



Annual Review 2016





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Chairman's Introduction



Mick Clapham, Chairman

“We now have 25 Partner Card Schemes that have signed agreements with CSCS enabling them to display the CSCS logo.”

I am pleased to report that 2016 has been another busy and productive year.

Throughout 2016 the CSCS Board have continued to ensure that the strategic direction of the scheme remains focused on the achievement of industry recognised qualifications and is equally valued by clients, contractors and individual card holders.

Another step towards this goal was the Board's decision to cease issuing cards through the Profiled Route to managers and supervisors in April 2016.

The next major change approved by the Board is the eventual withdrawal of the Construction Related Occupation card (CRO), planned for September 2017. The CSCS Communications team are urging card holders and their employers to ensure applicants obtain the appropriate replacement card before their CRO card expires. Further details on the closure of the CRO card can be found on page 7 of this review.

These planned actions are fully in line with the industry's desire for a fully trained and qualified workforce and are another step towards meeting the requirements of the Construction Leadership Council (CLC). In 2015 the CLC announced (in keeping with the Industrial Strategy: Construction 2025)

that industry should specify and promote card schemes carrying the CSCS logo with no equivalents accepted. This is good news for the industry as it provides a consistent means of recognising that an individual has achieved a recognised standard and holds the necessary qualifications for their occupation.

We now have 25 Partner Card Schemes that have signed agreements with CSCS enabling them to display the CSCS logo. This is a positive development and will ensure that all workers, supervisors and managers operating on UK construction sites have achieved a nationally recognised, construction related qualification.

Further details on the work carried out by the executive team to meet the requirements of the CLC can be found on page 6 of this review.

On behalf of the Board I would like to thank the executive team and members of the CSCS committees for their continued hard work and commitment to the scheme.

In 2017 I look forward to working with the Board and wider industry stakeholders to further strengthen the scheme and play our part in helping the industry deliver a fully trained and qualified workforce.



Governance

CSCS is owned by the construction industry for the construction industry.

CSCS is a not for profit organisation which is registered as a company limited by guarantee and, therefore, has no shareholders.

CSCS is owned by 3 employer organisations and 3 unions representing the breadth of the construction industry.

CSCS is managed by CSCS Limited whose 7 non-executive Directors are nominated from the following owner organisations:

- Civil Engineering Contractors Association (CECA)
- Federation of Master Builders (FMB)
- GMB Union
- Build UK
- Union of Construction Allied Trades and Technicians (UCATT)
- UNITE the Union

Also represented on the Board, but not nominated by the owner organisations, are 2 independent non-executive Directors nominated by:

- The Construction Clients Group (CCG)
- The Construction Industry Council (CIC)

The Chairman provides leadership to the Board and is appointed by the Board members.

CSCS Board Director responsibilities include:

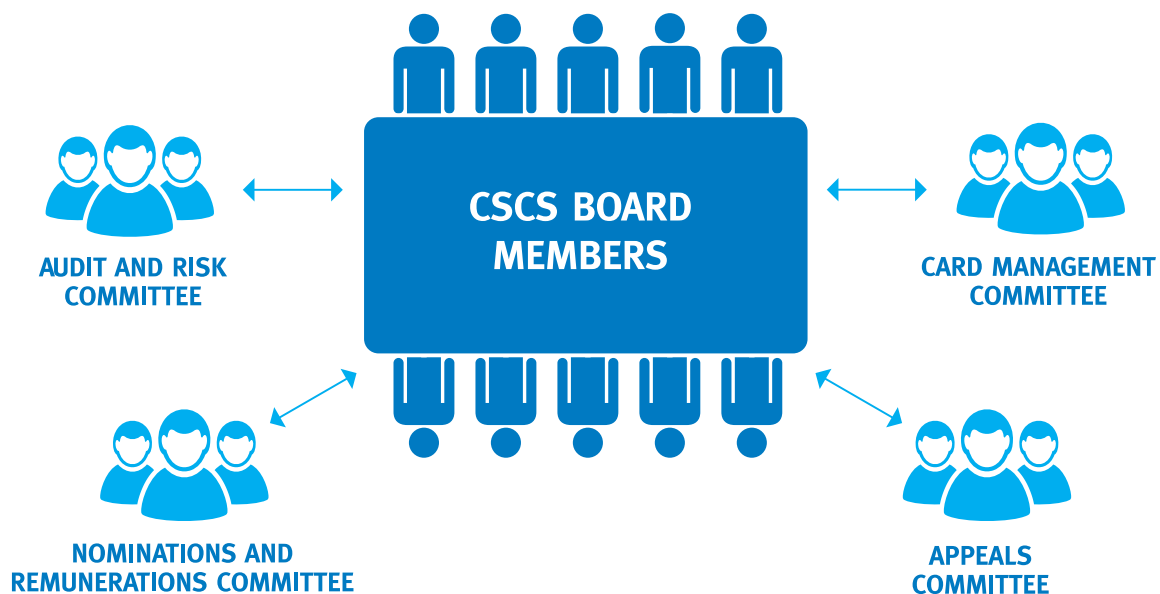
- Management of the scheme, providing leadership and setting CSCS's strategic aims and policies
- Ensuring the necessary resources are available to meet CSCS's objectives and review performance

