

## **Strategic Planning**

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## Strategic Planning

This workshop explored the issue of strategic planning for the East Midlands construction industry labour market. The initial issue-defining workshop revealed a need for an overarching robust and cogent strategy to promote collaborative approaches to solving the skills problem within the region. The issues and recommendations emerging from this workshop effectively ‘join-up’ many of the targeted actions and issues emerging from the others.

## *Introduction to the workshop and its findings*

This section presents a summary of the key issues facing the East Midlands construction industry relating to the need for strategic planning of the region's labour market and the policies which regulate and influence it.

The participants were divided into four groups, each of which included a broad range of stakeholders from across the industry and the five counties. Each group included representatives from employers, local authorities, trades associations, professional bodies, client groups, educational establishments, the CITB and the research team. A list of the organisations involved within the workshops can be found [here](#).

Following an introduction from the session chairman, the format for the workshop was first for the research team to present a summary of the aims and objectives of the Bridging the Gap project, followed by a brief statistical analysis of training supply within the East Midlands. Next, each group was asked to discuss the following areas that had emerged from the [initial workshop](#), in relation to the overall theme, which was on strategic planning within the East Midlands construction industry. The following questions were provided as a guiding focus for the workshop, but the participants were encouraged to discuss issues and solutions that they saw as most relevant:

- Would the East Midlands construction industry benefit from strategic planning in the area of skills and labour market issues?
- What needs to be done to build long-term relationships between key industry stakeholders within the region?
- What are the mechanisms that could be used to induce change within the region's construction sector?
- How would an East Midlands Construction Forum (EMCF) begin to resolve the problems faced by the construction sector in the region?

Following an open discussion period, a member of each group fed back the key issues arising from the workshop in a plenary session, after which the participants debated the issues arising in an open discussion facilitated by the session chair. Flip charts were used to capture the principal issues that emerged as needing address with regards to strategic planning in the regional construction labour market.

All of the discussion was recorded and transcribed verbatim. The transcripts were then analysed using the NUDIST NVivo qualitative data analysis package. This allowed issues to be coded and collated under headings extracted from the data in an inductive manner and for the full spectrum of opinions emerging from the groups to be compared systematically across the data set.

The findings of the workshop have been divided under headings derived from the analysis. In each case the headline issues stated by the informants as representing challenges for the industry in response to the questions posed have been stated, following the principal issues emerging from the focus group workshop discussion that ensued. Finally, a range of possible solutions have been put

forward, all of which were suggested by the participants of the focus group workshop in response to the issues raised. These have, in turn, been collated and synthesised within the **recommendations** section of the CD-ROM.

## ***Developing a Coordinated Labour Market Strategy for the East Midlands Construction Industry***

The workshop participants saw a need for the regional industry to pool its collective resources in developing strategies for coping with its short and long-term skills needs. This presents a need for co-ordinated action to support the industry's workforce planning and development activities and to reduce the burden on small firms currently operating in very tight labour market conditions.

### **The case for a regional construction labour market strategy**

The East Midlands region is currently experiencing skills shortages across its craft, technical and professional occupations. This presents a short-term need to recruit the people needed to allow the industry to cope with the current growth in output of the sector. In the longer term, there is a need to improve the image and profile of the sector and to address weakness in the qualification frameworks and funding structures which underpin the region's training provision. Managing both the short and long-term issues in a strategic manner should ensure that the industry creates a succession of trained and qualified craft, technician and professional employees in the future.

- The evidence emerging from employers at the workshop suggested that there was not a shortage of labour within the region, but that there was a shortage of high quality skills within the labour market. This raises questions as to the quality of new entrants to the industry and the nature of the existing qualification and training infrastructure.
- Anecdotal evidence collected from the workshop suggests that there are relatively high numbers of potential new entrants to the industry, but that many are unable to gain access to vocational training. Reasons for this include a lack of funding for mature entrants (or at least a lack of awareness of how to source it), poor levels of initial educational attainment and lack of work-based training opportunities.
- Many of the youngsters that the construction industry would traditionally recruit into apprenticeship positions are being encouraged to continue their full-time education into the 6th form. Pressures from Government to expand participation in HE and the financial incentives for schools to retain post-16 year olds represent fundamental challenges to the construction industry across the UK.

