

Economy and Fair Work Committee
Wednesday 2 April 2025
11th Meeting, 2025 (Session 6)

Skills Delivery – Note by the Clerk

Background

1. The Scottish Government has introduced [the Tertiary Education and Training \(Funding and Governance\) \(Scotland\) Bill](#) with the aim of simplifying the post-school funding body landscape.
2. This follows the [independent review of the skills delivery landscape](#) published in 2023, and a [consultation on post-school education and skills reform](#) which ran from 25 June to 20 September 2024.
3. Prior to the Bill's introduction, the Committee agreed to consider how the current skills system is working and identify the actions needed to support businesses and to improve the skills supply chain, including green skills.
4. It is intended that this work will focus on wider skills policy and will complement stage 1 scrutiny of the Bill, which will be carried out by the Education, Children and Young People Committee.
5. The Committee will hear evidence over four meetings. Ahead of these, it held informal engagement sessions with apprentices from different sectors.
6. Following the completion of this work, the Committee will share its findings with the Education, Children and Young People Committee.

Evidence Session

7. The Committee will hear from—
 - Ian Hughes, Engagement Director Scotland, Construction Industry Training Board;
 - Andrew Lamond, Director, Energy Training Academy;
 - Susan Love, Strategic Engagement Lead, ACCA Scotland; and
 - Kellie Zdanowicz, Vice Chair, Scottish Training Federation.
8. The Construction Industry Training Board submitted a written view. This [has been published online](#) and can also found at **Annexe A**.

Clerks to the Committee
March 2025

Written Submission from the Construction Industry Training Board

Introduction

CITB is pleased to provide evidence to the Economy and Fair Work Committee for its session on skills. CITB is the employer-led and funded skills and standards body for the construction industry in Great Britain. A statutory corporation, charity, and non-departmental public body, sponsored by the Department for Education, our work supports industry to attract, develop and retain the construction workforce. We maintain construction training standards and keep Britain building safely. Our purpose is to support the construction industry to have a skilled, competent, and inclusive workforce, now and in the future.

To support the Committee's consideration of progress to date and further actions needed to meet industry demand for skills in Scotland, including green skills, CITB has provided key information below, in addition to providing oral evidence at the session on 2 April 2025.

The construction sector

1. Delivery of the Scottish Government's economic, social, and environmental policies can only be achieved through support for skills and training in the construction industry.
2. The construction sector contributes 6% to Scotland's GDP; employs over 231,000 people; and has 13,000 micro, small and medium employers generating growth in local communities across Scotland.
3. CITB is currently developing its view of the industry for 2025-2029 and expects the number of extra workers required per year to be around 4,110 workers. In 2023, CITB published an [assessment](#) of demand for workers compared to supply across seven regions of Scotland, highlighting potential mismatches in local areas.
4. The sector is therefore critical to the delivery of:
 - The National Strategy for Economic Transformation;
 - Community Wealth Building as a model of economic development;
 - A just transition of the economy; and
 - The Housing to 2040 strategy.

Labour market challenges

5. Several general structural labour market challenges negatively impact on the industry's ability to ensure it has a skilled workforce. Construction has an ageing workforce; a high labour but low productivity business model; and a history of boom and bust. Industry's very high proportion of SMEs and self-employed; mobile workforce; and its difficulty in planning over the long-term for fluctuating workloads hampers both recruitment and upskilling.
6. CITB [research](#) found that a third of young people believe construction is for someone like them, and only 2% consider construction to be their current preferred industry. The widely held, false perception of construction as a low skilled and low pay sector with a poor culture and working environment must be addressed.
7. Women, ethnic minorities, and people with disabilities are underrepresented in almost all occupations in the construction and built environment sector. The challenges to improving diversity in the industry include pay; progression; diversity in leadership; and a lack of diverse role models for new entrants to aspire to. This is at least in part due to the recruitment practices of the industry, which rely on informal, direct, 'word of mouth' recruitment from informal networks.
8. The construction industry also needs to ensure that it attracts people who are already progressing through their careers in other industries; returning to the construction industry, bringing the knowledge, skills, and innovative approaches developed elsewhere; and those seeking to progress further in their construction careers, in their existing occupation at a higher level.
9. To make construction a viable career choice for as many people as possible, the flexibility and agility of the industry must improve to enable a more diverse workforce to join, return to, and remain in the industry. This includes exploring flexible working and supporting the mental health of the workforce.