- Participate in a number of key committees which ensure appropriate governance of the scheme.

The CSCS Board also works with other card schemes and organisations not represented on the CSCS Board to share ideas that help drive the scheme forward to meet the wider needs of industry.

CSCS has a Chief Executive and a small directly employed team based in London responsible for running the scheme.

“... representing the breadth of the construction industry”





Board Members



Mick Clapham

Independent Chairman

Mick joined the Board as Chairman in 2011. He spent 18 years in Parliament as MP for Barnsley West and Penistone. For 15 years Mick was Chair of the All-Party Parliamentary Occupational Safety and Health Group. Mick was also Deputy-Chair of the All-Party Parliamentary Construction Group.



Suzannah Nichol

Owner: Build UK

Suzannah joined the Board in 2008. Build UK provides a strong collective voice for the contracting supply chain in construction. It brings together 27 of the industry's largest main contractors and 40 leading trade associations representing over 11,500 specialist contractors..



Kevin Bennett

Owner: Civil Engineering Contractors Association (CECA)

Kevin joined the Board in 2010. CECA members deliver, upgrade and maintain the country's infrastructure. Its members carry out around 75% of all civil engineering activity across the UK.



Ian Dickerson

Owner: Build UK

Ian joined the Board in 2010. Build UK provides a strong collective voice for the contracting supply chain in construction. It brings together 27 of the industry's largest main contractors and 40 leading trade associations representing over 11,500 specialist contractors.



David Barnes

Owner: Federation of Master Builders (FMB)

David joined the Board in 2015. The FMB represents the interests of small and medium sized building firms across the UK. The FMB is the largest trade association in the building industry representing over 9,000 companies.



Brian Rye

Owner: Union of Construction, Allied Trades and Technicians (UCATT)

Brian joined the Board in 2015. Brian is UCATT General Secretary. UCATT specialises in construction and has around 85,000 members.



Phil Whitehurst

Owner: GMB Union (GMB)

Phil joined the Board in 2012. GMB is a general trade union with over 630,000 members, of which many work in the construction sector.



John Allott

Owner: Unite the Union

John joined the Board in 2010. Unite has around 50,000 members in building, construction and allied trades.



Gren Tipper

Independent: Construction Clients Group (CCG)

Gren joined the Board in 2006. The CCG works to improve value for money and best practice on construction projects. Its members include government and organisations across a wide range of sectors.



David Watson

Independent: Construction Industry Council (CIC)

David joined the Board in 2010. CIC represents professional bodies, research organisations and specialist business associations. Its members include 500,000 individual professionals and 25,000 firms of construction consultants.



Highlights and Accomplishments

A qualified workforce, new Partner Card Schemes and a push for electronic card checks have been the key features of 2016.

In 2016 CSCS announced further changes to the scheme in line with the aim of ensuring a fully qualified workforce.

