than average to have used training provided by a manufacturer or supplier (24%) or learning or training from a more experienced worker (54%).

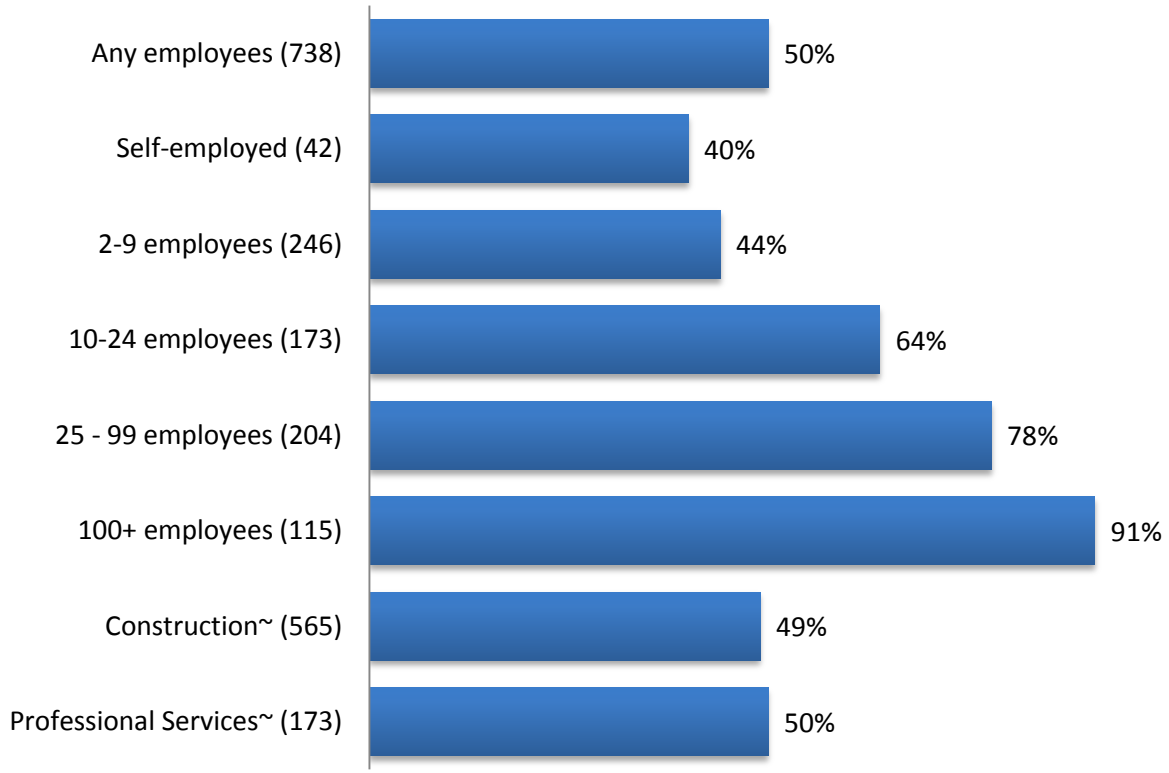
## Qualifications-based training

Of all employers that provided training in the last 12 months, 50% provided training towards a nationally recognised qualification. This proportion increases with business size, and is 40% amongst self-employed individuals. It increases to 70% amongst employers in Northern Ireland, although, because of the sample size, this is not statistically significant.

There has been an increase in the provision of qualifications-based training since 2011, when 33% of employers had funded or arranged any. The increase has been greater in professional services than in construction, as just 26% of employers in professional services had provided qualifications-based training during the preceding 12 months in 2011.

The overall proportion, 50%, as above, is similar to the national construction sector comparator of 51% (from UKCES' Employer Skills Survey of 2013).

**Figure 43: Proportion of businesses that have trained towards nationally recognised qualifications in the last 12 months, by sector and size (where funded/arranged training)**




Unweighted sample bases in parentheses ~ based on employers only

QF10 **EMPLOYERS:** Thinking now about qualifications, how many people over the last 12 months that you have funded or arranged training for [whether on- or off-the-job,] including labour-only sub-contractors as well as direct employees are or were

being trained towards a nationally recognised qualification; such as an NVQ/SVQ? **SELF-EMPLOYED:** Has your training been towards a nationally recognized qualification?

In terms of the extent to which training towards HNC/HND qualifications has been undertaken, there has been an increase since 2011, with around one in six training employers having trained their staff towards HNC/HND qualifications this year.

There has also been an increase in provision of training towards NVQs/SVQs, with 40% of employers that have trained providing training towards these qualifications, compared with 18% in 2011:

**Figure 44: Proportion of businesses training their staff towards nationally recognised qualifications, by sector and size (where funded/arranged training) *based on professional services businesses only**

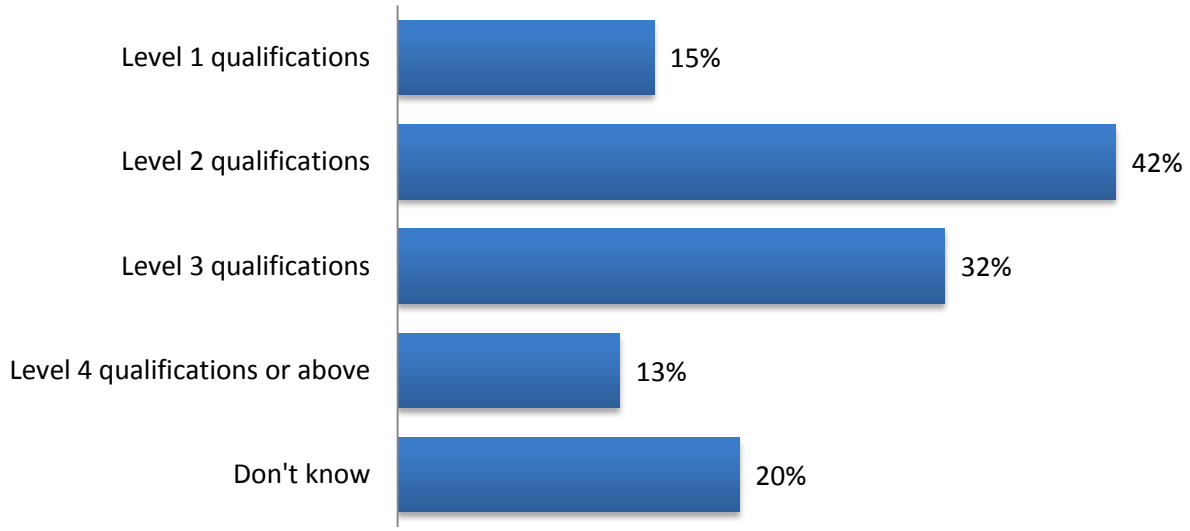
| | Employers | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Column percentages** | **2014 Employers** | **2011 Employers** | **Construction** | **Professional services** | **Self-employed** | **2-9** | **10-24** | **25-99** | **100+** |
| NVQ or SVQ | **40** | 18 | **42** | 34 | 28 | 35 | **50** | **68** | **82** |
| HNC or HND | 18 | 4 | *16* | **22** | 25 | 16 | 18 | **30** | **64** |
| Degree | 8 | 7* | * | **24** | 12 | 7 | 7 | **18** | **28** |
| Any qualifications-based training | 50 | 33 | 49 | 50 | 40 | *44* | **64** | **78** | **91** |
| Unweighted bases | 738 | 572 | 565 | 173 | 42 | 246 | 173 | 204 | 115 |

Figures in bold font are significantly higher than average minus the sub-group tested; those in italics are significantly lower than average minus the sub-group tested

QF11/F14/F15

As the next chart shows, training leading to achievement of an NVQ/SVQ is most commonly assessed at Level 2 – 42% of employers that provided NVQ/SVQ-based training trained staff to this level. A third (32%) reported that staff trained towards Level 3 NVQs/SVQs:

**Figure 45: Level of NVQs/SVQs worked towards (employers that have trained towards NVQs/SVQs)**




Unweighted sample base = 285

QF12 And what is the main NVQ/SVQ level you have trained staff towards?

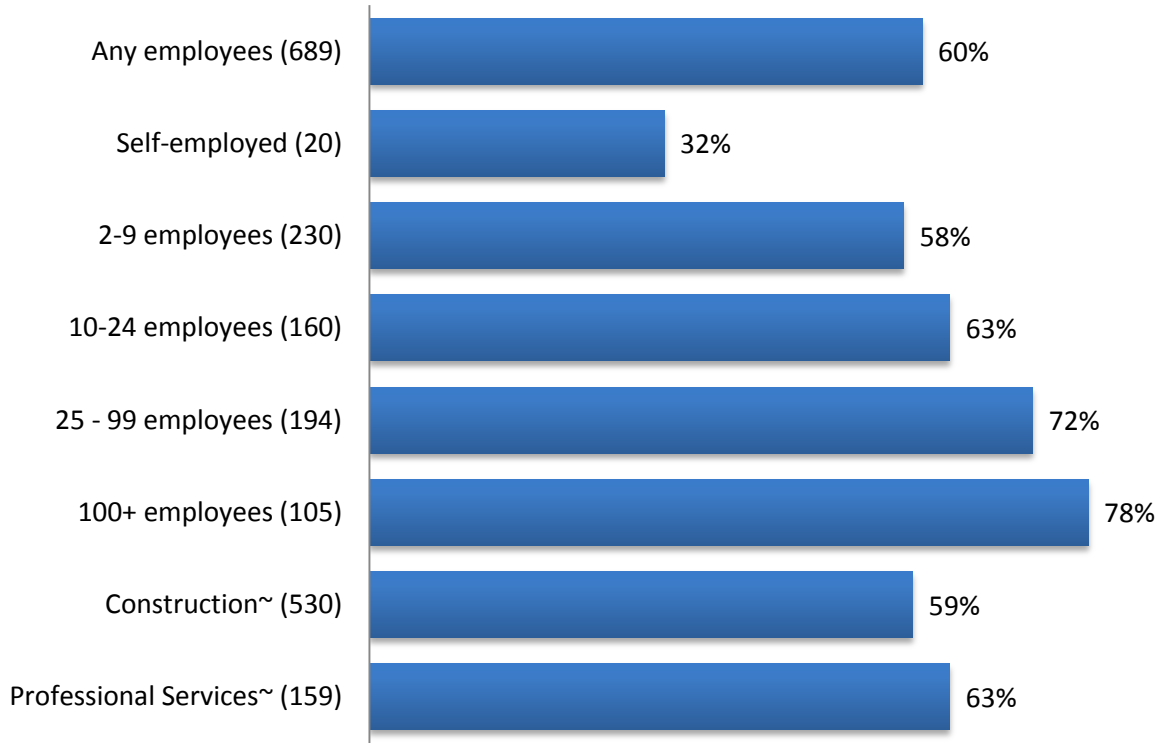
The most frequently cited benefit of training towards NVQ/SVQ Level 1 is considered to be the capacity of this qualification to show competence/ability to do the job (32% of employers that trained staff at this level). Other perceived benefits are linked to this, with 23% citing 'to improve knowledge and experience' and 20% citing 'to improve skills set', while one in five (20%) cited it as a regulatory requirement and one in eight as a way of obtaining a recognised qualification.

## Assessment of training

Three-fifths of employers that funded or arranged training in the last 12 months (60%) formally assess whether the training and development received has an impact on the trainee's performance. This is a higher proportion than reported in 2011 (38%).

As the following chart shows, the propensity to formally assess training increases with business size to around three-quarters (73%) of businesses with 25 or more staff and is significantly higher than average (67%) where training leads towards qualifications. Employers within the professional services sector are slightly more likely than those in construction (63%, compared with 59%) to formally assess whether the training and development received has an impact on the trainee's performance:

**Figure 46: Proportion of businesses that formally assess whether training and development impacts on trainees' performance, by sector and size (where funded/arranged training)**




Unweighted sample bases in parentheses ~ based on employers only

QF16 And does this establishment/business formally assess whether the training and development received by an employee has an impact on his or her performance?

By nation, significantly fewer employers in Wales formally assess whether training or development has impacted on employees' performances (44%), while the proportion in Scotland is slightly higher than average (73%). It is in line with the average in England (59%) and Northern Ireland (60%).

## Barriers to (more) training

Two-fifths of employers *that funded or arranged any training in the last 12 months* (40%) reported that they would have provided more training if they had been able to do so.

The comparable figure amongst self-employed individuals that provided training is 37%.

Compared with the 2011 survey, both these figures are higher (31% of employers; 35% of self-employed individuals in 2011).

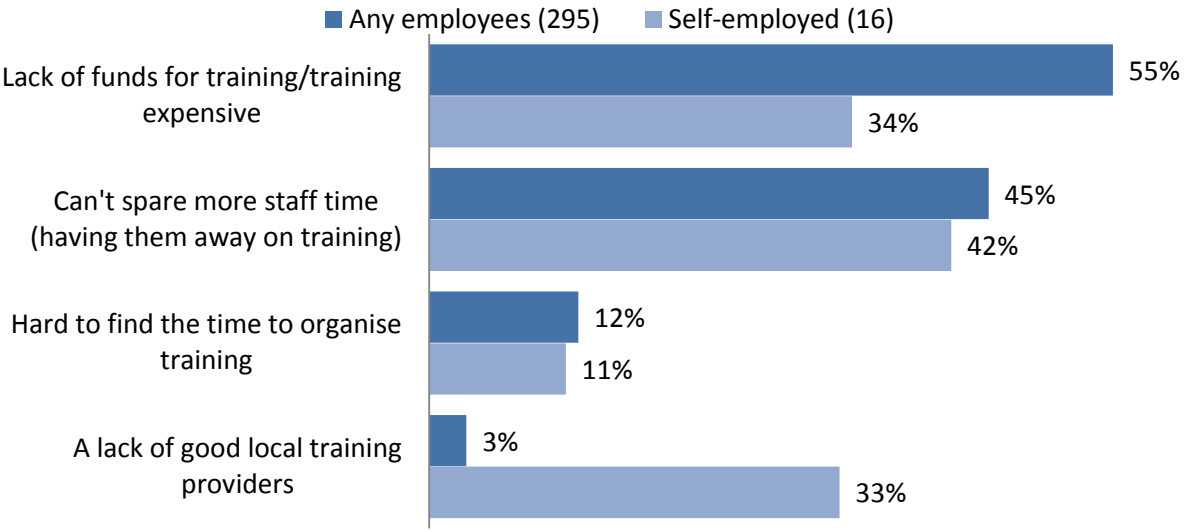
Based on their spontaneous, open, responses, lack of funds (55%) and lack of staff time (45%) are the main reasons for employers not providing more training.

Among self-employed individuals, lack of funds (34%) and lack of staff time (42%) are also joined by the lack of good local training providers (33%) as significant reasons for not doing more training.

One in eight employers that have trained mentioned that it is hard to find the time to organise training (12%). This reason is mentioned by a similar proportion of self-employed individuals that train (11%).

Just one or two per cent of employers mentioned no need for more training (2%), lack of appropriate training/qualifications in the subject areas required (2%) and lack of knowledge about training opportunities and/or suitable courses (1%) as reasons for not providing more training:

**Figure 47: Reasons for not providing more training- unprompted, multiple response (where funded/arranged training)**




Unweighted sample bases in parentheses

QF20 **EMPLOYERS:** What barriers, if any, have there been preventing your establishment providing more training over the last 12 months for staff at this location? **SELF-EMPLOYED:** What has prevented you from taking up more training in the last 12 months?]

Respondents who had *not funded or arranged training in the last 12 months* were asked for the reasons why they have not done so.

The main reason given was that all staff are fully proficient (81%). This is by far the most frequently cited reason, with no more than one in twenty citing any other reason including: employees being too busy to go on training courses (4%), employees too busy to provide training (2%), courses not being available locally (3%), external courses too expensive (3%) and lack of funding (3%). The 81% figure above compares with the 69% of non-training employers in the all-sectors Employer Skills Survey of 2013 who gave this reason for not training.

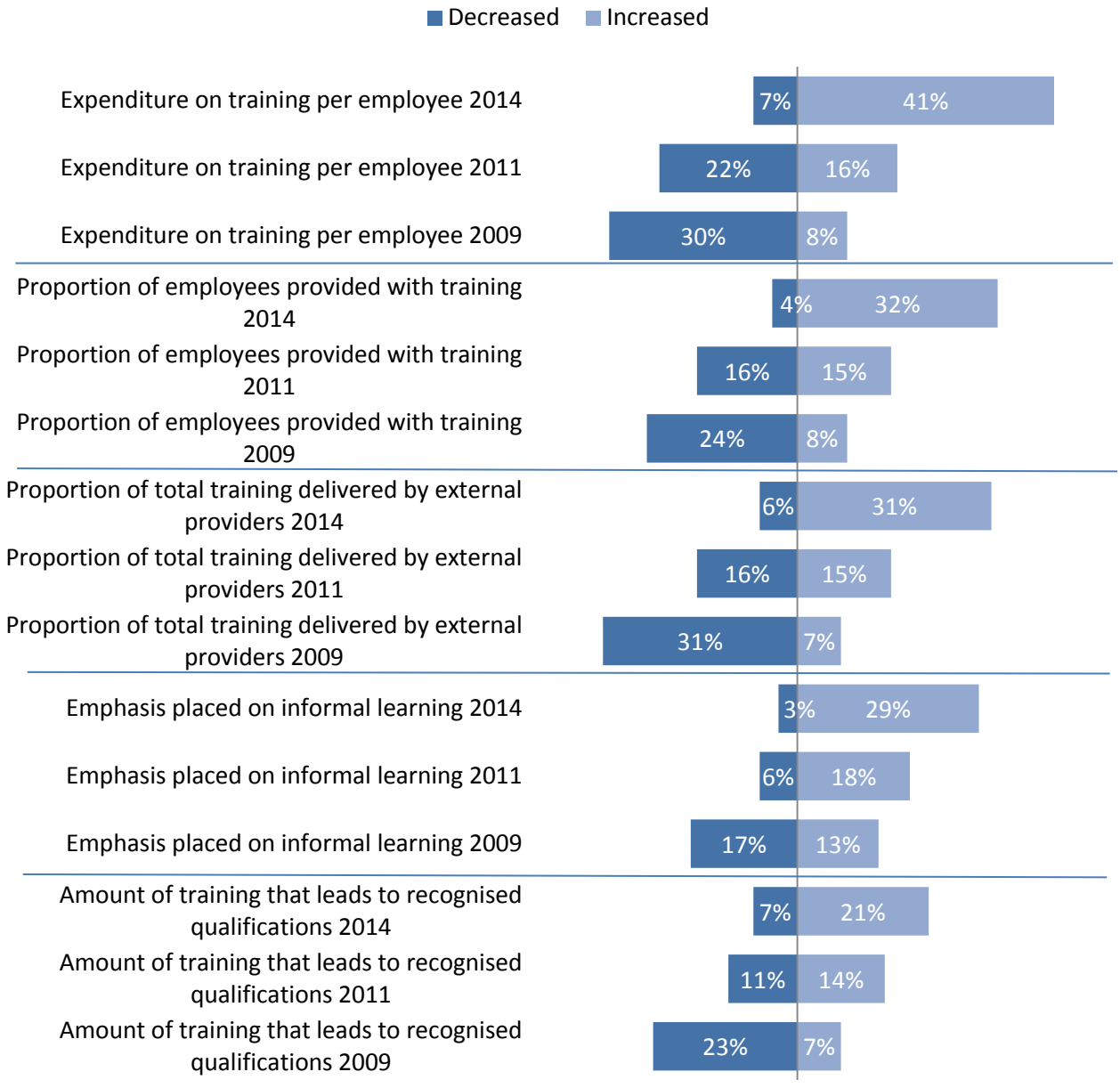
There are no significant differences by nation.

