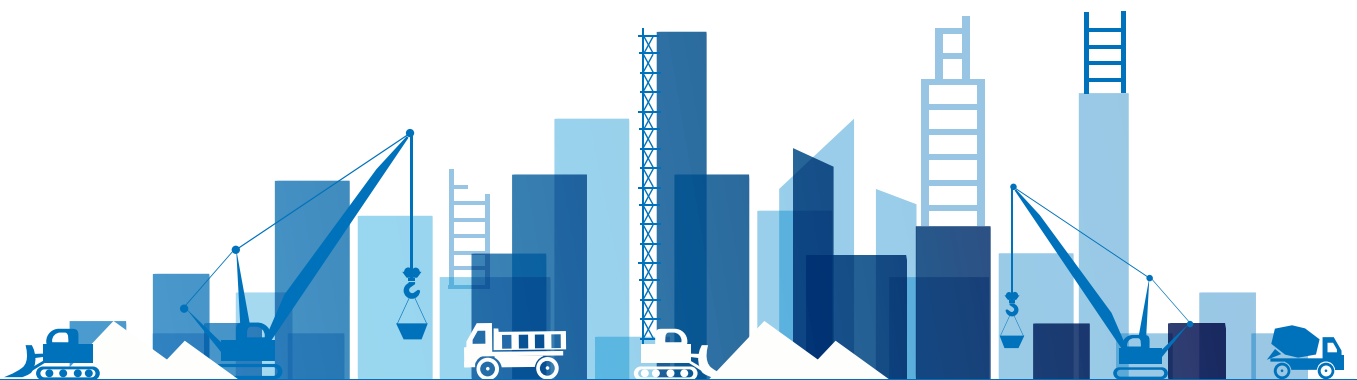




Annual Review 2018



Qualifying the workforce





Chairman's Introduction



Carolyn Uphill, Chairman

“The changes we have made up to this point have all been aimed at certifying a fully qualified site-based construction workforce.”



1,512,437
Cards in circulation

2018 marks the beginning of my chairmanship of CSCS and I am pleased to report significant progress continues to be made on moving the industry towards a fully qualified workforce.

I am the ‘new girl’ but my connections with the Construction Industry go back some 40 years and as newly elected Chairman, my vision is to ensure that we progress steadily towards the goals of an appropriate qualification for each occupation making a material difference on site.

Throughout 2018 the CSCS Board has ensured that the strategic direction of the scheme remains focused on the achievement of nationally recognised construction related qualifications.

A further step towards this goal was the Board’s decision, taken this year, to withdraw the Construction Site Visitor card, a card that doesn’t require the applicant to achieve a qualification. CSCS will stop issuing the card in 2020 and for many this means putting plans in place to achieve a recognised qualification before they can apply for another card. Further details on the Construction Site Visitor card withdrawal can be found on page 6 of this review.

The withdrawal of the Construction Site Visitor Card is another step towards meeting the requirements of the Construction Leadership Council (CLC). In 2015 the CLC announced that card schemes carrying the CSCS logo must operate with nationally recognised qualifications in place for all occupations by 2020. This is good news for the industry as it will lead to improved standards, safety and productivity on site.

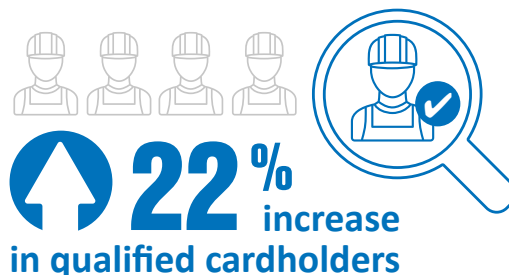
Further details on the work carried out by the executive team to meet the CLC’s requirements can be found on page 6 of this review.

We are starting to see the positive impact these changes are having on the industry. Historically over half of the cards issued by CSCS did not require the applicant to achieve a qualification. The changes made over the last few years are reversing that trend and the majority of cards now issued require the applicant to achieve a qualification.