### **Recommendations**

- A robust, regionally-driven strategy is required for supporting training and recruitment in the East Midlands construction Industry. The primary focus of this strategy should be to engage with school children to promote the opportunities that the industry provides at both a craft and professional level.
- In order to be successful, any strategy will have to address both the immediate problems stemming from skills shortages and the longer term barriers to the industry securing a sustainable qualified workforce. Thus, the immediate emphasis should be to easing the barriers to entry to the

labour market to ensure that those who want to train can gain placements and apprenticeships, together with coordinated activities to promote construction careers as exciting and rewarding career options.

- Supporting longer-term actions should be targeted at addressing shortcomings in the existing qualification and funding arrangements. Many of the shortcomings of the current system stem from the existing qualification and training structure which are relatively unresponsive to the immediate needs of industry. Thus, it is essential that an EMCF participates in the imminent consultation process for reviewing the NVQ qualification framework.

## Supporting construction companies and avoiding 'initiative overload'

There was universal agreement between the workshop participants that it was unreasonable to expect individual construction firms, particularly the smallest micro sized enterprises, to have well-developed strategies for coping with the prevailing tight labour market conditions. It was generally agreed that support should come in the form of developing information and support services to help construction firms to cope with the prevailing labour market conditions and plan more effectively for the future. It was deemed that such approaches would also help to ensure that individual companies bought in to the need to plan for the future, rather than rely on reactive approaches to coping with demand requirements.

- Smaller companies feel overburdened by the multiplicity of new initiatives, legislative requirements and funding arrangements which seek to regulate and control the industry and its employment practices.
- The problems of 'initiative overload' are exacerbated by the multifarious bodies which regulate and support the employment and training infrastructure of the industry. Smaller construction companies have great difficulty in keeping track of the various initiatives and support available to support them.
- There is a need to co-ordinate and consolidate this activity in order to reduce the burden on firms. This presents a need to collate, synthesise and disseminate best practice and initiatives from a single source in order that the Region's SMEs can channel their resources at dealing with the issues most salient to their business. Furthermore, information needs to be targeted at the small firms that they are seeking to support.

## Recommendations

- The EMCF could draw up an overall map of the various organisations with an involvement and/or stake in the region's labour market in order to identify where overlaps occur and opportunities for consolidation of activity exist.
- The availability of funding and support for construction companies could be established and disseminated amongst East Midlands construction firms in order to raise awareness. Where opportunities to rationalise/simplify funding streams exist these could be addressed by encouraging collaboration between stakeholders. These could aim to pool funding and eliminate gaps and overlaps between initiatives to achieve better value from the funds available.
- A 'one-stop-shop' could be developed by the EMCF, possibly in the form of a web-portal, to signpost the region's construction companies to agencies and bodies who can support them in their recruitment, training and retention activities.

## **Short-term Strategies for Coping with Labour Market Pressures**

Whilst the majority of initiatives and strategies emerging from the workshop were based on long-term strategies for addressing the industry's skills and recruitment needs, there was consensus as to some centrally co-ordinated short-term actions.

Many construction firms within the region require immediate support if they are to cope with the recent expansion in the region's output. Furthermore, there is also the need for initiatives such as the setting up of the EMCF to be able to demonstrate that they can provide tangible benefits to an industry that can be sceptical of high-level strategic initiatives. This requires the identification of 'quick wins' from which the region can see that it is making progress towards mitigating its labour and skills needs.