### Trends in training and training expenditure

Respondents in employing businesses which provide training were asked about changes in their training in the last 12 months. Across a series of indicators, a series of very positive changes from 2009 to 2011 to 2014 was observed. Proportions of

workforces trained, training expenditure per trainee, and propensity to train towards recognised qualifications all increased substantially, as shown in the following chart:

**Figure 48: Trends in training expenditure and delivery (employers that have provided training in the last 12 months)**




Unweighted sample bases: 2014 = 604; 2011 = 429; 2009 = 736

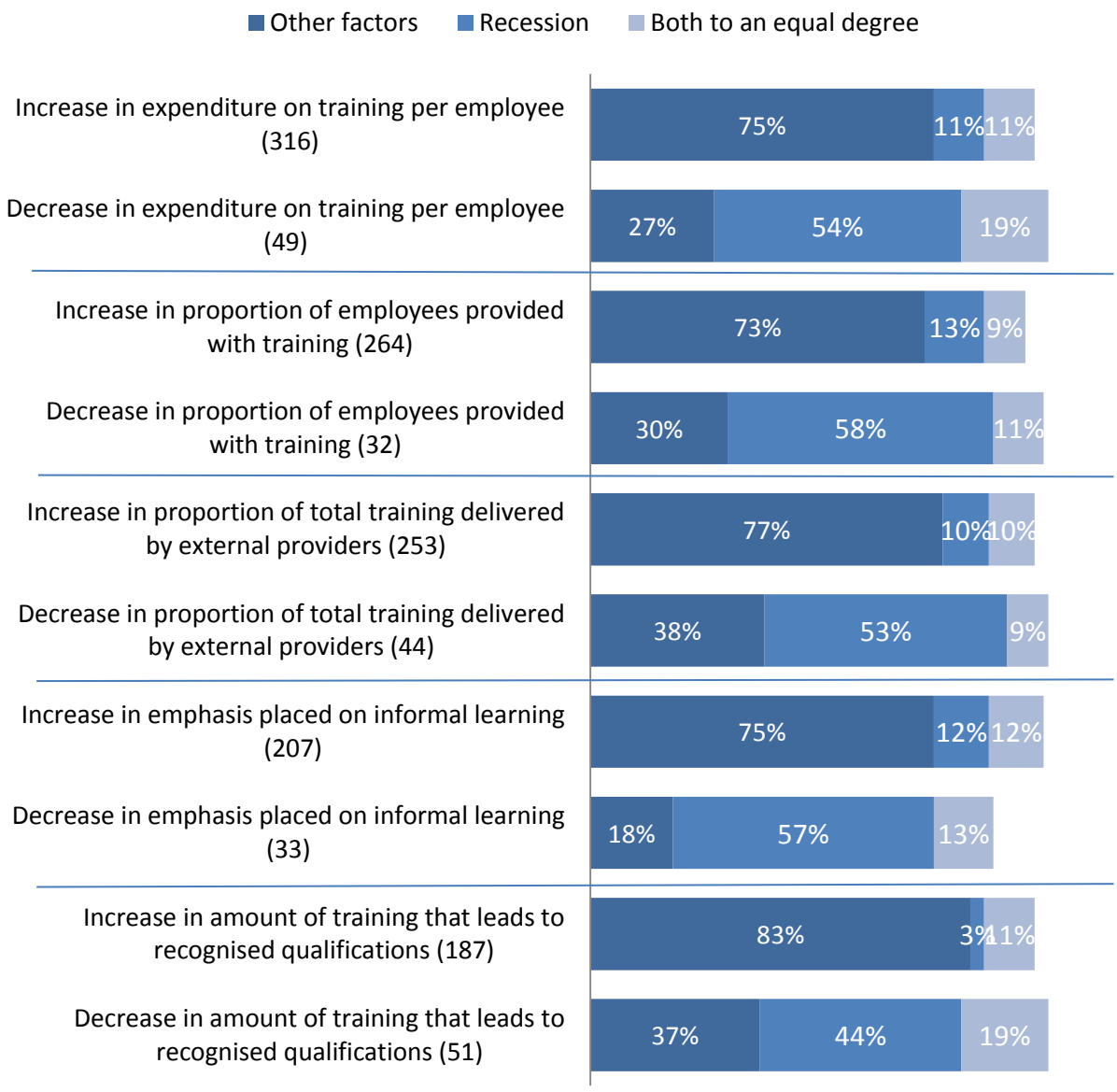
QH1 Finally, we are interested to know what trends you have experienced in training spend and training delivered at this establishment in the last 12 months? Please tell me if each of the following has increased, stayed the same or decreased **READ OUT AND CODE ONE FOR EACH**

By nation, the only significant differences relate to the proportion of employers in Northern Ireland that report decreases in the following areas: expenditure on training per employee (21%, compared with a UK average of 7%); the proportion of employees provided with training (16%, compared with a UK average of 4%); the proportion of total training delivered by external providers (26%, compared with a UK

average of 6%); and the emphasis placed on informal learning (9%, compared with a UK average of 3%).

From answers to a question about the impact of recession on training, it can be seen (next chart) that recession had significant negative effects for businesses which reduced training but was also implicated to a lesser extent in the decisions of some businesses which increased training:

**Figure 49: Causes of training expenditure and delivery (employers that have experienced an increase or decrease in the last 12 months)**




Unweighted sample bases in parentheses

QH2 Would you say that the increase/decrease in X has been mainly the result of the recent recession or mainly the result of other factors? **READ OUT EACH MENTIONED IN H1 AND CODE ONE FOR EACH**

### Findings from qualitative discussions: training

All respondents who took part in qualitative in-depth discussions reported that they undertook some staff training. In small and medium-sized businesses, this was most frequently concerned with health and safety, IT, and business management. For example, one manager of a small building contractor reported:

> *'We have the standard periodic training, in terms of safety systems, mobile towers, and powered access. They are 2-3 year licenses that expire and require renewing. We periodically update them.'*

However, training was not always the highest priority. One director of a medium-sized building completion and finishing businesses observed:

> *'We do training to just meet legal obligations. We are here to run a company, not spend all our time training people'.*

Another manager of an SME contractor also acknowledged that training could be overlooked as the business focussed on project delivery:

> *'We are quite small and we get too involved with the projects and don't always remember to look out for the needs of the company'.*

A third manager (of a small scaffolding business) reported that:

> *We do the odd thing – the staff that you need to do. We do IPAF (International Powered Access Federation) training for cherry-pickers and other courses for mobile machines – probably about 2 days a year on average for about 8 people'.*

A smaller number of SMEs had more complex training programmes requiring formal training plans and regular appraisals and assessment of needs. This included firms which offered accredited qualifications, such as NVQs in various trades, to their staff. A managing director of a medium-sized architectural design business said:

> *'We regularly engage with staff and their training requirements. We interact with them and we listen. We try and identify opportunities for training for staff and operatives'.*

A medium-sized building contractor reported that they had a comprehensive training matrix in place. Commitment to training within this firm had resulted in several direct internal promotions (e.g. labourers trained to become supervisors and one being further promoted to contracts manager). The training offered by the company had developed over time as the business had grown and had been assisted by the CITB, which had helped them to develop training programmes within the company and had subsequently monitored and offered advice on the programme's further development.

However, although training was supplied by most of the businesses interviewed, all the SMEs interviewed except one recognised that the amount of training they supplied was limited. Most SMEs said they would like to supply more training and reported that their staff were receptive to training and motivated to learn. Nevertheless, the direct financial cost and the cost in working time lost by staff undertaking training made them reluctant to extend training beyond what they saw

as essential. One small business said they were constrained by training costs because of the uncertainty of return on expenditure.

> *'There are some jobs we can't bid for because we don't have the training in place. But we don't put it in place because we don't know if in the end it will deliver the return'.*

A further issue concerns qualifications. Several smaller businesses had little detailed knowledge of qualifications or of the concept of a 'qualifications framework' and were unable to comment on the suitability of current qualifications. However, two SMEs were generally positive about available qualifications but also observed that frameworks changed frequently and that it can be difficult to keep pace. A contracts manager for a small building contractor observed:

> *'It can be confusing. They are updated very regularly and frequently change. I try to keep up the best I can with trade magazines but it can be challenging'.*

The training profile of large businesses included, not unexpectedly, a much more strategic view and a much higher volume of training. They used variously a much wider spectrum of suppliers including internal training departments, small training providers (training consultants) to offer specialist courses, the CITB National Construction College, Universities (for graduate development programmes), FE Colleges (through their Apprenticeship programmes), and National Skills Academies (not just that for construction but others including the NSAs for Railway Engineering, for IT, and for Environmental Technologies).

Training was also seen generally by larger businesses as being a significant part of the companies' core business strategies (although one also reported some reduction in their overall training budget in 2013 as a consequence of cost pressures). One reported that their training plan involved 10,000 man days per year and a portfolio of 300 courses (with 45% of courses being on aspects of health and safety, 30% on job-specific skills, 12% on graduate development, and 13% on management and supervisory training). Another reported having systematic performance and development reviews to identify training and development needs and to assist internal progression of talented staff.

Employee responsiveness to training, as with smaller businesses, was reported by larger businesses as being very positive. The training manager of one large business reported that:

> *'Our CEO encourages self-development outside of our own discipline. We have an annual process to see that staff have all the necessary skills and certificates. All the training is free and we get 3,000 training requests from staff each year. It's essential for the business'.*

One large business also reflected on the current qualifications framework. The business observed that, in broad terms, qualifications are the correct ones but also suggested that in some specific instances, they were too 'traditionalist' and didn't respond quickly enough to new technologies, materials and work methods and that the system needed to be more responsive to these.

Respondents in depth interviews were also asked how well they thought the industry performed as a whole in developing its staff.

SMEs believed that the industry was making good efforts to train its workforce but recognised that more could be done. One respondent (from a medium-sized building contractor) believed that competition and recession took its toll on training activity:

> *'It's not that people mind spending the money in principle. The issue is that it is a competitive market, people are coming out of recession and are fighting against each other to get the work and training has had a hit. It's more about training to meet legal legislation than developing people beyond this'.*

The manager of a small scaffolding business distinguished his own business from the larger ones to which he sub-contracted:

> *'For us it's the bare bones. We can't stand much lost production or the cost of a lot of courses. But our customers do a lot of training. They have more formal training but they have the scale to support it and back it up'.*

Large businesses made a similar distinction. It was argued by these companies that SMEs 'just get by' as far as training is concerned. From the large business perspective, a number of barriers to greater SME training activity were recognised including not only the lost productivity and cost barriers noted by SMEs themselves, but also shortages of knowledge and awareness of what training is available, the complexity of the training infrastructure, the bureaucracy attached to arranging training if public funding is involved in any way, and the lack of career structures in small businesses to drive staff development. One large business reported that they used their company's own supply chain academy to help their suppliers train staff to necessary standards and also that they had training agreements with other major businesses in the industry to raise the overall volume and quality of skills available to the industry as a whole.

### Qualitative interviews: training – summary

The main point emerging from qualitative discussions with construction businesses is the continuing imbalance between smaller and larger businesses (an imbalance which, of course, is common to many sectors not just the construction industry). In essence, many smaller businesses, though not all, recognise that training is essential to the industry's overall health. However, they also frequently see themselves as individually constrained from training as much, in principle, as they might like, by perceptions of its effects on production, of its certain costs in relation to uncertain returns, of the complexity and variety of training on offer, and of the bureaucracy involved in accessing public funding support. Other factors are that smaller companies recruit relatively infrequently and may have a relatively stable workforce which has remained largely constant over several years. Providing the nature of their projects also remains essentially constant, they may regard their staff as already fully competent and believe that the business simply does not need to train. Both these sets of factors reduce the incentive and willingness of some smaller businesses to supply training beyond the minimum which regulations, and/or the large businesses to which they sub-contract, demand.

# 7. Apprenticeships

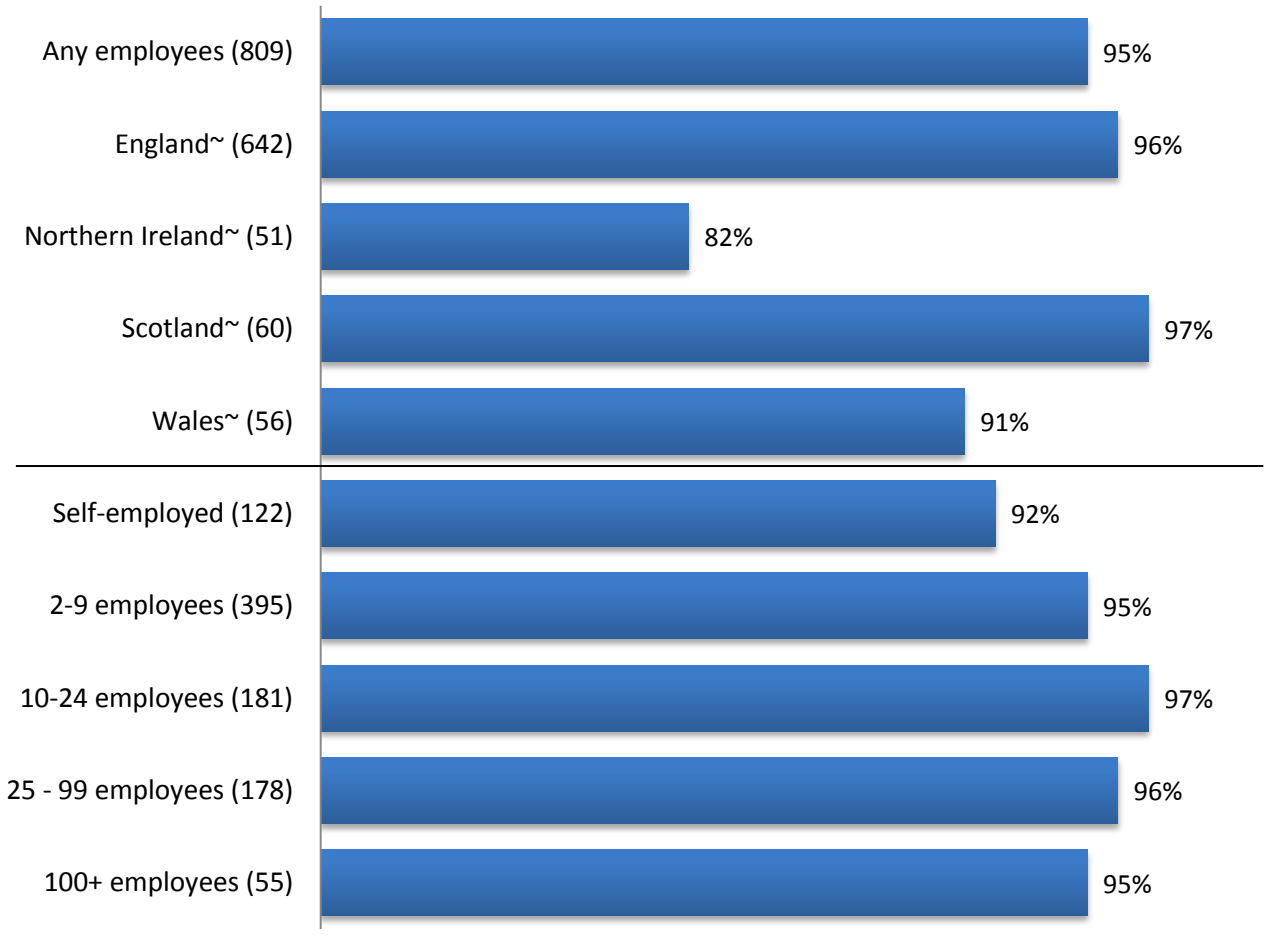
This section explores awareness and use of Apprenticeships amongst employers and self-employed individuals in the construction sector. In addition, businesses were asked, in relevant cases, why they do not offer Apprenticeships and about the likelihood of offering them in the future.

## Awareness of Apprenticeships

There is widespread awareness of Apprenticeships within the construction sector – 95% of employers and 92% of self-employed individuals have heard of them. This reflects previous survey findings (in 2009 and 2011, figures were above 95%).

Awareness is lowest amongst construction businesses in Northern Ireland (82% of employers; 79% of self-employed individuals) and highest in Scotland (97%). There is little variation in the propensity to be aware of Apprenticeships by business size and sub-sector:

**Figure 50: Proportion of businesses that have heard of Apprenticeships, by sector and size (all construction employers/self-employed)**




Unweighted sample bases in parentheses ~ based on employers only

QG1 I'd now like to ask you some questions about Government-funded Apprenticeships. First of all, have you heard of Apprenticeships?

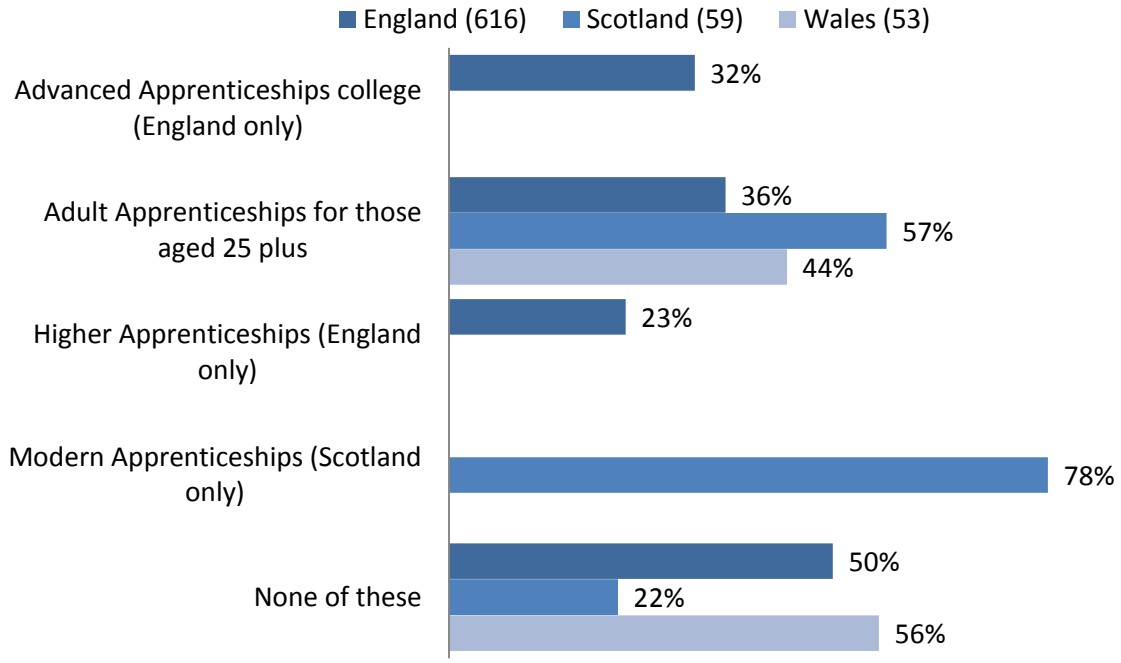
When it comes to awareness of *specific* Apprenticeships within England and Wales, there is less confidence. In England, 36% of construction employers that have heard of Apprenticeships have heard of Adult Apprenticeships for those aged 25 and over and 32% have heard of Advanced Apprenticeships . Fewer have heard of Higher Apprenticeships (23%).

