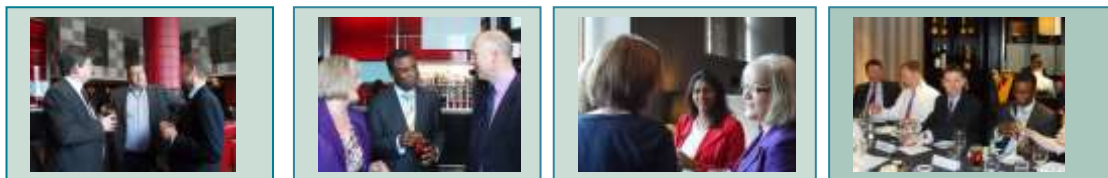


“BIRMINGHAM FOCUS ON SKILLS FOR HOUSING CONSTRUCTION”

CEO FORUM IN BIRMINGHAM – HELD BY THE HOUSING FORUM AND WATES LIVING SPACE - WEDNESDAY 16TH JULY 2014

HOSTED BY PAUL O’DRISCOLL, BUSINESS DEVELOPMENT DIRECTOR, WATES LIVING SPACE



Discussion led by Clive Skidmore, Head of Development, Birmingham City Council, Tim Bush, Partner, Baily Garner and Chris Rutter, Fusion 21 on behalf of The Housing Forum Working Group "Smarter Supply: Smarter Resources".

The Housing Forum runs a CEO Forum each month to support our permanent campaign and priority themes through our 3 Working Groups on **building homes for the future, investing in our existing housing assets and smarter working through the supply chain and resources**. The cross sector representation of our membership equips us to investigate issues that require collaboration and expertise for successful outcomes.

The Housing Forum concluded that:

- 🏠 There is a clear lack of a central delivery strategy to support new housing in the large numbers needed
- 🏠 There is a potentially unbridgeable skills gap in trades and professions
- 🏠 A realistic solution needs to be found for sourcing materials and labour
- 🏠 8-10 year Government funding rounds would support efficient procurement.
- 🏠 A “whole house” approach is needed for new build providing a portfolio of homes for any kind of tenancy for up to ten years

TOPIC: AS BIRMINGHAM GROWS SUBSTANTIALLY, WHAT ARE THE KEY ISSUES IN THE SHORTAGE OF SKILLS FOR HOUSING CONSTRUCTION?

Clive Skidmore, Head of Development, Birmingham City Council set out the challenges for the City. Birmingham is on the cusp of significant growth at all levels, leading to demand for health, education and housing. Birmingham City Council is a well organised and co-ordinated local authority with ambition to meet these challenges.

The Birmingham Municipal Housing Trust is the Council's vehicle for building homes across the City. This first major council housing programme in over a decade is a pragmatic partnership between the council and commercial housebuilding businesses. 2/3rds of homes in this programme will be for market sale and rent and the programme has a strong brand identity and is committed to raise design quality.





The partnership operates by the council making land available which reduces the development risk and by market housebuilders bringing in their approach and expertise in design and development. With such pressure on development, the council has to evaluate every available site for housebuilding and needs the capacity to do even more.

To boost skills in the workforce, the Council uses its leverage through procurement policies, particularly Local Labour Clauses and access to employment. The Council has established a bursary scheme and supports young disadvantaged people with grants as part of its commitment to boost construction as a career.

The City has benefited from Government housing investment, through the AHP but its 4 year cycle and particularly the March 2015 deadline in the current round, work against getting the maximum youth career opportunities through this route. The solution, and it would be for the benefit of the industry overall, is the **extension** of the AHP cycle to **8-10 years** ; easing the cycle would help the flow of work and support procurement and long term contracting partnerships.

Tim Bush, Partner, Baily Garner reflected on the skills shortages in both professions and trade. There is much avoidable waste and inefficiencies in the way apprenticeships and traineeships are carried out. A breakthrough approach, which provides the very particular and important element of mentoring support, has to be the solution.

During the economic downturn, contractors and their supply chain in the Midlands faced intense competition for construction and housing work, including scheme bids which have no capacity for any cost rise .This has inevitably affected the capacity of the industry to support apprenticeships with individual packages to meet needs.