- ❑ There are immediate skills concerns that have to be addressed if East Midlands firms are to cope with the recent growth in output, which is likely to continue in the foreseeable future.
- ❑ The development of a strategy for the East Midlands construction industry will need to win over a wide range of different employers, interest groups and stakeholders to be effective in the long-term. Not all organisations and stakeholders will wish to be involved or will necessarily see the case for a regional approach to the construction industry's problems, which should be taken into account in the development of the strategy.
- ❑ Any regional strategy could seek to develop practical solutions for the East Midlands construction firms as well as overarching strategies. Delivering 'quick wins' early on in the Forum's life will help to build a track record of co-operation that should encourage other individuals and organisations to get involved. This has happened with local initiatives aimed at addressing skills needs within the industry.
- ❑ Quick wins will also be required to demonstrate the benefits of co-operation and joined-up approaches to solving labour market problems. Outputs such as mapping the success and benefits of existing initiatives will provide industry stakeholders with some beneficial outcomes early on in the Forum's life. Other useful information could include a list of the support agencies that are in place to help the industry with workforce planning and training.
- ❑ Another immediate need is to map the provision of training within the region, the availability of training funds and the existence of specialist recruitment and skill initiatives such as the pilot programmes **Ambition Construction** and **Valuable Skills**. These schemes are already up and running and can help companies and individuals to gain immediate benefits such as access to partly skilled personnel they may not have been aware of.
- ❑ In terms of direct actions to ease capacity constraints in the East Midlands, skills could be brought in from outside of the region, but this may be difficult given the growth in the market across the country. The alternative is to ease immediate capacity constraints by adopting a range of labour market strategies linked to the specification of new materials and processes. Examples emerging from the workshop included:
  - *Adopting new technologies* - for example, a small house builder within Leicestershire has adopted timber frame technology to cope with a lack of bricklayers. Many prefabricated components are now available which reduce the need for scarce on-site skills.

- *Proactive involvement in the design and planning processes* - for example, designing out plastering through the specification of dry lining removes a trade from the construction process. Similarly, adopting lean construction solutions to both design and the programming and planning of activities on site can also reduce skills needs, particularly on large and complex projects.
- *Sourcing labour from overseas* - with the building materials and components industry becoming more internationalised, designers have the option of specifying materials or components that do not require local labour for installation, but may draw upon skilled labour from overseas to install pre-fabricated components (such as with curtain walling). The lack of suitable skills is extending to professional services, where the demands on consultants are now considered to be affecting the quality of services that are available. This is now leading some larger clients to source design services from overseas in order to maintain the quality levels of the professional services they require.
- Strategies such as those listed above emphasise that the industry does not always require time-served craftspeople for some operations. There is scope for semi-skilled operatives to perform some tasks, which could act as a means of providing an adequately trained workforce to meet immediate short-term skills needs. Additional training could be provided in the future to develop partly skilled operatives into fully qualified craftspeople as they develop their skills within the workplace.

## Recommendations

- The EMCF could develop short-term solutions of immediate utility to the region's construction firms in coping with the current skills shortage. These could include mapping exercises to establish existing funding, training capacity and initiatives and advice on best practice technological and design solutions to coping with the industry's immediate skills needs.
- In particular, the adoption of appropriate building technologies, value engineering approaches and lean construction methods should be encouraged to help mitigate skills needs.
- In the short-term, the focus should also be on informing the industry of existing initiatives and funding sources for supporting recruitment and training within the industry.
- It is important that short-term solutions should be developed within the context of the longer-term strategy developed by the EMCF. For example, adopting new technologies will have knock-on effects on the longer-term skills needs within the sector.

## **Long-term Strategic Planning for the East Midlands Construction Labour Market**

Although addressing immediate concerns are important, the deep-rooted problems that industry faces require sustained co-ordinated action in the long-term if they are to be resolved. Thus, resolving the region's skills shortfall requires an integrated long-term strategy. According to the workshop participants, the necessary actions for the development of a long-term strategy are as follows.

