



Michelle Donelan MP

Parliamentary Under-Secretary of State for Children and Families

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Peter Lauener
CITB
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January 2020

Dear Peter,

Annual Priorities letter to the CITB, 2019-20

The CITB has an essential role in supporting the success of the construction sector – enabling us to achieve our ambition to build 300,000 homes a year, while also developing our infrastructure. In order to succeed we need a construction industry that is productive and innovative, something that can only be achieved by sustained investment in skills. This letter sets out the Government's priorities for the CITB, it should be considered alongside the Construction Sector Deal and our broader commitments on technical education – including the introduction of T levels.

As you know, skills policy is a devolved matter. The Devolved Administrations have their own priorities to meet the needs of their economies and distinct skills systems and these will be communicated separately.

The Government has seven priorities for CITB in England for the next 12 months:

- Continue to help the industry to develop the skills it needs to meet the Government's ambition to build 300,000 homes a year by the mid-2020s, in particular by: analysing future workforce needs (working with the skills advisory panels); strengthening the skills partnership with the Home Builders Federation; working closely with Homes England, the Federation of Master Builders, housing associations and small and medium-sized developers.
- Support the modernisation of the industry: work with the Infrastructure and Projects Authority, procuring Departments, the CLC and industry bodies to plan and deliver the skills and progression routes needed by the

construction sector now and in the future, especially those required to decarbonise the industry to Net Zero by 2050. The Government welcomes the work that is already underway in this respect. There should be a particular focus on the development of skills to support the adoption by the industry of digital technology and modern methods of construction, including those developed through the Transforming Construction Programme. As part of this modernisation, the CITB should consider the implications of the Grenfell Fire. It should also promote diversity in the construction sector – enabling the industry to access the widest range of talent.

- Help the industry adapt to changes in the supply of labour and skills needs resulting from the UK's exit from the EU by developing our own talent and growing the UK workforce.
- Support the introduction of the Government's technical education reforms in the construction industry. This will include: supporting employers to effectively engage with the apprenticeships programme and to develop the training that best meets their needs. You should support the implementation of the new construction T levels and the provision of work placements, helping to shape reforms to improve and grow higher technical education.
- You should also work with officials to consider how existing onsite training approaches, including the Construction Skills Fund (CSF) pilot, can be used to identify alternative pathways into and progression routes within the construction sector. In managing the CSF grant, it is important that there is strong accountability and evaluation of the pilot projects, and that there is good budget management and accurate forecasting to ensure the highest value for money.
- Plan and deliver a communications programme that captures and clearly showcases the results industry Levy has achieved to improve skills and the retention of skills for the benefit of the Industry. Working closely with my officials, effectively prepare for the summer 2020 Consensus process, such preparations to include the development of a clear narrative about the respective roles of the industry and the apprenticeship levy.
- Implement the remainder of your reform programme so that CITB is strategic, efficient and focused on future skills needs. This should include: concluding reform of your Board structure by recruiting a finance expert, transferring operations to the new Head Office and securing best value for the Bircham Newton site, both for CITB and to support local economic development. This reform activity will inform the Department's progress update on delivery of the 2017 ITB review commitments.

You will also want to consider actions for future years, including a review of the scope of CITB's levy.

My officials will be in contact in coming months to rationalise the timing for issuing future letters so that they align more effectively with your business planning

processes and timelines.

It is important that you work effectively across Government to develop a strategic approach to supporting construction skills in line with industry needs and national priorities. The sponsorship team in DfE will work with you to develop and strengthen these relationships.

I should be grateful if, through your quarterly strategic performance reviews, you would keep my officials updated on the delivery of your 2020-21 business plan and implementation of the remainder of CITB's reform programme.

I am copying this letter to the Secretary of State for Education, Lord Agnew, the Secretary of State for Housing, Communities and Local Government, Parliamentary Under Secretary of State for Business and Industry, Jamie Hepburn MSP, Julie James AM and the FE Commissioner.

Yours sincerely,

A handwritten signature in black ink, reading "Michelle Donelan". The signature is written in a cursive style with a long, sweeping underline.

Michelle Donelan MP
Parliamentary Under-Secretary of State for Children and Families