In Wales, just over two-fifths (44%) of employers that are aware of Apprenticeships have heard of Adult Apprenticeships for those aged 25 and over.

Levels of awareness of specific Apprenticeships are higher in Scotland, where 78% are aware of Modern Apprenticeships and 57% are aware of Adult Apprenticeships.

Awareness of specific Apprenticeship programmes was not examined amongst Northern Ireland construction businesses.

**Figure 51: Awareness of specific Apprenticeship programmes, by nation (where heard of Apprenticeships – not asked in Northern Ireland)**




Unweighted sample bases in parentheses

QG2 And have you heard specifically of…?: **READ OUT AND CODE ONE FOR EACH**

## Take-up of Apprenticeships

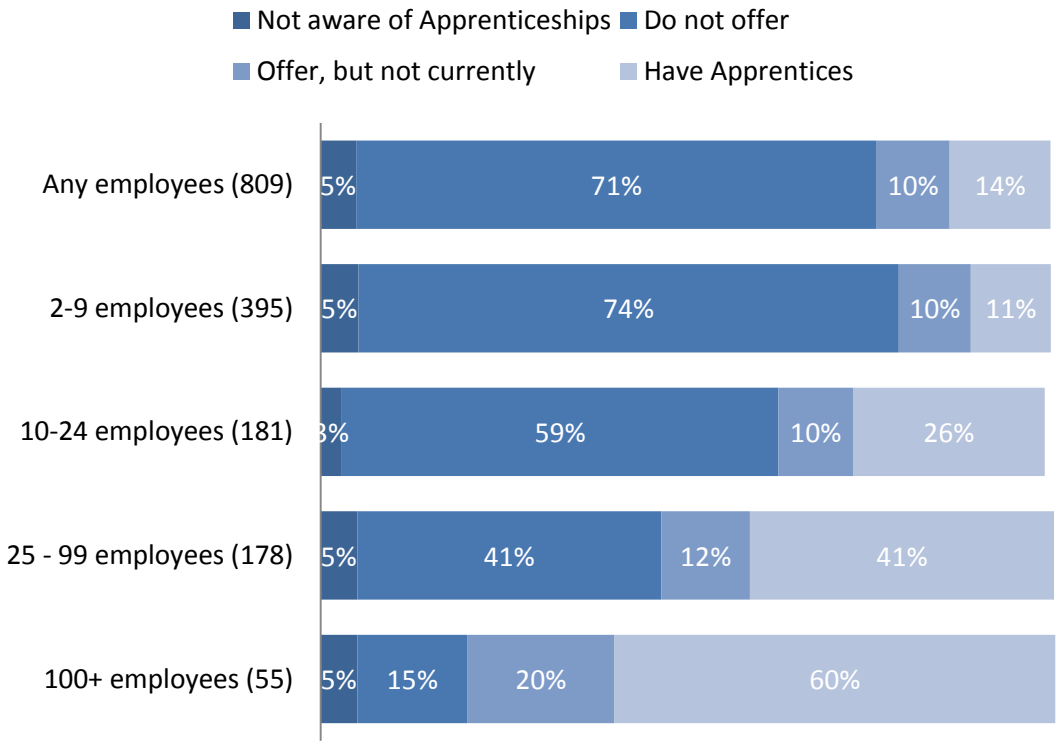
One in seven employers that have heard of Apprenticeships (14%) currently have staff undertaking them at their site, equating to 13% of all construction employers, which is the same proportion as that reported in 2011.

The propensity to have Apprentices increases with business size. It is lower than average amongst employers in Northern Ireland (9%).

Of those that do not currently have Apprentices, 12% offer them at their site. This equates to 10% of all construction employers and as such is higher than the

comparable figure in 2011 (6%). There is little variation by business size in this respect as larger businesses that are more likely to offer them are more likely to be doing so on a continuous basis.

**Figure 52: Offering Apprenticeships (all construction employers)**

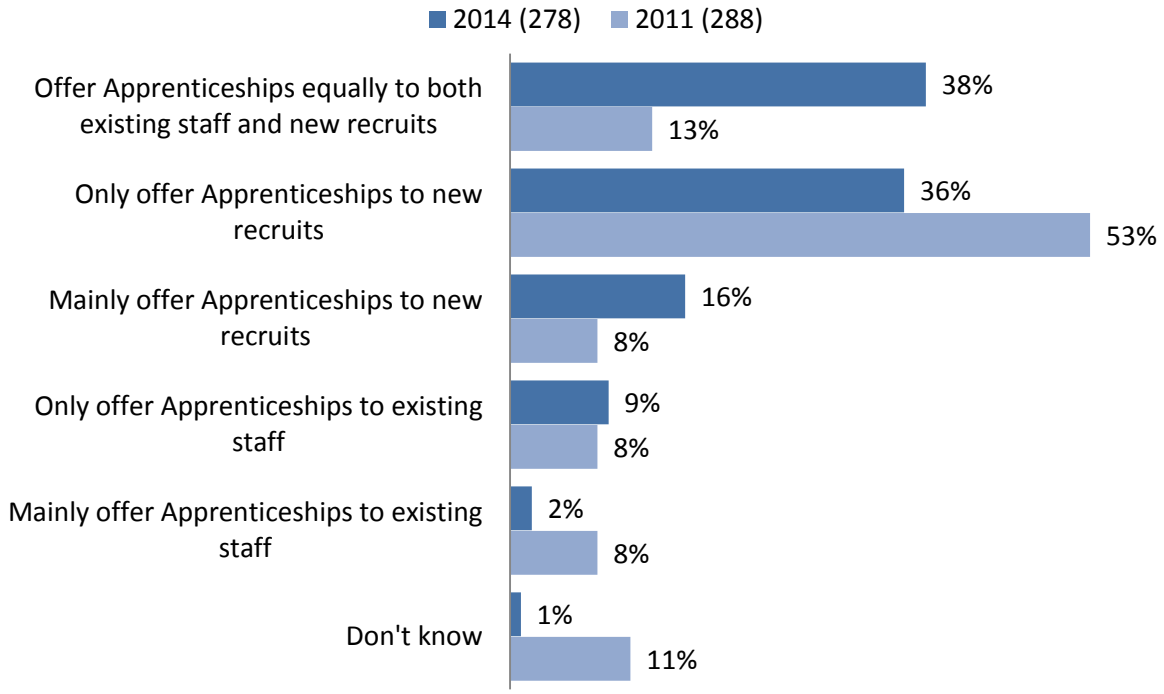



Unweighted sample bases in parentheses

QG3 Do you currently have any staff undertaking Apprenticeships at this site?
QG4 Do you currently offer [SCOTLAND: Modern] Apprenticeships at this site?

A third (36%) of those that offer Apprenticeships only offer them to new recruits. This is a lower proportion than in 2011 (53%). In 2014, employers that offer Apprenticeships are more likely than in 2011 to offer them equally to both existing staff and new recruits (38%, compared with 13%). Few employers restrict them to existing staff (9% offering them only to existing staff and 2% mainly to existing staff).

**Figure 53: To whom Apprenticeships are offered, a year on year comparison (where offer Apprenticeships)**




Unweighted sample bases in parentheses

QG6 Thinking about how you offer Apprenticeships do you…? **READ OUT AND CODE ONE ONLY**

There is little variation by business size in this respect, although employers with 100 or more staff at the site are more likely than average to focus on new recruits: 41% only offer Apprenticeships to new recruits; 25% mainly do so.

On average, employers with Apprentices, currently have 2 to 3. More than four-fifths (83%) have 1 or 2, while 8% have 3 or 4 and 6% have between 5 and 9.

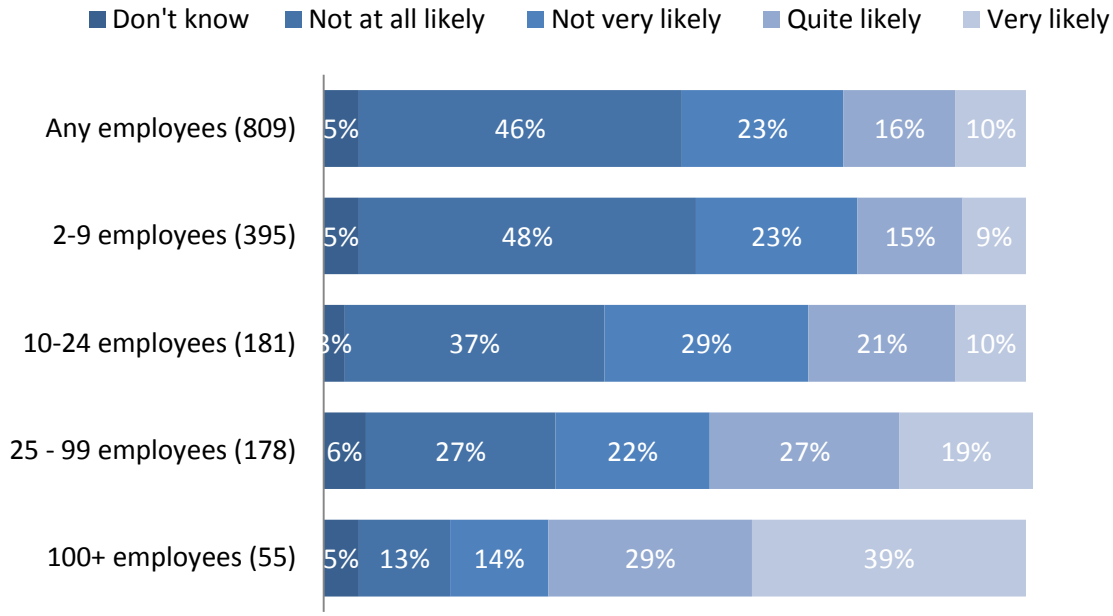
As would be expected, the number of Apprentices increases with business size with 45% of 100+ employers having between 5 and 9 Apprentices.

### *Likelihood of future provision of Apprenticeships*

When asked about the likelihood that someone will start an Apprenticeship at their establishment in the next 12 months, around a quarter of all construction employers (26%) said it was likely. This includes one in ten (10%) that considered it very likely.

The next chart shows that the likelihood of having new Apprentices in the next year increases significantly with business size. By nation, employers in Northern Ireland are significantly more likely than average to consider it likely that they will have someone starting an Apprenticeship in the next 12 months (40%).

**Figure 54: Likelihood of offering Apprenticeships in the next 12 months, by business size (all construction employers)**




Unweighted sample bases in parentheses

QG8 Thinking about the next 12 months, how likely is it that this establishment will have someone starting an Apprenticeship? **PROMPT AS NECESSARY AND CODE ONE ONLY**

Focusing on those employers that do not currently have Apprentices, 22% consider it likely (very likely/likely) that they will take someone on in the next 12 months. This proportion, at 16%, is much lower amongst those that do not offer Apprenticeships but is significantly higher, at 60%, amongst those that do not currently have Apprentices but offer them at times.

Compared with 2011, employers not currently offering Apprenticeships are more likely to consider doing so in the near future (16% in 2014 compared with 8% in 2011).

More than half of employers that currently have Apprentices (55%) consider it likely that they will take on new Apprentices in the next 12 months.

The majority of these new Apprenticeships will be offered to new recruits rather than existing staff (59%, compared with 9%), although more than a quarter (27%) plan to offer them to both new recruits and existing staff.

## Trend in recruitment of Apprentices and trainees

Employers in the construction sector that offer Apprenticeships were asked if the number of Apprentices and new trainees recruited has changed in the last 12 months. More than a quarter (27%) reported that the number has increased, while half that proportion (13%) reported that the number has decreased.

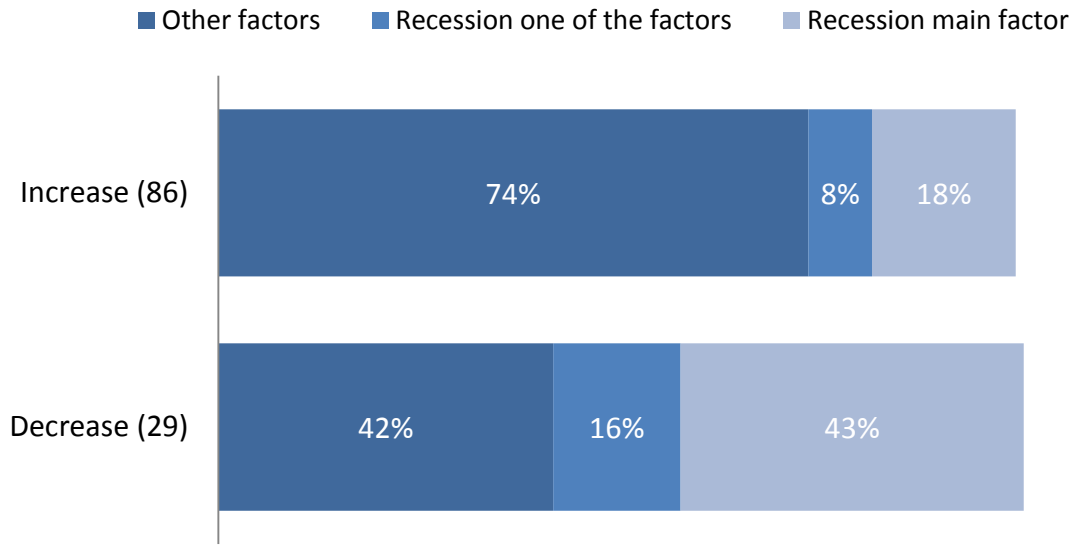
There has been a positive change in this respect compared with 2011, when 13% reported an increase in the preceding 12 months and 24% a decrease.

By nation, the proportion that has increased the number of Apprentices and new trainees recruited in the last 12 months is highest in England (31%) and lowest in

Scotland (4%). Within Northern Ireland and Wales it is lower than average (23% and 18% respectively). A quarter of construction sector employers in Scotland (23%) have recruited fewer Apprentices and new trainees in the last 12 months. This compares with one in eight employers in England (12%) and Northern Ireland (13%) and none in Wales.

The recent recession is much more likely to have been a factor in the decline in the number of Apprentices and trainees than in the increase. While just one in six employers that reported an increase (18%) cited the recession (or end of the recession) as the main reason for the increase, 43% of those that reported a decrease cited it as the main reason. A further 8% and 16% respectively considered the recession to be one of a number of factors:

**Figure 55: Perceived causes of growth or reduction in the number of Apprentices or new trainees taken on in the last 12 months (where increased/decreased)**




Unweighted sample bases in parentheses

QH2 Would you say that the [H1/A-G/1 RESPONSE: increase in [H1/A-G/1 RESPONSE]] / [H1/A-G/3 RESPONSE: decrease in [H1/A-G/1 RESPONSE]] has been mainly the result of the recent recession or mainly the result of other factors? **READ OUT EACH MENTIONED IN H1 AND CODE ONE FOR EACH**

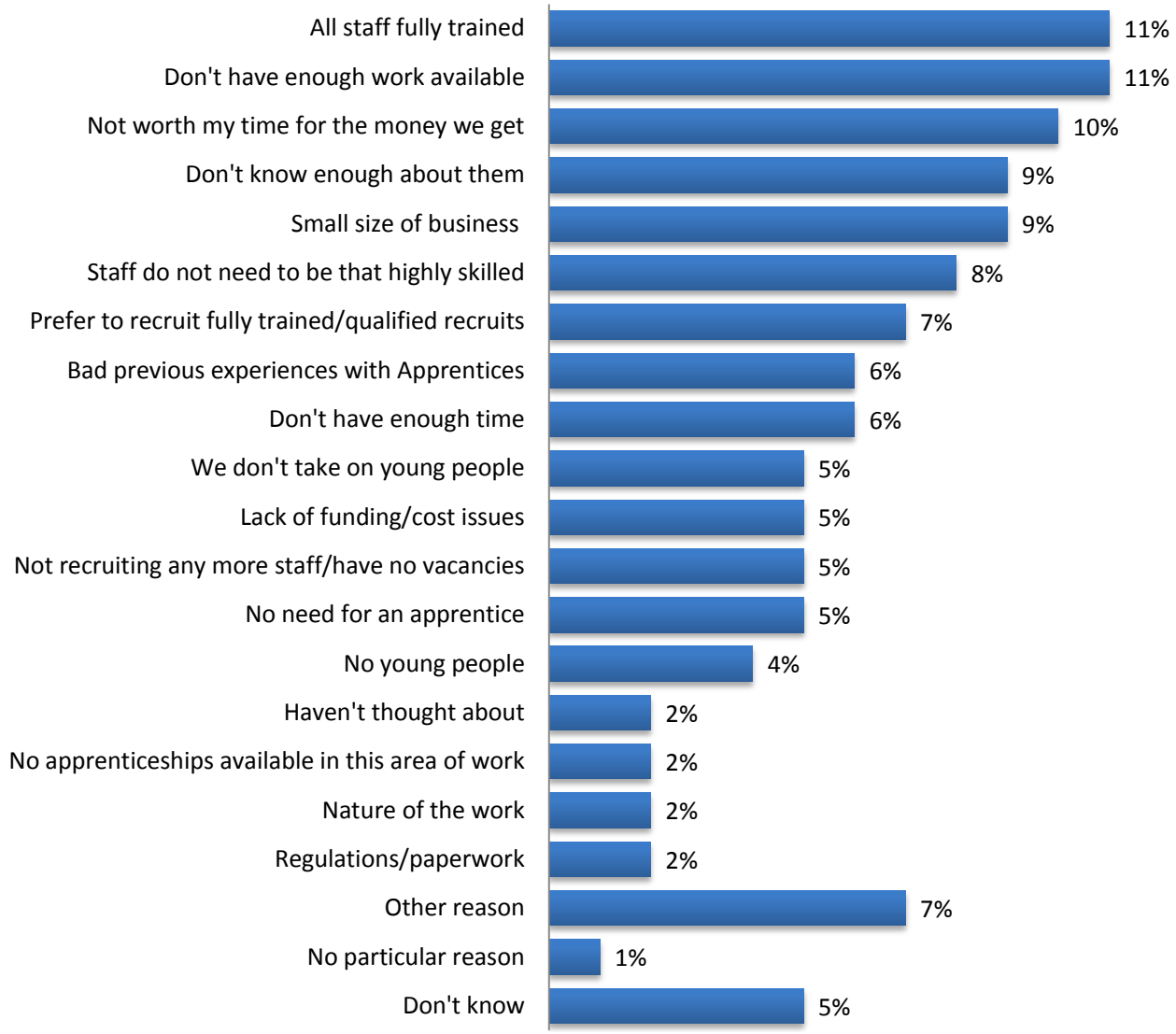
## Barriers to offering Apprenticeships

The next chart shows that the most frequent barriers to offering Apprenticeships concern a lack of need or desire to train staff, cost, and the concern that it is not an effective use of time.