## **The benefits of a long-term skills development strategy for the East Midlands construction industry**

There is currently no overarching strategy for addressing the skills needs in the East Midlands construction industry. Given the potential of skills shortages to inhibit the growth of the industry, a well

co-ordinated and implemented plan for bringing together the industry in addressing skills and labour market issues is required.

- The lack of an East Midlands regional identity for the sector and an absence of strategic targets have contributed to the industry not being seen as a key contributor to the well-being and economic prosperity of the region. A regional strategy and supporting forum would provide a single interface for other bodies to interface with when developing policy in the region and should encourage a more systematic and holistic approach to dealing with skills and labour market issues.
- The lack of a sense of strategic direction for the industry, coupled with the lack of a powerful voice for the region's construction employers, has had a detrimental impact on the industry's visibility and the wider perception of the sector amongst influential policy makers. Unless the industry plans for and has confidence in its future, then it will struggle to recruit and retain people of the quality it desires.
- Any sense of an identity and single voice for the industry is currently undermined by individual disciplines and specialisms acting in isolation, both in terms of promoting their occupations and in lobbying government agencies.
- The East Midlands construction industry has seen growth rates in output of 27% in 2002, it employs almost 15% of the workforce and accounts for 10% of GDP. Despite the importance of the industry to the socio-economic development of the region, it has yet to be awarded 'cluster status' by the Regional Development Agency, [emda](#). This demonstrates the lack of influence that the currently fragmented industry has on those with influence over labour market policies and development.

## Recommendations

- A strategic construction skills development plan should be produced for the region to overarch the longer-term labour market measures to be driven by the EMCF. This should include a specific objective to raise the profile of the industry as a primary sector behind the region's well being and economic prosperity.
- The EMCF should spearhead a strategy to market its significance in terms of the socio-economic development of the region.
- Larger employers and industry stakeholders should lobby [emda](#) for construction to be awarded 'cluster status' within the region.

## Creating a culture of mutual co-operation within the East Midlands construction industry

A large number of initiatives and local construction liaison groups already exist within the East Midlands construction industry. In addition a large number of trade associations, professional bodies and other organisations have regional structures and offices, all of whom are spearheading various activities aimed at mitigating a skills crisis. Any effective strategic plan for the region will need to work with existing groups and organisations rather than supplant them if the strategy is to make a real difference to the regions construction companies.

- There are currently a large number of different initiatives, vehicles and groups that serve as networks or forums for various parts for the industry to discuss the problems that they face. Despite this, very few work together in a co-operative and mutually supportive manner.
- Unlike other industries and sectors, there is no national or regional body for construction. As such, no existing forums or bodies have an overarching remit to manage skills and labour market activities within the region. For example, the CITB, whilst maintaining an extensive dialogue with many sections of the industry through various skills liaison groups, does not have a whole-industry remit in terms of skills or performance improvement. Similarly, there is no forum for the involvement of clients and other external stakeholders with the industry's skills needs.
- Many groups have evolved in response to specific problems or concerns that have manifest themselves locally. Many of these groups have their own agendas and will only co-operate in any development of a strategic debate if they perceive that it will further their own interests. Stakeholder agendas may well differ between the regional and local levels. These groups need to be drawn together to contribute to any regional strategy so that it will have a degree of legitimacy and represent the needs and concerns of the industry.
- In some areas, the competitive nature of the industry has thus far prevented particular stakeholders from co-operating with one another. The emphasis should be on building co-operation through initiatives or issues as a means of bringing individuals and organisations together, rather than making co-operation an end in itself.
- To overcome the barriers that will exist to the establishment of a regional approach that cuts across existing boundaries and interests, the most appropriate strategy would be to build upon existing co-operative arrangements which transcend existing county boundaries.

## Recommendations

- In order to create a culture of co-operation across the East Midlands construction sector, it is essential that the EMCF draws upon the existing networks and industry structures active within the region. Building upon these vehicles and their existing networks should form the basis of development of a regional strategy for the industry.
- The focus of a regional strategy should be on building links between the various groups in a way which allows them to benefit from inter-county learning and shared good practice. By highlighting and showcasing examples of where co-operation has led to benefits in addressing skills and training needs this should lead on to further collaborative working in the future.
- Structures need to be developed which provide a conduit for local groups to feed into any industry initiatives and the formulation process of a regional strategy.