Digital innovation for housing schemes through BIM has the potential to improve performance, help consistency with cost pricing and predictability with whole life cost planning, which is particularly of benefit in asset management.

Chris Rutter, Fusion 21 and member of **The Housing Forum's Working Group - Smarter Supply: Smarter Resources** covered the work of the group to date. The key issue is that there is a structural gap in the available workforce with workforce demand estimated to be growing by 32% but employee growth growing by much less at 12%. One issue is how much work resource can be "designed out" at an early stage.

The issue is that there are shortages at every level and one source of supply is the encouragement of non graduates to take on vocational qualifications in the housing and construction industries.

Continuity and co-ordination is needed- a training commitment of up to 5 years and the co-ordination of between site travelling possibly facilitated through frameworks.

An example supplied to The Housing Forum by **Yvonne Leishman, Managing Director, The Community Housing Group**, was the Vestia Charitable Trust. Vestia were tasked with creating an employment service for residents. Using the strength of the Group (including procurement) Vestia worked with internal colleagues and the supply chain to offer employment support to residents. This has been a major business driver over the last 3 years, offering:

-  Accredited employment qualifications
-  Work experience
-  Job opportunities – apprenticeships; seasonal; temporary



In 2013 TCHG invested £50,000 in the development and management of the apprenticeship programme and this will increase to £80,000 in 2014 (not including apprentice salaries.) An apprentice New Build team has been developed to meet TCHG Garage 5 year Strategy where £10,000,000 is being invested into derelict sites using them for much needed affordable housing. By employing a high proportion of apprentices we have been able to make a savings which we have been able to invest into building more homes

This New Build Team and other job outcomes have allowed a significant increase in the number of TCHG residents gaining employment; in 2012 there were 12 apprentices in the programme - currently there are 24. In addition our supply chain have placed a further 9 young people into apprenticeships.

Summary:

- 🏠 Although housing supply is a stated political priority, there is a clear lack of a central delivery strategy to support new housing in the large numbers needed
- 🏠 Looking to the future, we are alerted to a potentially unbridgeable skills gap
- 🏠 Shortages may arise in materials and the supply chain and a realistic solution needs to be found for where materials and labour will be sourced
- 🏠 The short term house building cycles of growth and recession fuel uncertainty and exacerbate supply problems. Cycles can be substantially eased to flow over 8-10 years through Government funding rounds: this would support the longer term procurement and partnering that could manage a skilled workforce for far better outcomes.
- 🏠 Adopt a “whole house” approach for housing association and council house provision - meaning building a portfolio of homes for any kind of tenancy with up to ten year tenancies to support this longer term approach

The following are thanked for their contribution to The Housing Forum on Skills for Housing Construction in Birmingham

- 🏠 Tim Bush, Partner, Baily Garner
- 🏠 Darren Clarke, Partner, EC Harris
- 🏠 Neil Hebberts, Partner, calfordseaden LLP
- 🏠 Stephen Gabriel, Strategic Manager, Homes & Communities, Sandwell MBC
- 🏠 Shelagh Grant, Chief Executive, The Housing Forum (Co-Host)
- 🏠 Martyn Hopkins, Development Director, Wates Living Space (Co-Host)
- 🏠 Angus Kennedy, Interim MD-Arpeggio & Chief Executive, Community Regeneration Partnership
- 🏠 Helen Newbury, Group Head of Programme & Performance, Waterloo Housing Group
- 🏠 Asha Patel, Systems & Mobilisation Director, Wates Living Space West (Co-Host)
- 🏠 Chris Rutter, Account Manager, Fusion21 & Member of The Housing Forum Working Group “Smarter Supply: Smarter Resources”
- 🏠 Paul Shepherd, Associate Director, BM3 Architecture
- 🏠 Clive Skidmore, Head of Development Birmingham City Council
- 🏠 Amanda Tomlinson, Chief Executive, Black Country Housing Group
- 🏠 Helena Wallis, Chief Executive, Heart of England Mencap
- 🏠 Boris Worrall, Executive Director Futures, Orbit Group

***THE HOUSING FORUM IS GRATEFUL TO WATES LIVING SPACE
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