Smaller minorities highlight the fact that they prefer not to take on young people or that they prefer to recruit fully trained staff.

Lack of funding/cost issues is more likely than average to be cited as a barrier to offering Apprenticeships by employers in Northern Ireland (13%).

**Figure 56: Reasons for not offering Apprenticeships – unprompted, multiple responses (where do not offer Apprenticeships)**




Unweighted sample base = 490

QG7 What are the main reasons why you don't offer Apprenticeships? **DO NOT READ OUT. CODE ALL THAT APPLY**

## Findings from qualitative discussions: apprenticeships

There was wide agreement amongst SMEs interviewed in depth that apprenticeships represent the best way for the industry to recruit and develop skilled workers. However, actual provision of apprenticeship opportunities in the SMEs interviewed was very limited. Some SMEs had had apprentices in the past but only two had young learners at present. In these cases, one of the businesses had an 'apprentice' but was not aware of the government-supported Apprenticeship programme and their apprentice was not following a standard framework. One small business (a scaffolding business) currently had two learners whom they regarded as 'trainees' but these were currently taking CITB Part 1/Part 2 Scaffolding Courses, not a full Apprenticeship. One medium-sized business did not itself have Apprentices at present but its engagement in public sector contracts led it to encourage its sub-

contractors to employ Apprentices. Generally, awareness and detailed knowledge of the government-supported Apprenticeship programme amongst SMEs was somewhat limited except for the small number which had participated in the programme in the past.

Reasons for not supplying apprenticeship training at present (either in formal government-supported Apprenticeship mode or simply as a young trainee outside the national programme) were threefold.

First, there was a widely-held view that uncertainty of workload made it too risky. One manager of a building contractor said:

> *'It's not a problem to employ them in the first place. It's maintaining the workload to keep them in work for the 3-4 years. What you don't want to do is take them on then have to let them go due to workload'.*

Some SMEs commented on the difficulty of finding apprentice recruits with the necessary commitment. It was suggested that their actual work could be competent but their reliability was poor. A manager of a medium-sized business said:

> *'When they were there it was fine. Their work was up to standard. But turning up for work on time or turning up at all was the problem'.*

One respondent (Contracts Manager for a small building contractor) raised the problem of Apprentice retention – that the benefits of apprenticeship were not necessarily gained by the company which had borne its costs:

> *'The problem with taking on apprentices is that after two or three years, they seem to think that they are fully qualified and suddenly want to be earning large sums of money. Unfortunately, the large money isn't there anymore, because of how tight margins are now. In any industry, you try and mould people to the way you work and your business practice, but once they qualify, they decide to leave and move on. Someone else reaps the rewards'.*

In the case of large businesses, as with training more generally, there was much more knowledge of, and engagement with, the formal government-supported Apprenticeship programme. One large business, for example, reported that its Apprentice numbers had expanded from 12 young people five years ago to 86 at present and that their supply chain was organised to employ further significant numbers. A second recruited over 100 Apprentices per year. Large businesses also tended to position Apprenticeship as part of a wider recruitment programme involving, for example, formal work experience programmes for young people, involvement in the government-supported Traineeship programme, and formal graduate trainee programmes. Whilst large businesses were clearly committed to supplying Apprenticeship opportunities and valued the programme, one was concerned that some frameworks were not sufficiently flexible to meet their particular company needs.

## Qualitative interviews: apprenticeships – summary

Businesses universally recognise that apprenticeship is a basic requirement for a largely craft-based industry. However, a clear distinction between ‘apprenticeship’ in the traditional sense and ‘Apprenticeship ‘ as organised within standard industry frameworks and supported by government is still not universal. SME participation in the supply of apprenticeship opportunities was limited in the businesses interviewed mainly by uncertainty of workloads but also by concerns about the commitment and work ethic of young apprentice recruits and the possibility of apprentices leaving the company, the company having invested in their training. As with other aspects of training, large businesses were much more strongly engaged in, and committed, to, apprentice development.

# 8. Discussion

A substantial survey has examined some key aspects of the UK construction sector's labour market and of sector employers' recruitment and workforce development practices. A small number of more in-depth interviews have been used to generate illustrative additions to survey statistics.

This final chapter draws on both sources of information to point out and discuss some of the more prominent findings.

### *Recovery in output*

A first and key observation is that the proportion of construction businesses (with employees) reporting that they worked at below full capacity over the year prior to their survey interview fell significantly from the proportion reported in 2011 – from 32% then to 17% in the 2014 survey. This figure suggests a clear upturn in industry trading conditions. Depth interviews did not contradict this finding but they add the information that, whilst difficult conditions had been overcome (in the sense that the interviewed businesses were still trading successfully), they had left a sense of caution in most SME businesses and fluctuations in workload were still a source of uncertainty.

### *Recovery reflected in labour market indicators*

The upturn in trading conditions was reflected in survey statistics on recruitment. The proportion of construction firms seeking to recruit skilled labour in the year prior to survey rose from 25% in 2011 to 39% in 2014.

Skill shortages are not, of course, desirable but generally, not just in the construction sector, they are an indicator of positive not negative economic conditions. For example, UKCES' Employer Skills Survey for 2013 observes that, in a period of economic recovery, the all-sector number of skill shortage vacancies rose by 60% between 2011 and 2013. This survey of the construction sector also shows an increase in skill shortage, recording that:

- As above, 39% of employers had tried to recruit skilled labour in 2013/14 compared with 26% in 2011.
- Of these, 36% had recruitment difficulty compared with 21% who had difficulty in 2011.
- 13% of employers reported that at some point in the year leading up to survey they had too few skilled workers compared with 2% reporting this in 2011.

In the small sample of depth interviews, experience of skill shortage seemed to be more frequent with most managers interviewed describing some limitation on their ability to find skills easily. (However, given their small number, any implied statistical inconsistency between the survey and depth interviews is not meaningful – it may be that these 'depth' interviewees were willing to discuss skills and training issues because they were particularly significant to them.)

Overall, the general point is that improvement in industry business conditions is suggested not only by direct reports of reduction in the proportions of businesses

operating below full capacity, but by knock-on effects of this trend in terms of increasing recruitment, recruitment difficulty, and skills shortage.

### *Skill shortage not a major constraint on growth but may be increasing*

It should be further noted that, whilst labour and skill shortages are important phenomena which need continuous industry efforts to contain and, as above, they may be growing in extent, they have not yet reached a point where they are a *major* inhibitor of industry output: only 4% of industry businesses (those with employees) said that these shortages were a factor limiting output compared with 17% who identified lack of demand and economic uncertainty as a constraint on output and 10% who identified limited output because of the weather (noting, in the last instance, that the survey was undertaken during the unusually wet winter).

In respect of trends, however, it may be significant that, whilst, as above, 4% of surveyed businesses said they were currently constrained by labour and skills shortage, 7% expected this shortage to be a constraint in the *next* 12 months. And at least one business interviewed in depth reported a general feeling from its industry contacts that skilled workers were becoming more difficult to find. The clear implication is that, assuming continuing national economic recovery, skill shortage problems, temporarily subdued by recession and its aftermath, may return as more significant problems than they are at present.

Three further aspects of recruitment difficulty and skills shortage were observed both in the survey and in the depth interviews.

### *Skill shortages are broad-based not specific to a narrow range of occupations*

Firstly, these issues are not highly specific to particular occupational groups in the industry. Rather, they are broad-based and affect a range of jobs from labourers and general workers through the traditional skilled trades into technical, professional, and managerial levels.

The actual number of vacancies affected by recruitment difficulties is influenced by the number of people in particular occupations and by the frequency with which they are recruited (as a consequence of staff turnover). Thus, many businesses have difficulty recruiting labourers and general operatives, carpenters/joiners, bricklayers, plasterers, and so on. However, 'other engineers', required by the professional services sub-sector, were third overall in frequency of recruitment difficulty, and recruitment difficulty in respect of general and project managers was as frequent as in respect of fabricators/welders and of painters/ decorators. This spread of skills shortage was also observed in depth interviews (though on a more limited scale because of the much smaller number of these interviews) with interviewees reporting a range of shortages for craft occupations and for project and engineering staff at middle-management level.

### *'Skill' shortage is a matter of workers' attitudes as well as of technical skills*

A second aspect is that recruitment difficulty is almost as likely to be a matter of applicants' attitudes and motivations (a factor in 73% of recruitment difficulties) as of lack of skills per se (a factor of 80%). Lack of appropriate work experience was also a significant factor, in 68% of cases, as was lack of qualifications, in 60% of cases.

Depth interviews also allowed respondents to express the view, in several cases, that applicants, particularly young ones, lacked the necessary commitment and work ethic which the sector demands – essentially suggesting , in some cases, that the industry tends to attract 'the wrong type of person'. It appears that the industry recognises itself (as in some depth interviews) as moving in the direction of 'professionalisation' and recognises rising customer expectations in this respect – but that that reality is not yet fully apparent to those who seek to enter the industry. Continued promotion of the industry as one which increasingly requires high skill levels and modern working practices is, perhaps, the main implication of this proposition.

### *Impact of the business cycle on skills and training*

Thirdly, both the survey and the depth interviews pointed to what may be a particular issue for the sector – that its levels of training activity tend to fall significantly, and perhaps disproportionately, when industry order books fall. In the survey, 72% of respondents concurred with the suggestion that 'not enough young people had been trained in the construction trades in recent years' and 50% of businesses which had reduced their number of apprentices or other trainees in the recent past said they had done so because of recession. Survey data on trends in training activity and expenditure shows that both activity and expenditure were much more likely to have been reduced than to have been increased in both 2009 and 2011, whilst, in stronger trading conditions, the position has been very substantially reversed in 2014 – amongst firms which supply training, many more are now increasing the proportion of employees trained, increasing the provision of training which leads to recognised qualifications, and raising expenditure per trainee than are doing the reverse of these things.

In depth interviews, SMEs frequently said that business uncertainty had led them not only to offer sub-contract or temporary contract work but also limited their appetite to offer apprenticeships. One respondent from a large business believed that a major gap in the UK's infrastructure cycle had been paralleled by a training deficit which had left the industry badly positioned to take full advantage of renewed major levels of infrastructure investment.

Of course, the idea that businesses should 'train for the upturn' is easier said than done. Businesses, particularly SMEs, which are shedding workers (even as one respondent in depth interviews said, including the good staff the business doesn't want to lose) cannot easily be confident that training staff who may not even be employed in a few weeks or months is an investment; and even large businesses may reduce training when costs need to be constrained in tight trading conditions (as reported by one of the large businesses in the qualitative interviews). Essentially, series of surveys, as reported here, can observe that there may be adverse effects when training cycles, perhaps with some time lag, follow the business cycle but ways of avoiding or limiting this effect, basically smoothing out the 'volume of training'

curve even as business volumes and business confidence fall and rise, are not obvious.

### *Skills gaps in existing work forces are infrequent*

Further, the survey considered not just skills shortages in the general workforce – those which become evident when the business tries to recruit – but those which are recognised by managers in their existing workforces. Only 8% of businesses said they had such skill gaps. This figure compares with the 15% of employers across all sectors who said, in UKCES' Employer Skills Survey of 2013, that they had skill gaps. Although there is some difference between the two surveys, the main observation is that skills gaps appear to be the less frequent in construction than in the economy at large. Four possible reasons for this divergence, assuming it to be a real one, may be worth considering. One is that construction is a 'high skill' industry in which having a workforce which is sufficiently skilled at most levels of the industry's occupational hierarchy is essential to performance and competitiveness – that is, the industry is inherently unable to accommodate skills gaps. The second, given that most skill gaps arise as a consequence of inexperience and/or recent recruitment, is that the industry's workforce may be both stable and one which is comparatively 'old'. Hence, most workers have had the opportunity to acquire high levels of skill. The third is that the 'small firm' and self-employed nature of much of the industry is a mechanism which doesn't allow less able workers to 'hide' within large workforces. A fourth and less virtuous explanation could be that managers in the industry are, more often than average, unable to identify skill gaps which actually exist and/or tolerate skill levels which are too low. Unless this last or similar explanation has any traction, the finding of a relatively low rate of skill gaps is generally a positive finding for the industry.

### *Drivers of skill needs*

Finally on skills, the survey and depth interviews both addressed the question of what drives new skills demands. The survey offered a prepared list of factors which, a priori, were believed to be possible 'drivers'. All items on the list, but headed by 'new regulations', 'new technologies or equipment', 'new working practices' and 'new products or services', were seen as significant drivers (with most of them being seen as somewhat more important than 2 years ago).

Depth interviews, with a more open format, also identified some of these items but also identified other influences on skills demand. One additional factor was government policy more widely than the direct effects of regulation on health and safety, waste disposal, and so on. This was not so much a driver of *new* skills (except perhaps in the 'environmental' area where energy generation and conservation has effectively created a new 'green' sub-sector within the industry over the last decade or so). Rather, overarching public expenditure levels and more detailed policies on infrastructure projects, housing finance, and so on affected overall demand for labour and skills in various and complex ways whilst the level of efficiency of the public education system at its various levels was recognised as influential on the quality and scale of labour supply at the new entrant level.

A second additional factor impacting on skill needs was the proposition put forward by some respondents in depth interviews that customer expectations have risen

significantly, these expectations being of greater consultation and engagement of customers, more formal assurances of quality, skills, and safety, more frequent 'public benefit' requirements, and more post-project aftercare and maintenance. The general effect was that competitive lead contractor businesses had had to 'raise their game' or, at least, to formalise what had previously been informal. This had consequences not only for their own staff who had to adapt to new procedures but also for sub-contract supply chains which had similarly to adapt.

### *Positive training indicators from businesses which train*

Turning to training, it was noted above, when reflecting on training cycles in the industry, that a number of indicators in respect of training by those employers who trained were positive – including higher proportions of employees trained, higher expenditure per trainee, and more use of recognised qualifications.

### *But the proportion of businesses which train may be stable not rising*

However, the survey also suggests that the proportion of employers which train may itself be fairly static at the moment (57% in 2014, 56% in construction in the 2013 Employer Skills Survey). The current proportion of 57% is also below the national, all-sector, benchmark of 66% set by the Employer Skills Survey of 2013. It should be noted, however, first, that this national, all-sector benchmark includes public sector employers which have a particularly strong propensity to train and raise the overall average; and, second, that small firms generally train less frequently than large ones and, thus, the construction sector's business size structure may also be implicated in the apparently negative comparison.

The survey also allows a number of further observations on training in the industry.

### *Much training is short training*

Firstly, much training is short training. The average length of on-the-job training was 8 days per trainee and of off-the-job training was 5 days per trainee. The limited length of training may be because it includes relatively brief induction training for new recruits but, with much training driven by regulation and licenses, it is likely that health and safety or short mobile plant driving courses also contribute to the average brevity of training. (In depth interviews, for example, one large business said that 45% of their portfolio of courses was concerned with health and safety.) It can also be noted that short average volumes of training are typical across the economy as a whole. UKCES' Employer Skills Survey suggests that the average number of training days per trainee per year is around 7 days. This figure is not directly comparable with this survey's estimates because it includes both on- and off-the-job training but it serves to make the point that length of training in the construction sector does not appear to be atypical.

It can also be noted that while the average number of days spent in off-the-job training per construction sector trainee remains the same as in 2011 (at 5 days, as above), the number of days spent in on-the-job training has risen from 6.5 days in 2011 to 8 days, as above, in 2014.

### *Private provision and use of CITB training rising*

A further reflection of the dominance of shorter training is that the most common source of training is private provision (used by 67% of training businesses) rather than institutions which typically provide longer courses such as FE colleges (used by 16%) or HE institutions (used by 9%). In respect of the trend in the use of different types of provider, the survey observed that use of private provision rose somewhat between 2011 and 2014 (from 63% to 67%) and that use of CITB services rose more markedly, from 5% in 2011 to 14% in 2014. Some of this apparent sharp rise in the CITB case may be due to survey variation but the statistics are clearly encouraging ones from the CITB's point of view. Less encouraging, perhaps, from the industry's point of view, in that it might be associated with a decline in longer term training to recognised qualifications, is that use of FE colleges and HE institutions appears to have declined (from use by 25% of businesses in 2011 to use by 16% in 2014 in the former case and from 12% to 9% in the latter case).

### *More training towards recognised qualifications*

However, despite this apparent lesser use of FE and HE, in fact, the proportion of employers (who trained at all) who trained towards nationally-recognised qualifications rose from 33% in 2011 to 50% in 2014. The increase to 50% is clearly encouraging. A particularly marked rise in the use of NVQs/SVQs (from use by 18% of training businesses in 2011 to use by 40% in 2014) contributed to the overall greater incident of qualifications-directed training.

### *Barriers to more training mainly lie on the demand-side not in training supply failures*

The survey also observed the barriers to training. For businesses which had not trained *at all*, the major reason for not training, given by 81% of these businesses, was that they perceived all their staff as being proficient (compared with 69% of employers in the all-sectors Employer Skills Survey of 2013). As implied by the sector's lower 'skills gaps' figure noted earlier, construction's higher 'fully proficient' figure here reflects industry managers' confidence in their workforces' skills. For businesses which had trained but would *like to have trained more*, the key reasons for not doing so were cost, given by 55%, and inability to spare staff time, given by 45%. The equivalent all-economy figures from the Employer Skills Survey of 2013 are 60% and 48%. Essentially, these headline 'barriers' figures tell the same story as that of virtually every skills and training survey in or across the UK in the last 2 decades: that training by employers is limited by their perceptions of its necessity and its value in relation to its costs, much more frequently than by failures in the quality or availability of training. Essentially, if 'undertraining' is perceived in the UK economy or in the construction sector, it is a demand failure not, largely, a supply failure.

### *Some lack of clarity in small business perceptions of Apprenticeship persist*

Finally, statistics on Apprenticeship generated by the survey suggest that the programme is widely recognised – by 95% of industry employers. However, the survey suggests that awareness of the name may be somewhat higher than awareness of details of the programme. Thus, only 32% of English construction sector employers were aware of Advanced Apprenticeship and only 23% were aware

of Higher Apprenticeships. Across the UK, only 36% of construction sector employers were aware of Adult Apprenticeships. Some of this lack of clarity was also apparent in some depth interviews with micro and small businesses which, if they had not used Apprenticeship, did not clearly recognise the characteristics of the Apprenticeship programme and reported, explicitly, that they had not reviewed the programme in any detail and were unaware of recent developments in its organisation and funding.