## Building co-operation with external agencies

The lack of a coherent pan-industry skills strategy for the industry means that construction lacks lobbying power and influence over regional governmental agencies. Responsibility for issues of importance to the construction industry are widely dispersed across different departments, ministries and regional agencies, all of which must be engaged with and involved with the development of the region's skills agenda.

- Many national, regional and local government and quasi-governmental agencies have responsibility for regulating and overseeing the development of the construction sector. The

East Midlands construction sector could work together to engage these agencies in order to influence future policy which affects the industry's operation and labour market.

- The lack of any single forum, voice or strategy for the industry has made it very difficult for external agencies to respond to the industry's needs in a consistent manner. Any non-industry body wishing to work with construction has to choose between a number of influential bodies and forums, non of which have a pan-regional remit for overseeing the industry's activities.
- Many agencies of importance to the development of labour market policies are currently structured on a local area basis. For example, the **Learning and Skills Councils** (LSCs) are structured on a county basis and there is no regional forum in place to co-ordinate their activities at present. To be effective in dealing with regional issues, there is a clear need for local agencies to co-ordinate their activities and provide a single interface with the construction industry at the regional level. An example is the approach taken in the West Midlands, which has nominated a single LSC representative for their forum. If the East Midlands were to adopt such an approach, a lead LSC could act as the interface between the industry and the others in the region.
- The lack of any strategic direction has meant that emda has had nothing to align with or respond to at the regional level, resulting in an industry that has effectively been downgraded in importance. Building co-operation with external agencies demands that the region presents a united and co-ordinated front and a single point of contact.

## Recommendations

- The EMCF should present a single point of communication for communicating with government departments and regional agencies with responsibility for the East Midlands labour market.
- Agencies which are currently structured on a local basis should be encouraged by the EMCF to work together to nominate a single individual through which information can be channelled. For example, the five LSCs within the region could nominate a single construction champion to act as a point of contact to deal with the construction industry at a regional level and report back and ensure co-ordination between the local LSCs.

## Encouraging buy-in to the national performance improvement agenda at a regional level

Skills shortages are a key driver for the industry to improve its productivity and performance through better ways of working and the development and use of new technologies. At a national level, the industry is embracing such change through initiatives such as the **Construction Best Practice Programme** and **Rethinking Construction**. Regional strategies for the industry should aim to engage more East Midlands companies with these programmes and initiatives in order that they can benefit from the tried and tested methods being used to address skills issues in other regions.

- Historically the industry has had a tendency of trying to look for more resources in order to increase output rather than better utilise the resource already available. Recently, thinking within the industry has recognised that the long-term future of the industry can only be secured by achieving more with the resources it already has. For this reason, the industry needs to embrace the national industry agendas that are seeking to improve the construction process. This covers areas such as supply chain management practices, increased standardisation and

use of pre-assembly, improved health and safety and the better utilisation of existing resources.

- There is a high level of wasted capacity in the industry resulting from the existing ways of working. Recent studies have identified levels of up to 60% wasted effort (in the process rather than materials), which has a direct impact on industry concerns over capacity constraints caused by labour and skills shortages.
- Initiatives such as Rethinking Construction has a broad agenda covering issues such as respect for people, sustainability, collaborative working and lean construction, but all of these will impact on training delivery and recruitment. Their philosophy is to promote the idea that people and processes should start to meet the needs of the industrial environment rather than trying to change the environment to fit how organisations and individuals wish to work. Such a philosophy, whilst radical, could help the industry to begin to address some of its labour and skills problems. A Rethinking Construction regional presence has been established in the East Midlands. This has the active support of the DTI and this provides a useful a conduit for the Government.