Addressing barriers to training

10. A planned approach is required to ensure that training matches industry needs and demand. Coordination of training at a local level will need to improve through industry, training providers, and local government collaboration.
11. As part of addressing barriers to training, the industry needs working and responsive pathways from Further Education.
12. Local training provision should effectively align to industry demands. The move to regional skills planning as part of the reform of the skills delivery landscape provides an opportunity to build new employer-led partnerships needed to address the mismatch of training provision and industry skills demands.
13. Industry requires a skills and assessment system that is fit for purpose. The workforce will require a broader range of skills to address net zero, and

opportunities for training must be made more accessible and flexible, to support multiple routes to competence.

Green skills: labour market challenges

14. Developing a workforce skilled in net zero and a marketplace that works for the construction industry requires active planning and direction, supported by the Scottish Government.
15. The [scale of the challenge](#) to retrofit the Scotland's homes is so significant that it requires a rapid and lasting transformation of the construction sector, including an industry-wide investment in skills; far-reaching skills policy reform; and an unprecedented recruitment and upskilling.
16. This demand overwhelmingly relates to improvements to existing buildings to reduce their energy demand and would represent a 9% increase on the current size of the workforce. Within the construction industry, the vast requirement is for recruitment and upskilling within existing, rather than new, occupations.
17. The existing stock of homes and buildings is responsible for 95% of carbon emissions - 80% of buildings in use in 2050 have already been built. Reducing carbon emissions from the existing building stock will be the only way the sector meets its net zero obligations and drives high-levels of job creation and upskilling.
18. CITB [research](#) identified several skills gaps within the existing workforce which need to be addressed.

Stimulating market demand

19. Employer demand for training tends to be driven by regulation, legislation, and business growth opportunities. Where market demand has not been stimulated, employers will not undertake training elements that do not meet business requirements.
20. The Scottish Government must provide a long-term pipeline of work to ensure that employers view the transition to net zero as a growth opportunity. The need to improve the energy efficiency of 27 million homes across the UK presents the biggest opportunity for construction employers this century, and industry must be supported to respond to both economic opportunity and growing customer demand.
21. Previous UK Government initiatives such as the Green Deal and Green Homes Grant have led to peaks and troughs in demand, variable quality of delivery, and resulted in job losses, leading to a lack of confidence to invest among small businesses. Longer-term planning and longer-term supporting policies and funding will enable local authorities to procure for long-term funded projects, thereby providing clear demand and greater certainty for local supply chains.

Reform of the post-school education and skills delivery landscape

22. Industry needs a skills and training system which is streamlined and transparent; responsive to employers' current and future skills needs; and reflects the way in which individuals train and upskill throughout their working lives.
23. The reform of the post-school education and skills delivery landscape is an opportunity to improve the procurement and delivery of skills and training. A multi-year procurement model which takes account of the performance of providers would instil training providers with the confidence and opportunity for meaningful business planning and improve accountability in the skills and training system.
24. Investment in Modern Apprenticeships (MAs) which generate the most significant economic, social, and environmental outcomes which the Scottish Government seeks to achieve through its National Performance Framework should be prioritised.
25. As the primary financiers of construction MAs and training, employers should be given greater decision-making ability on how Construction & Related MAs are designed, delivered, and allocated.
26. A new source of funding for upskilling and reskilling should be introduced, with work undertaken to secure high levels of awareness and engagement from industry to meet the current and future needs of employers.
27. Accessible and flexible funded opportunities for training should be provided to support multiple routes to competence through a modular training and assessment system. There is a need to move towards a culture of Continuing Professional Development and modular training, which allows for easy upskilling of the workforce as requirements change.

Further information

28. CITB is engaging with the Scottish Government on the reform of the skills delivery landscape, and would also be pleased to support the Committee, and the Education, Children and Young People Committee, on key strands of the reform, such as apprenticeship funding. For more information, please contact Lauren Pennycook, Senior Policy and Government Relations Advisor (Scotland) at: lauren.pennycook@citb.co.uk.