### *Uncertain workloads an important factor limiting SME willingness to recruit Apprentices*

As with virtually every other aspect of training, the survey showed that engagement in Apprenticeship was much higher for larger businesses than smaller ones, as, correspondingly, was observed in depth interviews. Those employers currently engaged in Apprenticeship were more likely to report an increase in Apprentice/new trainee recruitment in the 12 months prior to the interview than to report a decrease (27% compared with 13%). Where decrease was reported, 59% of these businesses said that recession was a factor in this. This finding correlates to that of depth interviews where several SMEs reported that uncertainty about the ability to maintain business levels in the light of recessionary experiences had made them cautious about taking on Apprentices. Overall the survey showed a stable percentage of industry employers as currently engaged in Apprenticeship, at around 13% or around 1 in 7 of businesses. Increasing this proportion may need a more stable business environment, prolonged over a period of time, to restore the level of business confidence and sense of security on which much Apprentice recruitment, particularly by SMEs, depends.

## Appendix 1: Data weighting

At the pre-analysis stage, to adjust for the deliberate imbalances introduced into the sample in respect of business size and nation and to correct any minor response biases, population estimates from IDBR were used to weight the data. The employer and self-employed business samples were weighted separately. The self-employed business sample was weighted by sector (2 digit SIC code) and nation/region. Interlocking weights by size and sector (2 digit SIC code) and then nation/region weights were applied to the employer sample. The result of this process in each case is a weighted sample profile that reflects the population profile, as indicated by up-to-date IDBR data. The unweighted and weighted sample profiles are presented in the tables that follow:

### Figure 57: Sample profile – self-employed individuals

| | n. Interviews achieved | % of all interviews achieved | n. weighted sample | % of population | Weighting factor applied |
|---|---|---|---|---|---|
| **Construction** | **122** | **78** | **102** | **65** | **0.84** |
| 41 – Construction of buildings | 39 | 25 | 40 | 25 | 1.03 |
| 42 – Civil engineering | 8 | 5 | 8 | 5 | 1.00 |
| 43 – Specialised construction activities | 75 | 48 | 55 | 35 | 0.73 |
| **Professional services** | **35** | **22** | **55** | **35** | **1.57** |
| 71 - Architectural and engineering activities; technical testing and analysis | 33 | 21 | 50 | 32 | 1.52 |
| 74 - Other professional, scientific and technical activities | 2 | 1 | 5 | 3 | 2.50 |
| England | 122 | 78 | 133 | 85 | 1.09 |
| Wales | 10 | 6 | 5 | 3 | 0.50 |
| Scotland | 12 | 8 | 13 | 8 | 1.08 |
| Northern Ireland | 13 | 8 | 5 | 3 | 0.38 |
| East of England | 21 | 13 | 24 | 15 | 1.14 |
| East Midlands | 6 | 4 | 7 | 4 | 1.17 |
| London | 17 | 11 | 17 | 11 | 1.00 |
| North East | 5 | 3 | 5 | 3 | 1.00 |
| North West | 16 | 10 | 17 | 11 | 1.06 |
| South East | 14 | 9 | 15 | 10 | 1.07 |
| South West | 16 | 10 | 18 | 11 | 1.13 |

| | n. Interviews achieved | % of all interviews achieved | n. weighted sample | % of population | Weighting factor applied |
|---|---|---|---|---|---|
| West Midlands | 15 | 10 | 17 | 11 | 1.13 |
| Yorkshire and the Humber | 12 | 8 | 13 | 8 | 1.08 |
| **UK** | **157** | **100** | **157** | **100** | **1.00** |

## Figure 58: Sector and size of the weighted employer sample; numbers

| | 2-9 employees | 10-24 employees | 25-99 employees | 100+ employees | Total |
|---|---|---|---|---|---|
| **Construction** | **672** | **71** | **31** | **6** | **779** |
| 41 – Construction of buildings | 241 | 24 | 11 | 3 | **279** |
| 42 – Civil engineering | 78 | 12 | 7 | 2 | **99** |
| 43 – Specialised construction activities | 353 | 35 | 13 | 1 | **401** |
| **Professional services** | **226** | **30** | **14** | **4** | **274** |
| 71 - Architectural and engineering activities; technical testing and analysis | 203 | 28 | 13 | 3 | **247** |
| 74 - Other professional, scientific and technical activities | 23 | 2 | 1 | <1 | **26** |
| **UK** | **898** | **101** | **44** | **10** | **1053** |

## Figure 59: Sample profile – employers

| | n. Interviews achieved | % of all interviews achieved | n. weighted sample | % of population | Weighting factor applied |
|---|---|---|---|---|---|
| **Construction** | **840** | **80** | **779** | **74** | **0.93** |
| 41 – Construction of buildings | 323 | 31 | 279 | 26 | 0.86 |
| 42 – Civil engineering | 92 | 9 | 99 | 9 | 1.08 |
| 43 – Specialised construction activities | 425 | 40 | 401 | 38 | 0.94 |
| **Professional services** | **213** | **20** | **274** | **26** | **1.28** |
| 71 - Architectural and engineering activities; technical testing and analysis | 199 | 19 | 247 | 23 | 1.24 |
| 74 - Other professional, scientific and technical activities | 14 | 1 | 26 | 3 | 1.86 |
| England | 836 | 79 | 882 | 84 | 1.06 |
| Wales | 71 | 7 | 45 | 4 | 0.63 |
| Scotland | 74 | 7 | 93 | 9 | 1.25 |
| Northern Ireland | 72 | 7 | 33 | 3 | 0.46 |
| East of England | 114 | 11 | 123 | 12 | 1.08 |
| East Midlands | 68 | 6 | 74 | 7 | 1.09 |
| London | 121 | 11 | 139 | 13 | 1.15 |
| North East | 34 | 3 | 43 | 4 | 1.26 |
| North West | 86 | 8 | 90 | 9 | 1.05 |
| South East | 163 | 15 | 175 | 17 | 1.07 |
| South West | 100 | 9 | 98 | 9 | 0.98 |
| West Midlands | 74 | 7 | 77 | 7 | 1.04 |
| Yorkshire and the Humber | 76 | 7 | 65 | 6 | 0.86 |
| **UK** | **1053** | **100** | **1053** | **100** | **1.00** |

### *Employment weighting*

A second weighting procedure was also used. Where data is presented based on numbers of employees, such as in the occupational breakdown of the workforce or in reporting the number of employees who have received training, weighting factors have been applied to the employer sample based on IDBR population estimates for employment.

This is necessary because a small number of larger businesses employ a disproportionate large share of the employee population. For example, while 1% of the employer population have 100 or more staff at their site, these businesses account for 25% of employment in the sector.

The unweighted and weighted sample profile following the application of employment weights is set out in the table that follows:

**Figure 60: Sample profile – employers**

| | Unweighted % of workforce | % of employee population | Weighting factor applied |
|---|---|---|---|
| **Construction** | **71** | **71** | **1.01** |
| 41 – Construction of buildings | 29 | 26 | 0.91 |
| 42 – Civil engineering | 17 | 16 | 0.95 |
| 43 – Specialised construction activities | 25 | 29 | 1.16 |
| **Professional services** | **29** | **29** | **0.98** |
| 71 - Architectural and engineering activities; technical testing and analysis | 29 | 27 | 0.95 |
| 74 - Other professional, scientific and technical activities | 1 | 2 | 2.00 |
| 2-9 employees | 5 | 35 | 7.54 |
| 10-24 employees | 7 | 17 | 2.41 |
| 25-99 employees | 21 | 23 | 1.11 |
| 100+ employees | 67 | 25 | 0.37 |
| England | 80 | 82 | 1.02 |
| Northern Ireland | 5 | 3 | 0.54 |
| Wales | 4 | 4 | 1.05 |
| Scotland | 11 | 11 | 1.00 |
| **UK** | **100** | **100** | **1.00** |

## Appendix 2: Data by Nation

Figures in bold font are statistically significantly higher than the UK average. Figures in italics are statistically significantly lower than the UK average.

All data is based on businesses with any direct employees.

*denotes a figure of less than 0.5%.

| Sector in which business operates | | | | | |
|---|---|---|---|---|---|
| **Base: All employers** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 1053 | 836 | 72 | 74 | 71 |
| Construction Sector | 74% | 74% | *58%* | 80% | 72% |
| Professional Services | 26% | 26% | 42% | 20% | 28% |
| **No. of employees at that site** | | | | | |
| **Base: All employers** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 1053 | 836 | 72 | 74 | 71 |
| 2-9 employees | 85% | 85% | 78% | 89% | 82% |
| 10-24 employees | 10% | 10% | 14% | 7% | 11% |
| 25-99 employees | 4% | 4% | 7% | 2% | 6% |
| 100+ employees | 1% | 1% | 1% | 1% | 1% |

| No. of contractor, agency or self-employed staff | | | | | |
|---|---|---|---|---|---|
| **Base: All employers** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 1053 | 836 | 72 | 74 | 71 |
| None | 49% | *46%* | 57% | **70%** | 56% |
| 1 only | 6% | 6% | **17%** | *0%* | 9% |
| 2 - 4 | 14% | 15% | *5%* | 12% | 16% |
| 5 - 9 | 12% | 12% | 9% | 14% | 9% |
| 10 - 24 | 11% | **13%** | 5% | *% | 6% |
| 25 - 49 | 4% | 5% | 1% | 3% | 2% |
| 50 - 99 | 1% | 1% | 2% | *% | 1% |
| 100 - 199 | 1% | 1% | 1% | 0% | 0% |
| 200+ | 1% | 1% | *% | 1% | 1% |
| Don't know | 1% | 1% | **4%** | *% | 1% |

| B1 What factors, if any, are currently limiting your business? Unprompted, multiple response | | | | | |
|---|---|---|---|---|---|
| **Base: All employers** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 1053 | 836 | 72 | 74 | 71 |
| Insufficient demand/uncertainty in economy | 17% | 16% | **46%** | 15% | 20% |
| High level of competition from other co's | 3% | 3% | 3% | **9%** | *% |
| Labour shortages | 4% | 5% | 2% | *% | 5% |
| Weather conditions | 10% | **11%** | 6% | *1%* | 11% |
| Shortages of materials/equipment | 1% | 1% | 0% | 2% | 0% |
| Cash flow | 4% | 4% | 0% | 5% | 6% |
| Taxation | 1% | 1% | 0% | 1% | 2% |
| Lack of funding/finance | 6% | 6% | 3% | 11% | 3% |
| Access to skilled workforce | 2% | 2% | 0% | 0% | 0% |
| Size of business/premises | 1% | 1% | 0% | 0% | 1% |
| Regulations/red-tape | 2% | 2% | 0% | *% | 2% |
| Lack of advertising/marketing | *% | *% | 0% | 2% | 0% |
| Late payments from clients | 3% | 3% | 2% | 5% | 0% |
| Cost of raw materials/equipment | 1% | 1% | 0% | 1% | 0% |
| Product pricing | 1% | 1% | 0% | 3% | 0% |
| Tendering process | *% | *% | 0% | 0% | 0% |
| Personal issues (inc. poor health/old age) | 1% | 1% | 0% | 0% | 2% |
| Training issues | *% | *% | 0% | 0% | **5%** |
| Time constraints | 1% | 1% | 0% | 0% | 0% |
| Other | 5% | 6% | 7% | 1% | *0%* |
| Nothing | 44% | 45% | 40% | 45% | 45% |
| Don't know | 1% | 1% | 0% | **7%** | 2% |

| B2 And what factors do you think are most likely to limit your business over the next 12 months? Unprompted, multiple response | | | | | |
|---|---|---|---|---|---|
| **Base: All employers** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 1053 | 836 | 72 | 74 | 71 |
| Insufficient demand/uncertainty in economy | 21% | 20% | **40%** | 23% | 18% |
| High level of competition from other co's | 4% | 3% | 4% | 7% | 3% |
| Labour shortages | 7% | 7% | 6% | 3% | 5% |
| Weather conditions | 11% | 12% | *4%* | 5% | **19%** |
| Shortages of materials/equipment | 1% | 1% | 0% | 0% | 0% |
| Cash flow | 5% | 5% | 2% | 6% | **15%** |
| Taxation | 1% | *% | 0% | 1% | **3%** |
| Lack of funding/finance | 7% | 7% | 6% | 12% | 2% |
| Access to skilled workforce | 2% | 2% | 0% | 0% | 0% |
| Size of business/premises | 1% | 1% | 0% | 0% | 1% |
| Regulations/red-tape | 3% | 3% | 0% | 0% | 2% |
| Lack of advertising/marketing | *% | *% | 0% | **2%** | 0% |
| Late payments from clients | 2% | 2% | 0% | 5% | 0% |
| Cost of raw materials/equipment | 1% | 1% | 1% | 1% | 0% |
| Product pricing | 1% | *% | **5%** | **3%** | 0% |
| Tendering process | *% | *% | 0% | 0% | 0% |
| Personal issues (inc. poor health/old age) | 1% | 1% | 0% | 0% | 0% |
| Training issues | 1% | 1% | 2% | 0% | 0% |
| Time constraints | *% | *% | 0% | 0% | 0% |
| Other | 5% | 5% | 5% | 8% | 3% |
| Nothing | 33% | **35%** | 27% | 26% | 23% |
| Don't know | 4% | 3% | **10%** | 3% | **14%** |

| C1 Thinking about skills over the last 12 months, which one of the following comes closest to the situation for this establishment? | | | | | |
|---|---|---|---|---|---|
| **Base: All employers** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 1053 | 836 | 72 | 74 | 71 |
| For all or most of the last 12 months we did not have enough skilled workers for the work we had or could have had | 5% | 5% | 7% | 1% | 5% |
| For some of that time we did not have enough skilled workers | 13% | 14% | 14% | 12% | 7% |
| For most of the last 12 months we have been operating at or near full capacity | 61% | 61% | *44%* | 59% | 72% |
| For most of the last 12 months we have not had sufficient work for our workforce | 17% | 15% | **36%** | **27%** | 13% |
| Unsure | 4% | 5% | 0% | *% | 3% |

| C3 In the last 12 months, which of the following steps, if any, have you taken to try and tackle a lack of skilled workers? | | | | | |
|---|---|---|---|---|---|
| **Base: All employers** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 1053 | 836 | 72 | 74 | 71 |
| You have tried to recruit experienced, skilled employees i.e. direct labour | 39% | 39% | 44% | 42% | 45% |
| You have tried to recruit skilled self-employed or other indirect labour | 34% | 35% | 39% | *24%* | 28% |
| You have tried to recruit Apprentices or less experienced staff to train up | 30% | 30% | 28% | 28% | 30% |
| You have sub-contracted work | 53% | 54% | 50% | 44% | 52% |
| You have turned work down | 33% | **35%** | *20%* | *20%* | 40% |
| You have tried to recruit any skilled or experienced direct/indirect labour | 50% | 50% | 52% | 52% | 48% |
| None of these | 22% | 22% | 27% | 29% | 14% |

| C4. In the last 12 months, has this establishment recruited any new direct employees? | | | | | |
|---|---|---|---|---|---|
| **Base: All employers** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 1053 | 836 | 72 | 74 | 71 |
| Yes | 33% | 33% | 27% | 37% | 29% |
| No | 67% | 67% | 73% | 63% | 71% |
| Can't recall | *% | *% | 0% | 0% | 0% |
| **C5. Of these recruits, were any taken on to their first job on leaving school, college or university?** | | | | | |
| **Base: Where have recruited** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 538 | 439 | 29 | 41 | 29 |
| Yes | 26% | 25% | 28% | 29% | 33% |
| No | 72% | 72% | 72% | 71% | 65% |
| Don't know | 3% | 3% | 0% | 0% | 2% |
| **C5. Of these recruits, were any taken on to their first job on leaving school, college or university?** | | | | | |
| **Base: All employers** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 1053 | 836 | 72 | 74 | 71 |
| Yes | 8% | 8% | 7% | 10% | 9% |
| No | 91% | 91% | 93% | 90% | 90% |
| Don't know | 1% | 1% | 0% | 0% | 1% |

| C7/C8. Summary of recruitment of under 25's and education leavers | | | | | |
|---|---|---|---|---|---|
| **Base: Where have recruited** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 538 | 439 | 29 | 41 | 29 |
| Have recruited anyone else under 25 not into their first job | 6% | *5%* | 8% | 8% | 21% |
| Have recruited anyone under 25 | 31% | **33%** | 19% | 18% | 17% |
| Have not recruited anyone under 25 not into their first job | 63% | 62% | 73% | 73% | 62% |
| **C9. You mentioned that you tried to recruit skilled employees/self-employed staff in the last 12 months. Were any of these vacancies hard-to-fill** | | | | | |
| **Base: Where have tried to recruit skilled/ self-employed staff** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 629 | 500 | 45 | 47 | 37 |
| Yes | 36% | 36% | 34% | 41% | 25% |
| No | 63% | 62% | 66% | 58% | 75% |
| Don't know | 1% | 1% | 0% | 1% | 0% |
| **C9. You mentioned that you tried to recruit skilled employees/self-employed staff in the last 12 months. Were any of these vacancies hard-to-fill?** | | | | | |
| **Base: All employers** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 1053 | 836 | 72 | 74 | 71 |
| Yes | 18% | 18% | 17% | 21% | 12% |
| No | 81% | 81% | 83% | 78% | 88% |
| Don't know | 1% | 1% | 0% | 1% | 0% |

| D2 & D3. Whether business has skills gaps | | | | | |
|---|---|---|---|---|---|
| **Base: All employers** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 1053 | 836 | 72 | 74 | 71 |
| Have skills gaps | 8% | 8% | 7% | 12% | 4% |
| No skills gaps | 92% | 92% | 93% | 88% | 96% |

| E1. Over the next 12 months do you expect to need to acquire new skills or knowledge as a result of ...? | | | | | |
|---|---|---|---|---|---|
| **Base: All employers** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 1053 | 836 | 72 | 74 | 71 |
| The development of new products and services | 38% | 39% | 37% | 38% | *27%* |
| New Eco/Energy saving design/build methods | 28% | 28% | 32% | 27% | 22% |
| The introduction of new working practices | 40% | 41% | 46% | 36% | 40% |
| The introduction of new technologies or equipment | 44% | 44% | 40% | 46% | *31%* |
| New legislative or regulatory requirements | 48% | 49% | 59% | 39% | 44% |
| Increased competitive pressure | 29% | *28%* | 37% | 36% | 38% |
| Business management | 24% | 25% | **35%** | 19% | 23% |
| Environment requirements | 37% | 37% | 36% | 37% | 33% |
| Other reasons | 2% | 2% | 3% | 1% | 3% |
| Any of these | 68% | 69% | 75% | 63% | 67% |
| None of these | 32% | 31% | 25% | 37% | 33% |

| E3. Which skills do you feel will need improving or updating amongst your staff over the next 12 months? | | | | | |
|---|---|---|---|---|---|
| **Base: Where have employees that need to acquire new skills or knowledge** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 776 | 616 | 53 | 54 | 53 |
| Health and safety (inc. asbestos) and first aid | 31% | 30% | 27% | **47%** | 32% |
| Technical/trade specific | 33% | 31% | 27% | **51%** | 35% |
| Legislation/regulations | 30% | 30% | 26% | 30% | 18% |
| Management/business skills | 12% | 11% | **20%** | 7% | **23%** |
| New or different products/markets/branch out | 20% | 19% | 15% | 28% | 12% |
| IT/new software | 20% | 20% | 17% | 18% | 18% |
| Green/ecological products and/or practices | 16% | 16% | 12% | 12% | 14% |
| Sales/marketing | 6% | 6% | 9% | 8% | 6% |
| General/all sorts | 18% | 17% | 16% | **38%** | 16% |
| Other | 3% | 3% | 3% | 1% | **14%** |
| None | 7% | 8% | 8% | 5% | 6% |
| Don't know | 15% | 16% | 13% | 10% | 15% |