## Recommendations

- Any strategic skills development plan for the East Midlands should recognise and take account of the national change agenda being spearheaded by *Rethinking Construction* and the *Construction Best Practice Programme* (which are shortly about to be merged).
- The EMCF should encourage East Midlands firms and clients to engage with the *Rethinking Construction* agenda in order to promote practices that improve productivity and competitiveness and minimise labour capacity constraints.

## Communicating good practice more effectively

There are a multitude of initiatives currently being undertaken within the region to address skills issues. At present the sharing of good practice within the industry occurs on a fairly ad-hoc basis and there is no central repository of knowledge from which individual companies and other agencies can draw. Without an effective way of communicating good practice, there is a risk that initiatives will be duplicated or that effective solutions to addressing skills issues will be missed.

- There is no structure in place to assist individuals and organisations to access information on what is happening in the East Midlands with regards to workforce planning and development. No single agency has been charged with collating and disseminating information on effective practices to the rest of the industry.
- Although not an original objective, the BTG workshops were commended for raising awareness of what was happening elsewhere in the region. This highlights the need for a more structured and consistent method within the East Midlands to facilitate communication between the region's stakeholders.
- Managing the communication of good practice across the region may be a suitable role for the CITB as a **Sector Skills Council** (SSC). This new role gives it a remit to take responsibility for skills issues across the industry rather than for the skills it is responsible for as an industry training board.

- There are a number of initiatives that already exist that can be built on to facilitate communication across the region. For example, best practice clubs exist under the aegis of initiatives such as the DTI's **Inside UK Enterprise** (IUK) or the Construction Best Practice Programme. Full use is not made of these vehicles, particularly as the industry perceives itself as having unique problems which cannot benefit from cross-sector learning.
- The absence of a clear route for communicating good practice raises a risk of constantly reinventing the wheel or suffering from the same mistakes occurring in the different initiatives currently being set up in the industry. It may even be possible that different initiatives are in conflict with one another.
- There will always be an element of competition between stakeholders and this may be necessary and even welcome to stimulate innovative thinking and local pilots, however this needs to be set against the benefits that a more co-ordinated approach can provide in pulling best practice together in a region.
- The existence of a co-ordinated approach would provide additional support for those initiatives already delivering benefits to the industry. At present, many innovative programmes such as Derbyshire LSC's Valuable Skills and Ambition Construction in Nottingham are pilots. Higher levels of co-ordination make it possible to present a stronger case to extend these examples of best practice to other areas of the region.
- Cross sector groups are beginning to emerge in some areas of the East Midlands through local partnerships using emda as a vehicle. There are also cross-sector initiatives that can be learnt from and initiatives in other industry sectors that can serve as a model for the construction industry.

## Recommendations

- Existing best practice clubs should be encouraged to explore innovative solutions to addressing skills and training issues and to use their communication networks to disseminate good practice amongst the region's employers.
- The EMCF could develop a web-portal to act as a repository for information on best practice approaches on skills and training issues and for sign posting service employers to organisations offering support and advice.
- The EMCF could lobby for additional funding to expand locally piloted initiatives such as Valuable skills and Ambition Construction across the region. The case for this should be based on the successes that such initiatives have already achieved within individual counties.

## Providing a single voice for the industry – the case for an East Midlands Construction Forum (EMCF)

There is an absence of a regional 'voice' for the East Midlands construction industry. Many of the existing organisations and bodies have compatible aims, but there is no single body to co-ordinate their activities together or to use the industry's collective weight to engender significant change for the Region.

- The industry is highly competitive and this culture has prevented its various groups and bodies from liaising with one another directly. Many bodies tend to be parochial in that they were formed, as a response to local or specialised issues. As a result, most have relatively narrow

agendas. This is a strength in that they are highly focussed, but is a weakness when it comes to providing a representative voice for the industry as a whole.