Profiled Route

Profiled Route was used by construction site managers and supervisors who had on-site experience but did not hold nationally recognised, construction related supervisory or management qualifications. On this basis, Profiled Route did not support industry's desire to qualify the workforce and CSCS stopped accepting Profiled Route applications from 1st April 2016.

With the closure of Profiled Route all new applications for CSCS Black and Gold cards now require the applicant to complete an NVQ/SVQ levels 4, 5, 6 or 7.

The closure of Profiled Route supports the strategic direction of the scheme and the industry's desire for a fully trained and qualified workforce.

One Industry Logo

In 2015 the Construction Leadership Council (CLC) announced (via the Industrial Strategy: Construction 2025) that industry should specify and promote card schemes carrying the CSCS logo with no equivalents accepted. In order to qualify for the CSCS logo all card schemes (including CSCS) must develop plans to meet the CLC's requirements including:

- agreeing appropriate qualifications for each occupation
- setting a minimum standard for skilled occupations at NVQ level 2
- introducing smart technology by 2020.

Throughout 2016 CSCS has worked with other card schemes active in the construction industry to encourage the development of plans to meet the CLC's requirements. We have now signed agreements with 25 other schemes enabling them to display the CSCS logo on their cards. CSCS and our Partner Card Schemes are committed to ensuring construction site workers are appropriately qualified and in the process we are all playing our part in improving standards and safety on UK construction sites.

The CSCS logo displayed on any card will provide the industry with a renewed confidence that the card holder has achieved the required standards of training and qualification for their occupation.

Electronic Card Checks

Promoting the many benefits associated with SmartCard technology was also a key focus for the team in 2016. SmartCard technology makes it easier for employers to check the qualifications held on the card as well as tackling card fraud and managing training records.

However, through surveys we know contractors and employers are not taking advantage of the technology embedded in the CSCS card. The CSCS team worked with industry stakeholders and construction media to deliver a coordinated plan to promote the technology, achieved through published articles, advertisements, interviews and the production of animated videos.

CSCS is pleased to confirm that 164,000 electronic card checks were carried out in 2016, more than double the number carried out in 2015. This is encouraging but there is still a long way to go before the industry fully adopts electronic card checks and makes paper-based card checking systems a thing of the past.

“The CSCS logo displayed on any card will provide the industry with a renewed confidence that the card holder has achieved the required standards of training and qualification for their occupation.”



Priorities for 2017

By April 2017 all new card applications, with the exception of trainees, apprentices and site visitors, will require an academic or vocational qualification for the first time in the schemes history.

This is a major milestone but there is still plenty of work to be done to make it happen.

Construction Related Occupation Card

The next major challenge on our way to a qualified workforce is the withdrawal of the Construction Related Occupation (CRO) card. CSCS will stop issuing CRO cards from 31st March 2017. The card was intended for those occupations for which there are no nationally recognised qualifications and as such do not meet industry's desire for a qualified workforce.

All CRO cards issued since October 2015 will expire on 30th September 2017 and the CSCS team will spend the intervening period ensuring that the industry is fully prepared.

In many cases CRO card holders will be required to register for existing or newly developed qualifications. In others, card holders will be asked to move to one of CSCS's Partner Card Schemes that are more appropriate for their occupations. For some, where their occupation is not construction related or no suitable qualification exists, a CSCS card will no longer be issued.

Over 237,000 card holders are affected by the CRO withdrawal and CSCS is encouraging industry to take the necessary steps to replace all CRO cards before they

expire. CRO card holders who do not make plans to replace their CRO card will find that they will be unable to obtain another CSCS card.

A qualified workforce

As highlighted on page 6, only those card schemes that have committed to meeting the Construction Leadership Council's (CLC) requirements are permitted to display the CSCS logo.

Through audits we are now in a position to ensure that all card schemes certify appropriate qualifications for each occupation, with minimum standards for skilled occupations set at NVQ Level 2 (or an approved equivalent). CSCS will continue to work with all Partner Card Schemes to ensure they remain on course to meet the CLC's requirements by 2020.

Visitor Card

The Visitor Card was introduced for staff and workers who are not site based but may visit on a regular basis. Following the closure of CRO it will be the only card issued without the requirement for the applicant to hold a recognised qualification.