| F1/F2. Over the past 12 months have you funded or arranged any off-the-job or on-the-job training or development or informal training for yourself or staff? | | | | | |
|---|---|---|---|---|---|
| **Base: All employers** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 1053 | 836 | 72 | 74 | 71 |
| Off the job | 45% | 45% | 54% | 43% | 40% |
| On the job | 39% | 39% | 32% | 44% | 31% |
| Both | 27% | 27% | 29% | 28% | 21% |
| Either | 57% | 58% | 58% | 59% | 50% |
| Off the job only | 18% | 18% | 25% | 15% | 19% |
| On the job only | 12% | 13% | *3%* | 15% | 10% |
| Neither | 42% | 42% | 38% | 38% | 48% |
| Don't know | 1% | *% | 4% | 3% | 2% |
| **F3. Proportion of all staff that have had off-the-job training** | | | | | |
| **Base: All employees** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 41014 | 31810 | 2120 | 5195 | 1889 |
| Off-the-job training | 35% | 35% | **59%** | 30% | **47%** |
| **F8. Proportion of all staff that have had on-the-job training** | | | | | |
| **Base: All employees** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 41014 | 31810 | 2120 | 5195 | 1889 |
| On-the-job training | 32% | 32% | **36%** | **37%** | **34%** |

| F6/F9. Proportion of days spent doing on or off the job training | | | | | |
|---|---|---|---|---|---|
| **Base: All training days** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 5444 | 4654 | 329 | 192 | 269 |
| Off-the-job training | 45% | 44% | *35%* | **60%** | **54%** |
| On-the-job training | 55% | 56% | 65% | *40%* | *46%* |
| **F10/F11/F14/F15. Whether trained to Nationally recognised qualifications** | | | | | |
| **Base: All employers** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 1053 | 836 | 72 | 74 | 71 |
| Nationally recognised qualification | 28% | 28% | 40% | 30% | 28% |
| NVQ or SVQ | 23% | 22% | 29% | 27% | 19% |
| HNC or HND | 10% | 10% | 17% | 14% | 7% |
| Degree | 4% | 4% | 6% | 7% | 2% |
| None of these | 72% | 72% | 60% | 70% | 72% |
| **F10/F11/F14/F15. Whether trained to Nationally recognised qualifications** | | | | | |
| **Base: Where funded/ arranged any training** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 738 | 593 | 49 | 51 | 45 |
| Nationally recognised qualification | 50% | 48% | 70% | 52% | 57% |
| NVQ or SVQ | 40% | 39% | 50% | 46% | 39% |
| HNC or HND | 18% | 17% | 30% | 23% | 15% |
| Degree | 8% | 7% | 11% | 12% | 3% |
| None of these | 50% | 52% | 30% | 48% | 43% |

| F16. And does this establishment/business formally assess whether the training and development received by an employee has an impact on his or her performance? | | | | | |
|---|---|---|---|---|---|
| **Base: Where provided training for any staff** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 689 | 552 | 47 | 48 | 42 |
| Yes | 60% | 59% | 60% | 73% | *44%* |
| No | 37% | 38% | 37% | *22%* | **56%** |
| Don't know | 2% | 2% | 3% | 6% | 0% |

| F17. Still excluding any apprentices, but thinking about all training in the last 12 months, which of the following types of training provision have you or your staff used in the last year? | | | | | |
|---|---|---|---|---|---|
| **Base: Where funded/ arranged any training** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 738 | 593 | 49 | 51 | 45 |
| Training delivered by an FE college | 16% | 15% | 16% | 19% | **28%** |
| Training delivered by Higher Education (e.g. university) | 9% | 8% | 6% | 17% | 12% |
| Training delivered by the National Construction College (NCC)/ CITB-ConstructionSkills NI | 14% | 13% | **45%** | 8% | 9% |
| Training provided by any other private training provider | 67% | 65% | 73% | 76% | 67% |
| Training provided by a manufacturer or supplier | 40% | 39% | *24%* | 49% | 47% |
| Other off-the-job training such as courses or formal instruction | 52% | 52% | 47% | 54% | 56% |
| Learning or training where a more experienced worker demonstrates techniques and passes on skills to less experienced staff while working alongside them on-the-job | 68% | 66% | *54%* | **85%** | 73% |
| Any self-learning where staff study using books, manuals, CD-ROMs or other materials | 57% | 57% | 47% | 54% | 65% |
| Training provided by a Professional Institution for example for Continuing Personal Development | 44% | 44% | 44% | 47% | 49% |
| Training delivered by/ through an industry federation/ body e.g. FMB | 21% | 20% | 22% | 22% | 24% |
| None of these | 3% | 3% | 0% | 0% | 1% |

| F18. You mentioned that you have not taken up any training over the past 12 months. What are the reasons for this? | | | | | |
|---|---|---|---|---|---|
| **Base: Where provided training** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 304 | 237 | 22 | 20 | 25 |
| The courses interested in are not available locally | 3% | 2% | 15% | 0% | 9% |
| The quality of the courses or providers locally is not satisfactory | 1% | 1% | 0% | 0% | 0% |
| I don't know what provision is available locally | 1% | 1% | 0% | 0% | 0% |
| The start dates or times of the courses are inconvenient | 1% | *% | 0% | 1% | 0% |
| External courses are too expensive | 3% | 3% | 4% | 0% | 0% |
| Managers have lacked the time to organise training | 1% | 1% | 0% | 6% | 4% |
| Employees are too busy to give training | 2% | 2% | 0% | 12% | 0% |
| Employees are too busy to go on training courses | 4% | 5% | 0% | 0% | 12% |
| All our staff are fully proficient | 70% | 71% | 61% | 72% | 53% |
| No need/it's not required | 12% | 12% | 16% | 21% | 7% |
| Lack of funding | 3% | 3% | 4% | 0% | 6% |
| Training is done internally/on-the-job | 2% | 3% | 0% | 0% | 0% |
| Other reasons | 4% | 3% | 16% | 0% | 10% |
| No particular reason | 5% | 5% | 8% | 0% | 5% |
| Don't know | *% | *% | 0% | 0% | 6% |

| F19. If you could have done, would you have provided MORE training for staff than you were able to over the last 12 months? | | | | | |
|---|---|---|---|---|---|
| **Base: Where funded/ arranged any training** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 738 | 593 | 49 | 51 | 45 |
| Yes | 40% | 38% | 43% | 52% | 36% |
| No | 59% | 60% | 57% | 48% | 64% |
| Don't know | 2% | 2% | 0% | 0% | 0% |
| **G1. I'd now like to ask you some questions about Government-funded Apprenticeships. First of all, have you heard of Apprenticeships?** | | | | | |
| **Base: Where construction sector** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 809 | 642 | 51 | 60 | 56 |
| Yes - heard of Apprenticeships | 95% | 96% | *82%* | 97% | 91% |
| No - not heard of Apprenticeships | 5% | 4% | **18%** | 3% | 9% |
| Don't know | *% | *% | 0% | 0% | 0% |
| **G2. And have you heard specifically of ...?** | | | | | |
| **Base: Where heard of apprenticeships, excluding Northern Ireland** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 728 | 616 | | 59 | 53 |
| England only: Advanced Apprenticeships college | 28% | 32% | | | |
| Adult Apprenticeships for those aged 25 plus | 39% | 36% | | **57%** | 44% |
| England only: Higher Apprenticeships | 20% | 23% | | | |
| Scotland only: Modern Apprenticeships | 8% | | | **78%** | |
| None of these | 47% | 50% | | *22%* | 56% |

| G3. Do you currently have any staff undertaking Apprenticeships at this site? | | | | | |
|---|---|---|---|---|---|
| **Base: Where have employees and have heard of apprenticeships** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 771 | 616 | 43 | 59 | 53 |
| Yes | 14% | 14% | 9% | 20% | 13% |
| No | 85% | 86% | 91% | 79% | 87% |
| Don't know | *% | *% | 0% | *% | 0% |
| **G4. Do you currently offer (Modern) Apprenticeships at this site?** | | | | | |
| **Base: Where have employees and have heard of apprenticeships but do not currently have any apprentices** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 568 | 451 | 37 | 36 | 44 |
| Yes | 12% | 12% | 17% | 14% | 19% |
| No | 87% | 88% | 83% | 86% | 81% |
| Don't know | 1% | 1% | 0% | *% | 0% |
| **G7. What are the main reasons why you don't offer Apprenticeships?** | | | | | |
| **Base: Where do not offer apprenticeships** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 490 | 392 | 31 | 31 | 36 |
| All staff fully trained | 11% | 11% | 10% | 5% | 5% |
| We don't take on young people | 5% | 5% | 0% | 9% | 5% |
| We prefer to recruit fully trained/fully qualified recruits | 7% | 6% | 0% | 14% | 1% |
| No young people | 4% | 4% | 0% | 10% | 0% |
| Bad previous experiences with Apprentices | 6% | 6% | 8% | 1% | 5% |
| Don't know enough about them/what we'd have to do | 9% | 9% | 12% | 3% | 14% |
| Not as good as they used to be | 1% | 1% | 4% | 0% | 0% |

| | | | | | |
|---|---|---|---|---|---|
| Not worth my time for the money we get | 10% | 12% | 6% | 1% | 8% |
| We don't (the job doesn't) require staff to be that highly skilled | 8% | 8% | 11% | 14% | 7% |
| Lack of funding/cost issues | 5% | 5% | **13%** | 0% | 5% |
| Don't have enough work available | 11% | 10% | 9% | 20% | 3% |
| Not recruiting any more staff/have no vacancies | 5% | 4% | 0% | 9% | 10% |
| Small size of business (inc. sole trader) | 9% | 9% | 11% | 5% | 9% |
| Don't have enough time | 6% | 5% | 4% | 9% | 8% |
| Haven't thought about/considered it yet | 2% | 2% | 0% | 2% | 1% |
| No apprenticeships available in this area of work | 2% | 2% | 0% | 5% | 0% |
| No training/courses available locally | 1% | 1% | 0% | 0% | 0% |
| Nature of the work | 2% | 2% | 4% | 1% | 7% |
| No need for an apprentice | 5% | 5% | 0% | 5% | 4% |
| Economic climate/recession | 1% | 1% | 0% | 0% | 2% |
| Regulations/paperwork | 2% | 2% | 0% | 0% | 0% |
| Poor quality of apprentices | 1% | 1% | 0% | 1% | 0% |
| Work is subcontracted | 1% | 1% | 1% | 0% | 0% |
| Health & safety reasons | *% | *% | 1% | 0% | 0% |
| Business is closing/retiring soon | 1% | 2% | 0% | 0% | 0% |
| Other reason | 7% | 7% | 8% | 5% | 9% |
| No particular reason | 1% | 1% | 4% | 0% | 0% |
| Don't know | 5% | 5% | 6% | 5% | 7% |

| G8. Thinking about the next 12 months, how likely is it that you/ this establishment will have someone starting an Apprenticeship? | | | | | |
|---|---|---|---|---|---|
| **Base: Where construction sector** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 809 | 642 | 51 | 60 | 56 |
| Very likely | 10% | 9% | 15% | 10% | 15% |
| Quite likely | 16% | 16% | 25% | 17% | 15% |
| Not very likely | 23% | 23% | 16% | 31% | 22% |
| Not at all likely | 46% | 47% | 41% | 42% | 41% |
| Don't know | 5% | 5% | 3% | *% | 7% |
| Summary: Likely | 26% | 25% | **40%** | 28% | 30% |
| Summary: Not likely | 69% | 70% | 57% | 72% | 63% |
| Mean | 3.11 | 3.13 | 2.85 | 3.03 | 2.96 |
| **H1/1. Finally, we are interested to know what trends you have experienced in training spend and training delivered at this establishment in the last 12 months? Please tell me if each of the following has increased, stayed the same or decreased : Expenditure on training per employee** | | | | | |
| **Base: Where funded/ arranged any training** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 738 | 593 | 49 | 51 | 45 |
| Increased | 41% | 41% | 33% | 38% | 43% |
| Stayed the same | 50% | 50% | 45% | 52% | 46% |
| Decreased | 7% | 6% | **21%** | 6% | 5% |
| Don't know | 3% | 3% | 1% | 4% | 6% |

| H1/2. Finally, we are interested to know what trends you have experienced in training spend and training delivered at this establishment in the last 12 months? Please tell me if each of the following has increased, stayed the same or decreased : Proportion of employees provided with training | | | | | |
|---|---|---|---|---|---|
| **Base: Where funded/ arranged any training** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 738 | 593 | 49 | 51 | 45 |
| Increased | 32% | 31% | 22% | 37% | 39% |
| Stayed the same | 62% | 63% | 61% | 57% | 53% |
| Decreased | 4% | 3% | **16%** | 6% | 6% |
| Don't know | 2% | 3% | 1% | 0% | 2% |

| H1/3. Finally, we are interested to know what trends you have experienced in training spend and training delivered at this establishment in the last 12 months? Please tell me if each of the following has increased, stayed the same or decreased. : Proportion of any employees' training delivered by external providers | | | | | |
|---|---|---|---|---|---|
| **Base: Where funded/ arranged any training** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 738 | 593 | 49 | 51 | 45 |
| Increased | 31% | 31% | 27% | 35% | 42% |
| Stayed the same | 58% | 58% | 47% | 60% | 48% |
| Decreased | 6% | 5% | **26%** | 4% | 8% |
| Don't know | 5% | **6%** | 0% | 0% | 2% |

| H1/4. Finally, we are interested to know what trends you have experienced in training spend and training delivered at this establishment in the last 12 months? Please tell me if each of the following has increased, stayed the same or decreased : Emphasis placed on informal learning | | | | | |
|---|---|---|---|---|---|
| **Base: Where funded/ arranged any training** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 738 | 593 | 49 | 51 | 45 |
| Increased | 29% | 27% | 29% | 40% | 36% |
| Stayed the same | 64% | 65% | 60% | 59% | 57% |
| Decreased | 3% | 3% | **9%** | *% | 3% |
| Don't know | 4% | 5% | 3% | 0% | 3% |

| H1/5. Finally, we are interested to know what trends you have experienced in training spend and training delivered at this establishment in the last 12 months? Please tell me if each of the following has increased, stayed the same or decreased : Amount of training that leads to recognised qualifications | | | | | |
|---|---|---|---|---|---|
| **Base: Where funded/ arranged any training** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 738 | 593 | 49 | 51 | 45 |
| Increased | 21% | 20% | 23% | 31% | 7% |
| Stayed the same | 67% | 66% | 66% | 68% | **85%** |
| Decreased | 7% | 7% | 11% | 1% | 6% |
| Don't know | 5% | **6%** | 0% | 0% | 2% |

| H1/6. Finally, we are interested to know what trends you have experienced in training spend and training delivered at this establishment in the last 12 months? Please tell me if each of the following has increased, stayed the same or decreased : Number of Apprentices and new trainees recruited by your establishment | | | | | |
|---|---|---|---|---|---|
| **Base: Where have direct employees and offer apprenticeships** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 278 | 222 | 12 | 27 | 17 |
| Increased | 27% | **31%** | 23% | 4% | 18% |
| Stayed the same | 57% | *53%* | 64% | 73% | 82% |
| Decreased | 13% | 12% | 13% | 23% | 0% |
| Don't know | 3% | 4% | 0% | *% | 0% |

| H1/7. Finally, we are interested to know what trends you have experienced in training spend and training delivered at this establishment in the last 12 months? Please tell me if each of the following has increased, stayed the same or decreased: Number of staff employed at your establishment? | | | | | |
|---|---|---|---|---|---|
| **Base: All employers** | | | | | |
| | **All employers** | **England** | **Northern Ireland** | **Scotland** | **Wales** |
| Unweighted bases | 1053 | 836 | 72 | 74 | 71 |
| Increased | 19% | 18% | 15% | **29%** | 17% |
| Stayed the same | 69% | **71%** | 65% | *55%* | 72% |
| Decreased | 10% | *9%* | **21%** | 16% | 10% |
| Don't know | 1% | 1% | 0% | 0% | 1% |

## Appendix 3: Data by English Government Office Regions

Figures in bold font are statistically significantly higher than the UK average. Figures in italics are statistically significantly lower than the UK average.

All data is based on businesses with any direct employees.