- There is a clear need for a single voice for the East Midlands construction industry in response to a number of issues that were raised in the workshop. The EMCF would provide a vehicle to:
  - Formulate and implement a strategic workforce development plan for the East Midlands's construction industry.
  - Act as an interface with national and regional initiatives or industry improvement initiatives such as Rethinking Construction and the Construction Best Practice Programme.
  - Provide a focus for other agencies and organisations that want to communicate or interface with the construction industry in the East Midlands.
  - Act as a co-ordinating body for existing industry groups and structures within the region.
  - Collate and disseminate information such as existing funding for training and existing training provision.
- To provide a powerful lobbying force to influence agencies who's policies impact on the industry's labour market.
- Any regional or strategic body will need to link into the wider economic strategy for the East Midlands Region. If there is to be an overarching policy or direction for the construction industry in the East Midlands, it will need to be more than another networking opportunity and will need to gain the involvement of the key stakeholders in the industry who will be able to deliver change.
- From a regional point of view, emda is already tasked with bringing together the economic strategy for the region. There is a vital role for the industry to play in shaping emda's strategy given the importance of the region's infrastructure and built environment to economic growth. The provision of a single body that could input into policy development would undoubtedly facilitate the task of integrating the needs of the industry into regional economic policy.
- A key driver for setting up an EMCF is that this reflects the trend of Government who is devolving responsibility for policy delivery down to a regional level. As a disparate industry, with no single voice, construction is not currently able to effectively respond to (or challenge) government policy. A forum would enable the industry to articulate its concerns over policies which threaten the sectors future development.

## Recommendation

- Initiate the creation of an East Midlands Construction Forum to act as a single body to co-ordinate and work with all the existing industry initiatives and networks and to act as a voice to represent the whole industry.

## Setting the Agenda for an East Midlands Construction Forum (EMCF)

The EMCF will be in a unique position to access and lobby the key stakeholders and decision makers who have an impact on the industry's development. However, it will require appropriate terms of reference, realistic objectives and well-defined time-limited targets of what it should achieve if it is to avoid being perceived as just another 'talking shop' especially by smaller employers.

- It is crucial that the EMCF should not replicate work that is already being undertaken within the region, but should attempt to harness these efforts to co-ordinate, communicate and articulate the concerns facing the industry.
- There is a risk with any strategic body taking a top-down approach that it will focus on addressing the concerns as it sees them, rather than responding to the problems the industry is facing on the ground. Given that for such a large industry no forum could hope to involve all industry stakeholders, an early mapping exercise is essential to identify the state of play within the region. This would involve harnessing the voices of the local groups and networks that already exist in the region to inform the initial agenda for the EMCF.
- It is important as part of its initial remit that the EMCF identifies the significant regional and national influences likely to affect the region's construction sector over the next few years. This must include a review of trends in the regional economic forecast that will impact on demand for construction in the future.
- The strategic plan for the industry must incorporate a vision of where the industry is heading in terms of its markets, its structure and its business trends. In order to establish this, the EMCF could engage in workforce development planning using data provided by a related East Midlands Construction Industry Observatory. The role of this data collection and analysis agency will be to review the industry in the context of the wider economy and develop forecasts of growth and development based on a more accurate picture of regional influences.
- With its strategic oversight and co-ordination roles, the EMCF would be in the ideal position to advise and act as a sounding board for new initiatives within the region. It would be able to offer guidance and direction to local groups or individuals stakeholders who are seeking to pilot or introduce new initiatives.

## Recommendations

- Defining clear terms of reference and short and long-term objectives for the East Midlands Construction Forum is vital for its status and influence within the regional construction industry.
- Included within the EMCF's remit should be a requirement to: provide a long term vision for the development of a regional skills industry; act as a sounding board and provide guidance and direction for new initiatives; co-ordinate the region's workforce development activities; and to lobby for policy change at local, regional and national levels on issues likely to affect the industry's performance.
- An East Midlands Construction Industry Observatory (EMCIO) could be created to provide continuous monitoring and scenario planning of the region's construction labour market. These could assess and communicate regional trends back to the industry.