On this basis, the CSCS Board have agreed to withdraw the Visitor Card following the closure of CRO. In the future site supervisors and managers must ensure

suitable arrangements are in place to induct and escort visitors on site.

Timing on the closure of the Site Visitor card is yet to be finalised but further announcements will be made in 2017.

SmartCard

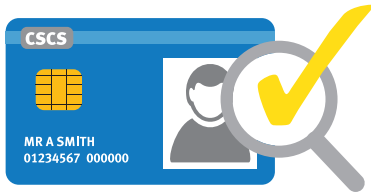
The promotion of SmartCard technology will be a key priority for CSCS in 2017. It is very encouraging to see the number of electronic card checks doubled in 2016, but there is still plenty of work to be done before industry fully adopts electronic card checks.

The adoption of smart technology is also a requirement of the Construction Leadership Council's One Industry Logo action. CSCS is committed to working alongside our Partner Card Schemes to encourage the adoption of the technology.

“The next major challenge on our way to a qualified workforce is the withdrawal of the Construction Related Occupation (CRO) card.”

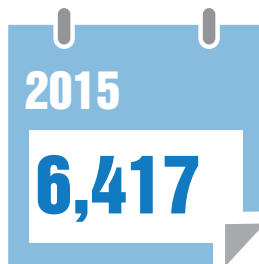


Electronic Card Checks



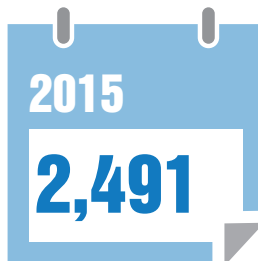
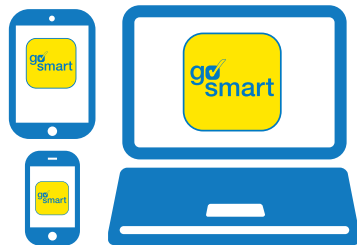
164,681 electronic card checks in 2016

Monthly electronic card checks



114%
increase

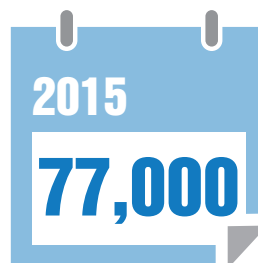
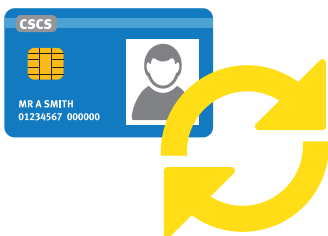
Total number of GoSmart installs



352%
increase

including estimate for December
(based upon the average monthly
installs of 2016)

Total electronic card checks



114%
increase

including estimate for December
(based upon the average monthly
installs of 2016)



Partner Card Schemes displaying the CSCS logo

Scottish and Northern Ireland
Joint Industry Board

TEAMcard

Fencing Industry Skills Scheme (FISS)

**Electrotechnical
Certification Scheme
(ECS)**

Certification Scheme for
Personnel (CSWIP)

National Plant Operators
Registration Scheme (NPORS)

**Assuring Competence in Engineering
Construction (ACE)**

SKILLcard

Association of Lorry Loader Manufacturers
and Importers (ALLMI)

LISS/CSCS Landbased
Industry Sector Scheme

**Safety Assessment
Federation (SAFed)**

**Drilling and Sawing
Association (DSA)**

Certification Scheme for
Personnel (CSWIP)

MPQC Plant Operator Competency Scheme

ICATS Industrial Coating
Applicator Training Scheme

**Construction Skills Register
Northern Ireland (CSR NI)**

Construction Plant Competence
Scheme (CPCS)

**Construction Skills
Certification Scheme (CSCS)**

Q-card

Plumbing, Heating Mechanical
Engineering Services (PMES)

Shopfitting and Interior
Contracting Competence
Scheme (SICCS)

**Energy and Utility Skills
Register (EUSR)**

TTM

Certificate of Competence
for Demolition Operatives
(CCDO)

The Storage Equipment Installers
Registration Scheme (SEIRS)
Construction Industry Scaffolders
Record Scheme (CISRS)



CEO Statement



Graham Wren, Chief Executive

“To meet the requirements of the CLC we will, along with our partner schemes, develop plans to move all IA cardholders to a recognised qualification.”