*denotes a figure of less than 0.5%.

| Sector in which business operates | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Base: All employers** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 836 | 114 | 68 | 121 | 34 | 86 | 163 | 100 | 74 | 76 |
| Construction Sector | 74% | 77% | 78% | 70% | 76% | 70% | 72% | 79% | 76% | 74% |
| Professional Services | 26% | 23% | 22% | 30% | 24% | 30% | 28% | 21% | 24% | 26% |
| **No. of employees at that site** | | | | | | | | | | |
| **Base: All employers** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 836 | 114 | 68 | 121 | 34 | 86 | 163 | 100 | 74 | 76 |
| 2-9 employees | 85% | 86% | 84% | 86% | 92% | 86% | 85% | 84% | 86% | 82% |
| 10-24 employees | 10% | 8% | 12% | 11% | 5% | 9% | 10% | 9% | 8% | 10% |
| 25-99 employees | 4% | 5% | 3% | 3% | 2% | 4% | 4% | 6% | 5% | 6% |
| 100+ employees | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 2% | 1% |

| No. of contractor, agency or self-employed staff | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Base: All employers** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 836 | 114 | 68 | 121 | 34 | 86 | 163 | 100 | 74 | 76 |
| None | 46% | 47% | 44% | *39%* | **70%** | 59% | *39%* | 49% | 47% | *36%* |
| 1 only | 6% | **11%** | **12%** | *2%* | 1% | 3% | 9% | 4% | 9% | 1% |
| 2 - 4 | 15% | 12% | 10% | 13% | 14% | 16% | 16% | 16% | 8% | **33%** |
| 5 - 9 | 12% | *4%* | 12% | 12% | 6% | 11% | **19%** | 9% | 14% | 8% |
| 10 - 24 | 13% | 14% | 11% | **18%** | *0%* | 10% | 10% | 14% | 18% | 10% |
| 25 - 49 | 5% | 8% | 8% | 6% | 9% | *% | 2% | 4% | 3% | 6% |
| 50 - 99 | 1% | *% | *% | **5%** | 0% | 1% | 1% | *% | *% | 3% |
| 100 - 199 | 1% | *% | 1% | 2% | 0% | 0% | 1% | 1% | 1% | 0% |
| 200+ | 1% | *% | 0% | 2% | *% | *% | *% | 0% | 0% | 1% |
| Don't know | 1% | 2% | 3% | *% | 0% | *% | 2% | 3% | *% | 3% |

| B1 What factors, if any, are currently limiting your business? Unprompted, multiple response | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Base: All employers** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 836 | 114 | 68 | 121 | 34 | 86 | 163 | 100 | 74 | 76 |
| Insufficient demand/uncertainty in economy | 16% | 19% | 12% | *10%* | 21% | 15% | 19% | 17% | 14% | 22% |
| High level of competition from other co's | 3% | 3% | 5% | 2% | *% | 3% | 2% | 4% | 7% | 0% |
| Labour shortages | 5% | 1% | 8% | 3% | *1%* | 4% | **8%** | 3% | **13%** | *% |
| Weather conditions | 11% | 13% | 4% | 9% | **21%** | 7% | 13% | 14% | 11% | 4% |
| Shortages of materials/equipment | 1% | 2% | *% | 0% | 0% | *% | 1% | **5%** | **5%** | 1% |
| Cash flow | 4% | 2% | 3% | 5% | 10% | 0% | 3% | 4% | 2% | 6% |
| Taxation | 1% | 0% | 0% | **3%** | 0% | 0% | 1% | 0% | 0% | 0% |
| Lack of funding/finance | 6% | 4% | 7% | 5% | 0% | 10% | *2%* | **14%** | 7% | 5% |
| Access to skilled workforce | 2% | *% | *% | 1% | *% | 0% | 2% | **6%** | **9%** | 3% |
| Size of business/premises | 1% | *% | *% | 0% | 0% | 0% | 1% | **2%** | 0% | **4%** |
| Regulations/red-tape | 2% | *% | 4% | 0% | 0% | **6%** | 4% | *% | 5% | 3% |
| Lack of advertising/marketing | *% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | **2%** | 0% |
| Late payments from clients | 3% | 3% | 0% | 5% | 4% | 5% | 4% | *% | 0% | 4% |
| Cost of raw materials/equipment | 1% | 2% | 0% | 1% | **4%** | **4%** | 0% | 0% | 0% | 0% |
| Product pricing | 1% | 2% | 0% | 0% | 1% | 2% | *% | 0% | 0% | 3% |
| Tendering process | *% | **2%** | 0% | 0% | 0% | *% | *% | 0% | 0% | 0% |
| Personal issues (inc. poor health/old age) | 1% | **3%** | **3%** | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Training issues | *% | *% | 0% | 0% | 0% | 0% | 1% | *% | *% | 0% |
| Time constraints | 1% | 2% | 0% | **3%** | 0% | 0% | 0% | 0% | 0% | 0% |
| Other | 6% | 6% | **12%** | 6% | 0% | 7% | 3% | 5% | 5% | 6% |
| Nothing | 45% | 48% | 52% | **53%** | 45% | 41% | 41% | 37% | 40% | 43% |
| Don't know | 1% | *% | *% | *% | 0% | **4%** | 1% | 0% | 0% | *% |

| B2 And what factors do you think are most likely to limit your business over the next 12 months? Unprompted, multiple response | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Base: All employers** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 836 | 114 | 68 | 121 | 34 | 86 | 163 | 100 | 74 | 76 |
| Insufficient demand/uncertainty in economy | 20% | 19% | 30% | 17% | 14% | 16% | 24% | 20% | 17% | 27% |
| High level of competition from other co's | 3% | 2% | 1% | 6% | 5% | 5% | *% | 4% | **9%** | 0% |
| Labour shortages | 7% | 4% | 7% | 5% | **21%** | 4% | 10% | 9% | 11% | 3% |
| Weather conditions | 12% | 13% | 9% | 12% | **26%** | 7% | 12% | 17% | 10% | *1%* |
| Shortages of materials/equipment | 1% | *% | *% | *% | 4% | 2% | 2% | 2% | 3% | 1% |
| Cash flow | 5% | 4% | 6% | 8% | 2% | 2% | 4% | 4% | 5% | 9% |
| Taxation | *% | 1% | 0% | 0% | 0% | 0% | 1% | 0% | 0% | 0% |
| Lack of funding/finance | 7% | 7% | 4% | 6% | 6% | 9% | *3%* | **14%** | 8% | 8% |
| Access to skilled workforce | 2% | *% | *% | 2% | 0% | 2% | 3% | 4% | **8%** | 4% |
| Size of business/premises | 1% | *% | **3%** | 1% | 0% | 0% | 1% | 0% | 0% | *% |
| Regulations/red-tape | 3% | 4% | 2% | 1% | 4% | 3% | **6%** | *% | 3% | 4% |
| Lack of advertising/marketing | *% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | **2%** | 0% |
| Late payments from clients | 2% | 3% | 0% | 4% | 4% | 1% | 4% | 2% | 0% | 1% |
| Cost of raw materials/equipment | 1% | 2% | 0% | 1% | 0% | *% | 2% | 0% | 0% | 0% |
| Product pricing | *% | 0% | 0% | 0% | 1% | 2% | 0% | 0% | *% | 0% |
| Tendering process | *% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | *% | 0% |
| Personal issues (inc. poor health/old age) | 1% | 2% | 2% | 0% | 0% | 0% | 1% | 0% | 0% | **4%** |
| Training issues | 1% | 0% | 0% | 2% | 0% | 0% | *% | *% | 4% | 0% |
| Time constraints | *% | 0% | 0% | 3% | 0% | 0% | 0% | 0% | 0% | 0% |
| Other | 5% | 6% | 5% | 3% | 1% | 7% | *1%* | 8% | 7% | 3% |
| Nothing | 35% | 34% | 36% | 40% | 18% | **46%** | 35% | 24% | 35% | 35% |
| Don't know | 3% | 4% | 2% | *% | 4% | 2% | 2% | 7% | *% | 5% |

| C1 Thinking about skills over the last 12 months, which one of the following comes closest to the situation for this establishment? | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Base: All employers** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 836 | 114 | 68 | 121 | 34 | 86 | 163 | 100 | 74 | 76 |
| For all or most of the last 12 months we did not have enough skilled workers for the work we had or could have had | 5% | 7% | *% | 5% | **16%** | 5% | 2% | 6% | 7% | 3% |
| For some of that time we did not have enough skilled workers | 14% | 11% | 11% | 18% | 9% | 14% | 16% | 13% | 21% | *3%* |
| For most of the last 12 months we have been operating at or near full capacity | 61% | 66% | 70% | 58% | *40%* | 68% | 59% | 58% | *48%* | **82%** |
| For most of the last 12 months we have not had sufficient work for our workforce | 15% | 11% | 16% | 16% | 24% | 10% | 16% | 17% | 20% | 11% |
| Unsure | 5% | 5% | 3% | 3% | **11%** | 2% | **7%** | 5% | 5% | 1% |

| C3 In the last 12 months, which of the following steps, if any, have you taken to try and tackle a lack of skilled workers? | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Base: All employers** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 836 | 114 | 68 | 121 | 34 | 86 | 163 | 100 | 74 | 76 |
| You have tried to recruit experienced, skilled employees i.e. direct labour | 39% | 31% | 33% | **49%** | *14%* | 39% | 38% | **49%** | 38% | 39% |
| You have tried to recruit skilled self-employed or other indirect labour | 35% | 29% | 33% | **48%** | 24% | *23%* | 31% | **52%** | 32% | 39% |
| You have tried to recruit Apprentices or less experienced staff to train up | 30% | 29% | **42%** | 25% | 32% | *17%* | 30% | **41%** | 33% | 23% |
| You have sub-contracted work | 54% | *41%* | 64% | **65%** | 42% | *40%* | 49% | **70%** | 45% | **67%** |
| You have turned work down | 35% | 38% | 32% | 38% | 23% | 29% | 39% | 31% | 34% | 34% |
| You have tried to recruit any skilled or experienced direct/indirect labour | 50% | *39%* | 53% | **60%** | *25%* | 45% | 50% | **63%** | 46% | 56% |
| None of these | 22% | 28% | 20% | 16% | 34% | 29% | 21% | *10%* | 23% | 23% |

| C4. In the last 12 months, has this establishment recruited any new direct employees? | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Base: All employers** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 836 | 114 | 68 | 121 | 34 | 86 | 163 | 100 | 74 | 76 |
| Yes | 33% | 27% | 43% | 30% | 30% | 31% | 28% | **43%** | 40% | 33% |
| No | 67% | 73% | 57% | 70% | 70% | 69% | 72% | *56%* | 60% | 67% |
| Can't recall | *% | 0% | 0% | *% | 0% | 0% | 0% | 2% | 0% | *% |

| C5. Of these recruits, were any taken on to their first job on leaving school, college or university? | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Base: Where have recruited** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 439 | 58 | 38 | 56 | 14 | 46 | 82 | 57 | 44 | 44 |
| Yes | 25% | 31% | **41%** | 31% | 16% | 23% | 23% | 17% | 20% | 15% |
| No | 72% | 63% | 59% | 67% | 84% | 77% | 66% | 82% | 80% | 84% |
| Don't know | 3% | 6% | 0% | 1% | 0% | 0% | **11%** | 1% | 0% | 1% |

| C5. Of these recruits, were any taken on to their first job on leaving school, college or university? | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Base: All employers** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 836 | 114 | 68 | 121 | 34 | 86 | 163 | 100 | 74 | 76 |
| Yes | 8% | 8% | **17%** | 9% | 5% | 7% | 6% | 7% | 8% | 5% |
| No | 91% | 90% | *83%* | 90% | 95% | 93% | 90% | 92% | 92% | 95% |
| Don't know | 1% | 2% | 0% | *% | 0% | 0% | 3% | *% | 0% | *% |

| C7/C8. Summary of recruitment of under 25's and education leavers | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Base: Where have recruited** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 439 | 58 | 38 | 56 | 14 | 46 | 82 | 57 | 44 | 44 |
| Have recruited anyone else under 25 not into their first job | 5% | 4% | 6% | 7% | 1% | 5% | 2% | 9% | 4% | 8% |
| Have recruited anyone under 25 | 33% | 33% | *13%* | 25% | 41% | 38% | 31% | 38% | **51%** | 35% |
| Have not recruited anyone under 25 not into their first job | 62% | 64% | **82%** | 68% | 58% | 57% | 67% | 53% | **45%** | 57% |

| C9. You mentioned that you tried to recruit skilled employees/self-employed staff in the last 12 months. Were any of these vacancies hard-to-fill | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Base: Where have tried to recruit skilled/ self-employed staff** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 500 | 62 | 41 | 80 | 11 | 50 | 94 | 66 | 42 | 54 |
| Yes | 36% | 41% | 38% | 35% | 25% | 40% | 34% | 38% | **52%** | *16%* |
| No | 62% | 55% | 62% | 65% | 75% | 60% | 65% | 59% | *48%* | **79%** |
| Don't know | 1% | 4% | 0% | *% | 0% | 0% | 1% | 3% | *% | 5% |
| **C9. You mentioned that you tried to recruit skilled employees/self-employed staff in the last 12 months. Were any of these vacancies hard-to-fill?** | | | | | | | | | | |
| **Base: All employers** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 836 | 114 | 68 | 121 | 34 | 86 | 163 | 100 | 74 | 76 |
| Yes | 18% | 16% | 20% | 21% | 6% | 18% | 17% | 24% | 24% | *9%* |
| No | 81% | 82% | 80% | 79% | 94% | 82% | 83% | 74% | 76% | **88%** |
| Don't know | 1% | 2% | 0% | *% | 0% | 0% | *% | 2% | *% | 3% |
| **D2 & D3. Whether business has skills gaps** | | | | | | | | | | |
| **Base: All employers** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 836 | 114 | 68 | 121 | 34 | 86 | 163 | 100 | 74 | 76 |
| Have skills gaps | 8% | 9% | 14% | 8% | 1% | 3% | 7% | 11% | 10% | 5% |
| No skills gaps | 92% | 91% | 86% | 92% | 99% | 97% | 93% | 89% | 90% | 95% |

| E1. Over the next 12 months do you expect to need to acquire new skills or knowledge as a result of ...? | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Base: All employers** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 836 | 114 | 68 | 121 | 34 | 86 | 163 | 100 | 74 | 76 |
| The development of new products and services | 39% | 37% | 42% | 45% | 47% | 38% | 41% | *26%* | 37% | 37% |
| New Eco/Energy saving design/build methods | 28% | 28% | 24% | **36%** | 31% | 28% | 34% | *17%* | 21% | 25% |
| The introduction of new working practices | 41% | 32% | 41% | 48% | 36% | 50% | 45% | 33% | 39% | 30% |
| The introduction of new technologies or equipment | 44% | 41% | 47% | 49% | 57% | 50% | 44% | 40% | 35% | 39% |
| New legislative or regulatory requirements | 49% | **57%** | 45% | 47% | 57% | **69%** | 45% | 47% | *34%* | *37%* |
| Increased competitive pressure | 28% | 26% | 37% | 33% | 39% | 29% | 25% | 26% | 20% | 26% |
| Business management | 25% | 26% | *13%* | 28% | 31% | 29% | 20% | 31% | 20% | 25% |
| Environment requirements | 37% | 39% | *24%* | 43% | 50% | 42% | 40% | 33% | 30% | 30% |
| Other reasons | 2% | *% | 3% | 3% | *% | *% | 2% | **6%** | 3% | 0% |
| Any of these | 69% | 72% | 72% | 66% | 75% | **78%** | 69% | 71% | 58% | *51%* |
| None of these | 31% | 28% | 28% | 34% | 25% | *22%* | 31% | 29% | 42% | **49%** |

| E3. Which skills do you feel will need improving or updating amongst your staff over the next 12 months? | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Base: Where have employees that need to acquire new skills or knowledge** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 616 | 88 | 50 | 89 | 24 | 65 | 120 | 75 | 52 | 53 |
| Health and safety (inc. asbestos) and first aid | 30% | 33% | 24% | 36% | 47% | *20%* | 31% | 25% | 27% | 30% |
| Technical/trade specific | 31% | *23%* | 41% | 36% | 35% | 23% | **41%** | 34% | 23% | *7%* |
| Legislation/regulations | 30% | 25% | 21% | 30% | 35% | 33% | 35% | 36% | 18% | 37% |
| Management/business skills | 11% | 7% | 12% | 11% | 21% | *2%* | 12% | **20%** | 6% | 14% |
| New or different products/markets/branch out | 19% | 18% | 10% | 21% | 14% | 19% | **26%** | 23% | 13% | 13% |
| IT/new software | 20% | 16% | *5%* | **28%** | 46% | 22% | 21% | 20% | 14% | 15% |
| Green/ecological products and/or practices | 16% | 14% | *4%* | **23%** | 15% | 11% | **23%** | 20% | 14% | 9% |
| Sales/marketing | 6% | 6% | 4% | 5% | 6% | 4% | 7% | **12%** | 1% | 2% |
| General/all sorts | 17% | 13% | 15% | *5%* | 22% | 10% | 22% | 21% | **30%** | 22% |
| Other | 3% | **6%** | 3% | *% | 6% | 1% | 2% | 1% | 1% | 2% |
| None | 8% | 12% | 8% | 4% | 13% | 3% | *2%* | 11% | **19%** | 6% |
| Don't know | 16% | 19% | 19% | 13% | 12% | 22% | **21%** | *7%* | 10% | 8% |

| F1/F2. Over the past 12 months have you funded or arranged any off-the-job or on-the-job training or development or informal training for yourself or staff? | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Base: All employers** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 836 | 114 | 68 | 121 | 34 | 86 | 163 | 100 | 74 | 76 |
| Off the job | 45% | 45% | 35% | 44% | 50% | 43% | 49% | 43% | 34% | **65%** |
| On the job | 39% | 41% | 41% | 39% | 41% | 40% | 36% | **50%** | 30% | 40% |
| Both | 27% | 27% | 23% | 26% | 35% | 26% | 28% | 32% | 20% | 26% |
| Either | 58% | 59% | 52% | 57% | 56% | 57% | 56% | 61% | *44%* | **78%** |
| Off the job only | 18% | 18% | 12% | 19% | 15% | 17% | 21% | *11%* | 13% | **38%** |
| On the job only | 13% | 14% | 17% | 13% | 6% | 14% | 8% | 18% | 10% | 14% |
| Neither | 42% | 41% | 47% | 43% | 44% | 43% | 43% | 37% | **56%** | *22%* |
| Don't know | *% | 0% | 1% | *% | 0% | 0% | *% | 2% | 0% | 0% |
| **F5. Proportion of all staff that have had off-the-job training** | | | | | | | | | | |
| **Base: Where received off-the-job training** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 31810 | 3981 | 2645 | 3716 | 966 | 2509 | 6353 | 5071 | 3158 | 3411 |
| Off-the-job training | 35% | 34% | *24%* | **42%** | **45%** | **75%** | **35%** | *24%* | **43%** | **47%** |
| **F8. Proportion of all staff that have had on-the-job training** | | | | | | | | | | |
| **Base: All employees** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 31810 | 3981 | 2645 | 3716 | 966 | 2509 | 6353 | 5071 | 3158 | 3411 |
| On-the-job training | 33% | 32% | 29% | **35%** | **59%** | **75%** | **36%** | *19%* | *25%* | **49%** |

| F6/F9. Proportion of days spent doing on or off the job training | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Base: All training days** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 4654 | 590 | 303 | 682 | 108 | 512 | 823 | 661 | 467 | 508 |
| Off-the-job training | 44% | 42% | 47% | 40% | 47% | 48% | 43% | *29%* | **61%** | 48% |
| On-the-job training | 56% | 58% | 53% | 60% | 53% | 52% | 57% | **71%** | *39%* | 52% |
| **F10/F11/F14/F15. Whether trained to Nationally recognised qualifications** | | | | | | | | | | |
| **Base: All employers** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 836 | 114 | 68 | 121 | 34 | 86 | 163 | 100 | 74 | 76 |
| Nationally recognised qualification | 28% | 34% | 19% | 29% | 28% | 29% | 25% | 25% | 25% | 37% |
| NVQ or SVQ | 22% | 28% | 16% | 26% | 23% | 23% | 17% | 16% | 25% | 30% |
| HNC or HND | 10% | 11% | *3%* | 15% | 9% | 15% | *2%* | 11% | 10% | 13% |
| Degree | 4% | 5% | 2% | 7% | *% | 7% | 4% | 5% | 1% | 2% |
| None of these | 72% | 66% | 81% | 71% | 72% | 71% | 75% | 75% | 75% | 63% |

| F10/F11/F14/F15. Whether trained to Nationally recognised qualifications | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Base: Where funded/ arranged any training** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 593 | 80 | 45 | 82 | 25 | 62 | 111 | 73 | 49 | 66 |
| Nationally recognised qualification | 48% | 57% | 36% | 51% | 50% | 51% | 44% | 41% | 58% | 47% |
| NVQ or SVQ | 39% | 48% | 30% | 46% | 41% | 39% | *30%* | *27%* | **57%** | 38% |
| HNC or HND | 17% | 18% | *6%* | **26%** | 16% | 26% | *4%* | 17% | 22% | 17% |
| Degree | 7% | 8% | 4% | 12% | *% | 13% | 7% | 8% | 2% | 3% |
| None of these | 52% | 43% | 64% | 49% | 50% | 49% | 56% | 59% | 42% | 53% |
| **F16. And does this establishment/business formally assess whether the training and development received by an employee has an impact on his or her performance?** | | | | | | | | | | |
| **Base: Where provided training for any staff** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 552 | 73 | 42 | 81 | 25 | 59 | 100 | 65 | 48 | 59 |
| Yes | 59% | *47%* | 72% | 67% | 48% | 59% | 62% | 51% | 63% | 63% |
| No | 38% | **53%** | *19%* | 33% | 52% | 35% | 35% | **49%** | 36% | 36% |
| Don't know | 2% | *% | **9%** | 0% | 1% | **6%** | 3% | 0% | 1% | 1% |