## Organising and funding an East Midlands Construction Forum

The structure and funding of the EMCF will be pivotal to its success in meeting its objectives and in gaining the engagement of industry and other stakeholders. Whilst the precise nature of the structure is a question for the industry and its stakeholders to address, according to the workshop participants a number of underpinning issues should be born in mind.

- Because the EMCF is not seeking to replace existing working groups or structures, but is seeking to bring these together so that they can be more effective, there should be no need for

a large directorate and permanent staff. Given the CITB's new remit as Sector Skills Council, it seems appropriate for them to provide the secretariat for the Forum.

- In taking a co-ordination/facilitation role for the existing structures in the East Midlands an appropriate structure would be a small directorate or managing group with sub-groups to focus on particular geographical, functional or issue-driven areas (e.g. recruitment, training and best practice)
- The managing committee or group would require the involvement of people with influence at both a regional and national level if its role as a lobbying agency is to be effective. For that reason, the EMCF will require a high profile chair with a high degree of influence within the sector.
- The specialist subgroups could be made up of those with experience and knowledge of the regional industry who could advise on specific issues of relevance to the sector. Membership of subgroups could be fairly fluid depending upon the expertise required which is likely to change and develop over time. The regional Forum may wish to set up local county forums (or smaller groupings) in order to ensure that local firms become more actively involved. This would help to ensure a two-way dialogue between the strategic group and the initiatives on the ground.
- Securing funding for the maintenance and development of the EMCF will be vital if it is to make a difference to the long-term future of the industry. The Forum will need to develop a regularly updated website as well as paper-based publicity for its activities and actions. In the medium-term, the EMCF should seek financial support from bodies such as emda, the LSCs and CITB.

## Recommendations

- A small directorate should be appointed with an overarching co-ordination role supported by smaller specialist sub groups where experience and knowledge can be drawn from as needed. This group should be chaired by a high profile chairperson with credibility within the industry both regionally and nationally.
- Where possible, members of existing industry groups and organisations should be invited to populate the sub-groups which will develop actions and responses to the industry's needs. The membership of the sub-groups should remain flexible so that appropriate specialists can be invited to join where their expertise is needed.
- An early objective of the Forum should be to identify potential sources of funding for the Forum and build a robust case for support based on the outcomes of Bridging the Gap East Midlands.
- Given the CITB's new remit as a Sector Skills Council, it is appropriate for them to provide the secretariat for the Forum. This would ensure that the Forum can begin to operate immediately rather than having to wait for funding to come on stream.

## Summary

This workshop has revealed an acute need for the East Midlands construction sector to develop regional strategies and approaches to proactively addressing skills and labour market issues. A co-ordinated labour market strategy would have the effect of galvanising the many initiatives currently being undertaken across the region through the development of a holistic, overarching agenda for addressing skills and training issues in both the short and long-term. The development and

implementation of a regional strategy in turn requires the creation of an East Midlands Construction Forum to initiate, develop and co-ordinate activities across the region.

The skills and labour market issues currently facing the industry require urgent action if the region's indigenous firms are to avoid being displaced by companies from other regions. Accordingly, in the short-term, there is a need for an EMCF to promote strategies for coping with labour market pressures through the adoption of new technologies and production methods. There is also a need to capitalise on existing training and qualification initiatives in order to address the immediate skills needs within the industry. In the longer term, the key priority of the Forum should be to raise the profile of the sector through coordinated actions which promote the importance and influence of the industry on the socio-economic development of the region.

Several challenges exist which have to be overcome if an EMCF is to make a real difference in raising the profile of the sector amongst policy making bodies and potential entrants to the sector. These include the need to: create and sustain a culture of mutual co-operation between the industry's many stakeholders; foster a spirit of co-operation and trust with external agencies; encourage buy-in to the national performance improvement agenda by the region's firms; and to communicate good practice across the region in a way which encourages more companies to work towards addressing the skills needs of the region.