I am pleased to report further progress in support of the construction industry's desire for a fully qualified workforce.

We continue to adopt a methodical approach to our planned changes, which commenced with the closure of the Construction Site Operative card in 2014 and the corresponding introduction of the green Labourer card. In April this year we ceased issuing cards through the Profiled Route.

All of these changes have been introduced to ensure we are able to certify applicants to the scheme hold a construction related, nationally recognised qualification.

The next step towards this goal is the withdrawal of the Construction Related Occupation (CRO) card, planned for September 2017. This is the most significant change to the scheme since the introduction of the green Labourer Card in 2014. Ensuring existing CRO card holders take the necessary steps to obtain the appropriate qualifications will be a priority for the CSCS team in 2017.

In 2015 the Construction Leadership Council (CLC), established to oversee the implementation of the Industrial Strategy: Construction 2025, published the qualifying criteria for all card schemes to adopt in order to display the CSCS logo. Perhaps the most challenging aspect of these requirements is the eventual withdrawal of card renewal through Industry Accreditation (IA), also known as Grandfather Rights. This allowed workers to obtain CSCS cards on the strength of an employers' recommendation rather than the achievement of a recognised qualification. CSCS closed IA to new applicants in 2010 but those already holding a card are currently able to renew on the same basis.

To meet the requirements of the CLC we will, along with our partner schemes, develop plans to move all IA cardholders to a recognised qualification. How we achieve this together within the necessary timescales, will require extensive industry consultation prior

to implementation. In the meantime, existing IA card holders can continue to renew their cards in accordance with the scheme rules.

The introduction and promotion of Smart technology remains a key priority for all card schemes. CSCS introduced the current version of the SmartCard in 2010. The next development stage will be the introduction of the virtual card, an electronic card that can be issued directly to a mobile device such as a smartphone, removing the need to carry a physical card and significantly speeding up the application process. Development of the Virtual Card is underway with a trial of the technology in spring 2017.

In 2016 we signed agreements with 25 partner card schemes enabling them to display the CSCS logo, with each scheme committing to the requirements of the CLC. This is a positive development and will greatly assist site supervisors and managers in ensuring the cardholder has achieved a nationally recognised construction related qualification for their occupation. I would like to thank all my fellow card schemes for their co-operation throughout 2016 and their continued commitment to ensuring a fully qualified workforce.

I would like to thank members of the CSCS Board whose support and guidance has enabled CSCS to deliver the important changes highlighted in this annual review. I would also like to thank our service provider CITB for their continued support, with special thanks to the staff who operate the call centres at Bircham Newton and Glasgow.

Finally, a big thank you to my fellow CSCS team members who tirelessly promote the scheme across industry and their resolution in implementing the necessary changes required for the CSCS scheme to truly reflect a fully qualified workforce.

The CRO Card in Numbers



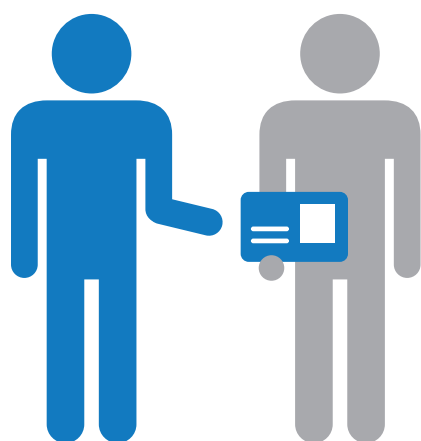
237,195
CRO cardholders



representing
364
CRO occupations



Plans under
development for
228 CRO occupations to remain
on the CSCS Scheme



77
CRO occupations being
transferred to one of the
Partner Card Schemes



59 CRO occupations to be
removed from the scheme
as not construction related or no
suitable qualification exists



Construction Skills
Certification Scheme

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