| F17. Still excluding any apprentices, but thinking about all training in the last 12 months, which of the following types of training provision have you or your staff used in the last year? | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Base: Where funded/arranged any training** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 593 | 80 | 45 | 82 | 25 | 62 | 111 | 73 | 49 | 66 |
| Training delivered by an FE college | 15% | 9% | 16% | 19% | 1% | 21% | 16% | 10% | 31% | 6% |
| Training delivered by Higher Education | 8% | 5% | 5% | 9% | 1% | 16% | 10% | *2%* | 14% | 11% |
| Training delivered by the National Construction College (NCC)/ CITB-ConstructionSkills NI | 13% | 16% | 7% | 14% | 23% | 14% | 16% | *6%* | 20% | 7% |
| Training provided by any other private training provider | 65% | 60% | 64% | 73% | 86% | 64% | 67% | *56%* | 67% | 57% |
| Training provided by a manufacturer or supplier | 39% | *29%* | *25%* | **53%** | 48% | 43% | 44% | 40% | 30% | *25%* |
| Other off-the-job training such as courses or formal instruction | 52% | *39%* | 39% | **64%** | 62% | 54% | 50% | 51% | 41% | **66%** |
| Learning or training where a more experienced worker demonstrates techniques and passes on skills to less experienced staff while working alongside them on-the-job | 66% | *53%* | 68% | 64% | 77% | 75% | *59%* | **83%** | 79% | 59% |
| Any self-learning where staff study using books, manuals, CD-ROMs or other materials | 57% | 50% | 57% | 60% | 43% | 65% | **71%** | 59% | *43%* | *44%* |
| Training provided by a Professional Institution for example for Continuing Personal Development | 44% | *33%* | *29%* | 46% | 26% | 50% | **61%** | 52% | *24%* | 36% |
| Training delivered by/ through an industry federation/ body e.g. FMB | 20% | *9%* | 11% | 29% | 27% | 21% | 23% | 23% | 15% | 19% |
| None of these | 3% | **7%** | 6% | 6% | 3% | 0% | *% | 3% | 5% | 1% |

| F18. You mentioned that you have not taken up any training over the past 12 months. What are the reasons for this? | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Base: Where provided training** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 237 | 34 | 22 | 38 | 9 | 24 | 49 | 26 | 25 | 10 |
| The courses interested in are not available locally | 2% | 3% | 0% | 3% | 0% | 10% | 0% | 0% | 0% | 0% |
| The quality of the courses or providers locally is not satisfactory | 1% | 0% | 0% | 3% | 0% | 5% | 0% | 0% | 0% | 0% |
| I don't know what provision is available locally | 1% | **4%** | 5% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| The start dates or times of the courses are inconvenient | *% | 3% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| External courses are too expensive | 3% | 0% | 0% | **13%** | 0% | 5% | 0% | 0% | 4% | 3% |
| Managers have lacked the time to organise training | 1% | 1% | 0% | 0% | 0% | 0% | 2% | 0% | 0% | 0% |
| Employees are too busy to give training | 2% | 0% | 0% | 3% | 0% | 5% | 2% | 0% | 0% | 0% |
| Employees are too busy to go on training courses | 5% | 4% | *% | **12%** | 0% | 1% | 8% | 0% | 1% | 6% |
| All our staff are fully proficient | 71% | 70% | 77% | 67% | 54% | 75% | 66% | 75% | 80% | 84% |
| No need/it's not required | 12% | 19% | 5% | 7% | 36% | 10% | 13% | 10% | 4% | 13% |
| Lack of funding | 3% | 4% | 5% | 0% | 0% | 5% | 2% | 0% | 6% | 0% |
| Training is done internally/on-the-job | 3% | 4% | 6% | 0% | 0% | 0% | 2% | 6% | 4% | 0% |
| Other reasons | 3% | 4% | 5% | 3% | 0% | 1% | 4% | 5% | 0% | 12% |
| No particular reason | 5% | 4% | 5% | 8% | 10% | 0% | 5% | 10% | 4% | 0% |
| Don't know | *% | 0% | *% | *% | 0% | 0% | 1% | 0% | 0% | 0% |

| F19. If you could have done, would you have provided MORE training for staff than you were able to over the last 12 months? | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Base: Where funded/arranged any training** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 593 | 80 | 45 | 82 | 25 | 62 | 111 | 73 | 49 | 66 |
| Yes | 38% | *26%* | 27% | 48% | 37% | **57%** | *28%* | **54%** | 42% | 29% |
| No | 60% | **70%** | **73%** | *48%* | 63% | *40%* | **72%** | *46%* | 57% | 67% |
| Don't know | 2% | 4% | 0% | 3% | 0% | 4% | *% | 0% | 1% | 4% |
| **G1. I'd now like to ask you some questions about Government-funded Apprenticeships. First of all, have you heard of Apprenticeships?** | | | | | | | | | | |
| **Base: Where construction sector** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 642 | 91 | 54 | 87 | 27 | 67 | 123 | 80 | 57 | 56 |
| Yes - heard of Apprenticeships | 96% | 92% | 96% | 96% | 100% | *89%* | 95% | 98% | 100% | 100% |
| No - not heard of Apprenticeships | 4% | 8% | 4% | 4% | 0% | **11%** | 5% | 2% | 0% | *% |
| Don't know | *% | 0% | *% | 0% | 0% | 0% | 0% | 0% | *% | 0% |
| **G2. And have you heard specifically of ...?** | | | | | | | | | | |
| **Base: Where heard of apprenticeships, excluding Northern Ireland** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 616 | 86 | 51 | 84 | 27 | 61 | 117 | 79 | 56 | 55 |
| England only: Advanced Apprenticeships college | 32% | 28% | 32% | 30% | 30% | **45%** | 34% | 31% | 29% | 35% |
| Adult Apprenticeships for those aged 25 plus | 36% | **48%** | 35% | *19%* | 42% | 35% | 39% | 39% | 42% | 30% |
| England only: Higher Apprenticeships | 23% | 24% | 20% | 18% | 26% | **29%** | 20% | 24% | **30%** | 22% |
| None of these | 50% | 51% | 52% | **63%** | 52% | 42% | 44% | 50% | 46% | 45% |

| G3. Do you currently have any staff undertaking Apprenticeships at this site? | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Base: Where have employees and have heard of apprenticeships** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 616 | 86 | 51 | 84 | 27 | 61 | 117 | 79 | 56 | 55 |
| Yes | 14% | 15% | 14% | *3%* | 24% | 15% | 14% | 15% | 16% | 21% |
| No | 86% | 85% | 85% | **97%** | 76% | 85% | 86% | 85% | 84% | 79% |
| Don't know | *% | 0% | 1% | *% | 0% | 0% | 0% | 0% | 0% | 0% |
| **G4. Do you currently offer (Modern) Apprenticeships at this site?** | | | | | | | | | | |
| **Base: Where have employees and have heard of apprenticeships but do not currently have any apprentices** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 451 | 62 | 38 | 70 | 20 | 39 | 91 | 54 | 39 | 38 |
| Yes | 12% | 19% | *1%* | 10% | 19% | 13% | 8% | 17% | 9% | 10% |
| No | 88% | 81% | **99%** | 90% | 81% | 82% | 92% | 83% | 87% | 88% |
| Don't know | 1% | 0% | 0% | 0% | 0% | 4% | *% | 0% | 4% | 1% |

| G7. What are the main reasons why you don't offer Apprenticeships? | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Base: Where do not offer apprenticeships** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 392 | 52 | 35 | 63 | 15 | 35 | 79 | 44 | 34 | 35 |
| All staff fully trained | 11% | 10% | 17% | 9% | 12% | 5% | 6% | 18% | 17% | 15% |
| We don't take on young people | 5% | 3% | 2% | 3% | 0% | 0% | 5% | 7% | 8% | **18%** |
| We prefer to recruit fully trained/fully qualified recruits | 6% | 9% | 4% | 3% | 18% | *% | 5% | 14% | 4% | 9% |
| No young people | 4% | 6% | **14%** | 3% | 0% | *% | 2% | 1% | 4% | 6% |
| Bad previous experiences with Apprentices | 6% | 7% | 4% | 10% | 9% | 0% | 8% | 4% | 0% | 11% |
| Don't know enough about them/what we'd have to do | 9% | 4% | 8% | 13% | 4% | 12% | 11% | 7% | 8% | 7% |
| Not as good as they used to be | 1% | 0% | 0% | **4%** | 0% | 0% | *% | 0% | 0% | **6%** |
| Not worth my time for the money we get | 12% | 12% | 12% | 9% | 18% | 5% | 13% | 15% | 8% | 17% |
| We don't (the job doesn't) require staff to be that highly skilled | 8% | 8% | 8% | 11% | 9% | 5% | 4% | 12% | 5% | 8% |
| Lack of funding/cost issues | 5% | 4% | 8% | 4% | 9% | 10% | 5% | 4% | 4% | 0% |
| Don't have enough work available | 10% | 15% | 6% | 7% | 9% | 10% | **20%** | 7% | 8% | 0% |
| Not recruiting any more staff/have no vacancies | 4% | **10%** | 4% | 3% | 0% | 0% | 1% | 4% | 8% | 6% |
| Small size of business (inc. sole trader) | 9% | 13% | 12% | 13% | 9% | 9% | 8% | 8% | 4% | 6% |
| Don't have enough time | 5% | 0% | 4% | 9% | 0% | 9% | 6% | 4% | 4% | 6% |
| Haven't thought about/considered it yet | 2% | 0% | 4% | 0% | 0% | 5% | 2% | 0% | 4% | *% |
| No apprenticeships available in this area of work | 2% | 0% | 4% | 2% | 9% | 0% | 1% | 0% | 5% | 0% |
| No training/courses available locally | 1% | 0% | 0% | 0% | 0% | **7%** | *% | 1% | 1% | 1% |
| Nature of the work | 2% | 1% | *% | 3% | 0% | 0% | **7%** | 1% | *% | 0% |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| No need for an apprentice | 5% | 0% | 0% | 7% | 21% | **14%** | 6% | *% | 4% | 0% |
| Economic climate/recession | 1% | 0% | 0% | 0% | 0% | 0% | 2% | **4%** | 0% | 0% |
| Regulations/paperwork | 2% | 1% | 4% | *% | 0% | 5% | *% | 3% | 5% | *% |
| Poor quality of apprentices | 1% | 0% | 0% | 0% | 0% | 0% | 0% | **4%** | 1% | 0% |
| Work is subcontracted | 1% | 0% | 0% | **4%** | 0% | 0% | 2% | 0% | 0% | 0% |
| Health & safety reasons | *% | 0% | 0% | 0% | 0% | *% | 0% | 0% | 0% | 0% |
| Business is closing/retiring soon | 2% | 0% | 4% | 0% | 0% | 5% | 2% | 3% | 0% | 0% |
| Other reason | 7% | 5% | 10% | 5% | 2% | 3% | 4% | **18%** | 9% | 14% |
| No particular reason | 1% | 0% | 0% | *% | 0% | **6%** | 0% | 0% | 0% | 0% |
| Don't know | 5% | 7% | 0% | 8% | 1% | 5% | 1% | 4% | 8% | 9% |

**G8. Thinking about the next 12 months, how likely is it that you/ this establishment will have someone starting an Apprenticeship?**

**Base: Where construction sector**

| | England | East Of England | East Midlands | London | North East | North West | South East | South West | West Midlands | Yorkshire and Humber |
|---|---|---|---|---|---|---|---|---|---|---|
| Unweighted bases | 642 | 91 | 54 | 87 | 27 | 67 | 123 | 80 | 57 | 56 |
| Very likely | 9% | 5% | *2%* | 7% | 24% | 12% | 13% | 8% | 12% | 9% |
| Quite likely | 16% | 13% | 8% | 15% | 21% | **26%** | 18% | 20% | 10% | 14% |
| Not very likely | 23% | 21% | **45%** | 18% | 20% | 27% | 21% | *14%* | 20% | 25% |
| Not at all likely | 47% | **59%** | 44% | **57%** | 30% | 35% | 44% | 52% | 39% | 43% |
| Don't know | 5% | 2% | 1% | 2% | 5% | 1% | 5% | 6% | **19%** | 8% |
| Summary: Likely | 25% | 18% | *10%* | 22% | 44% | **38%** | 31% | 28% | 22% | 23% |
| Summary: Not likely | 70% | **80%** | **89%** | 75% | 50% | 62% | 65% | 66% | 59% | 69% |
| Mean | 3.13 | 3.37 | 3.33 | 3.28 | 2.59 | 2.85 | 3.01 | 3.17 | 3.05 | 3.12 |

| H1/1. Finally, we are interested to know what trends you have experienced in training spend and training delivered at this establishment in the last 12 months? Please tell me if each of the following has increased, stayed the same or decreased: Expenditure on training per employee | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Base: Where funded/arranged any training** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 593 | 80 | 45 | 82 | 25 | 62 | 111 | 73 | 49 | 66 |
| Increased | 41% | 50% | 32% | 38% | 20% | 42% | 47% | 42% | 37% | 37% |
| Stayed the same | 50% | *37%* | 63% | 49% | 80% | 54% | 47% | 45% | 46% | 57% |
| Decreased | 6% | 6% | 1% | 9% | 0% | 4% | 6% | 8% | **17%** | 5% |
| Don't know | 3% | 6% | 4% | 4% | 0% | 1% | *% | 4% | 0% | 1% |

| H1/2. Finally, we are interested to know what trends you have experienced in training spend and training delivered at this establishment in the last 12 months? Please tell me if each of the following has increased, stayed the same or decreased: Proportion of employees provided with training | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Base: Where funded/arranged any training** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 593 | 80 | 45 | 82 | 25 | 62 | 111 | 73 | 49 | 66 |
| Increased | 31% | 33% | 43% | 32% | 28% | 34% | 34% | 24% | *19%* | 25% |
| Stayed the same | 63% | 53% | 55% | 61% | 72% | 63% | 63% | 71% | 73% | 69% |
| Decreased | 3% | 3% | 1% | 4% | 0% | 3% | 2% | 5% | 8% | 1% |
| Don't know | 3% | **10%** | 1% | 4% | 0% | 1% | *% | 0% | 0% | 5% |

| H1/3. Finally, we are interested to know what trends you have experienced in training spend and training delivered at this establishment in the last 12 months? Please tell me if each of the following has increased, stayed the same or decreased: Proportion of employees' training delivered by external providers | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Base: Where funded/arranged any training** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 593 | 80 | 45 | 82 | 25 | 62 | 111 | 73 | 49 | 66 |
| Increased | 31% | 32% | 28% | 35% | 35% | 24% | 31% | 33% | 24% | 30% |
| Stayed the same | 58% | 58% | 70% | 50% | 64% | 63% | 59% | 55% | 60% | 57% |
| Decreased | 5% | 1% | 1% | **11%** | 0% | 2% | 2% | **11%** | **15%** | *% |
| Don't know | 6% | 9% | *% | 4% | 1% | **11%** | 8% | 1% | 1% | **13%** |

| H1/4. Finally, we are interested to know what trends you have experienced in training spend and training delivered at this establishment in the last 12 months? Please tell me if each of the following has increased, stayed the same or decreased: Emphasis placed on informal learning | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Base: Where funded/arranged any training** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 593 | 80 | 45 | 82 | 25 | 62 | 111 | 73 | 49 | 66 |
| Increased | 27% | 29% | **45%** | 20% | 34% | *11%* | 24% | **41%** | 30% | 22% |
| Stayed the same | 65% | 57% | *49%* | **74%** | 66% | **83%** | 69% | *48%* | 57% | 68% |
| Decreased | 3% | 4% | 5% | 2% | 0% | 1% | 2% | 6% | **11%** | 2% |
| Don't know | 5% | **9%** | 1% | 4% | 0% | 5% | 5% | 5% | 1% | 8% |

| H1/5. Finally, we are interested to know what trends you have experienced in training spend and training delivered at this establishment in the last 12 months? Please tell me if each of the following has increased, stayed the same or decreased: Amount of training that leads to recognised qualifications | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Base: Where funded/arranged any training** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 593 | 80 | 45 | 82 | 25 | 62 | 111 | 73 | 49 | 66 |
| Increased | 20% | 28% | 17% | 19% | 28% | 14% | 18% | **32%** | 17% | *11%* |
| Stayed the same | 66% | 63% | 70% | 61% | 72% | 70% | 67% | 58% | 70% | 75% |
| Decreased | 7% | *1%* | 6% | **17%** | 0% | 6% | 6% | 6% | 13% | 4% |
| Don't know | 6% | 7% | 6% | 4% | 0% | 10% | **9%** | 4% | 0% | 9% |

| H1/6. Finally, we are interested to know what trends you have experienced in training spend and training delivered at this establishment in the last 12 months? Please tell me if each of the following has increased, stayed the same or decreased: Number of Apprentices and new trainees recruited by your establishment | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Base: Where have direct employees and offer apprenticeships** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 222 | 34 | 15 | 20 | 12 | 26 | 38 | 35 | 22 | 20 |
| Increased | 31% | 31% | 37% | 29% | 17% | 36% | 21% | 17% | 54% | 54% |
| Stayed the same | 53% | 47% | 62% | 71% | 68% | 31% | 68% | 63% | 43% | 16% |
| Decreased | 12% | 15% | 1% | 0% | 15% | 20% | 3% | 19% | 0% | 30% |
| Don't know | 4% | 7% | 0% | 0% | 0% | 13% | 8% | 1% | 3% | 0% |

| H1/7. Finally, we are interested to know what trends you have experienced in training spend and training delivered at this establishment in the last 12 months? Please tell me if each of the following has increased, stayed the same or decreased: Number of staff employed at your establishment | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Base: All employers** | | | | | | | | | | |
| | **England** | **East Of England** | **East Midlands** | **London** | **North East** | **North West** | **South East** | **South West** | **West Midlands** | **Yorkshire and Humber** |
| Unweighted bases | 836 | 114 | 68 | 121 | 34 | 86 | 163 | 100 | 74 | 76 |
| Increased | 18% | 18% | 25% | 15% | 23% | 16% | 15% | **29%** | 16% | 16% |
| Stayed the same | 71% | 71% | 74% | 75% | 64% | 73% | 69% | *59%* | 74% | 76% |
| Decreased | 9% | 9% | *1%* | 8% | 13% | 11% | **15%** | 10% | 7% | 4% |
| Don't know | 1% | 2% | *% | 2% | 0% | 0% | 1% | 2% | 3% | 3% |

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