Throughout this review you will see a number of graphics that demonstrate our progress towards qualifying the workforce. The progress made is very encouraging but more work is required before we can certify a fully qualified workforce. Pages 8 and 9 of this review set out the priorities for 2019 and the challenges that lie ahead.

On behalf of my fellow Board members I would like to thank the executive team for their continued hard work, members of the CSCS committees that develop and implement policy and our wider industry stakeholders for their continued commitment to CSCS.

In my first year as Chairman I am encouraged by the determination within the industry to support our vision and future direction. In 2019 I look forward to working with the CSCS Board to further strengthen the scheme and play our part in delivering a fully trained and qualified workforce.



(May 2017 to October 2018)



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 2 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
- 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:

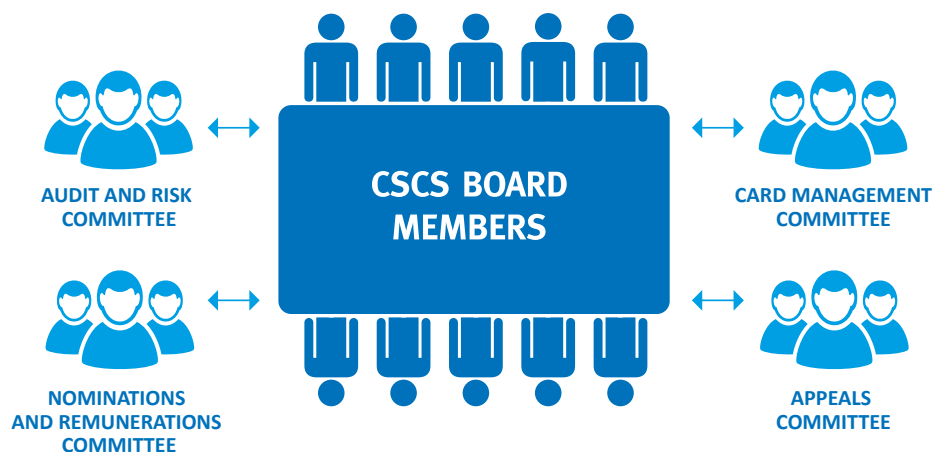
- Management of the scheme, providing leadership and setting CSCS's strategic aims and policies

- Ensuring the necessary resources are available to meet CSCS's objectives and review performance
- Participation 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 Directors



Carolyn Uphill:
Independent Chairman

Carolyn has 30 years' experience running a Construction Industry Equipment Manufacturing, Sales and Plant Hire Company. She has also chaired a leading Trade Association whose stated objectives are to improve standards and encourage training towards accreditation.



Suzannah Nichol:
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:
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:
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:
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.



Jerry Swain:
Unite the Union

Jerry joined the Board in 2017 following the merger of Unite and UCATT. Unite has around 50,000 members in building, construction and allied trades.



Phil Whitehurst:
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:
Unite the Union

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



Gren Tipper:
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
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

Further progress towards a fully qualified workforce, the withdrawal of the Construction Site Visitor card and tackling 100 per cent carded workforce policies are some of the highlights from 2018.

The importance of 2020

In 2015 the Construction Leadership Council (CLC) announced (via the Industrial Strategy: Construction 2025) that the construction industry should specify and promote card schemes carrying the CSCS logo with no equivalents accepted. This is known as the One Industry Logo action.

In order to qualify for the CSCS logo all card schemes (including CSCS) must develop plans by 2020 to meet the CLC's requirements.

These include:

- Agreeing appropriate qualifications for each occupation
- Setting a minimum standard for skilled occupations at NVQ level 2
- Introducing smart technology.

Since 2015 35 card schemes have taken up the challenge of meeting the CLC's

requirements and are now displaying the CSCS logo on their cards. These are known as the CSCS Partner Card Schemes.

Throughout 2018 CSCS worked closely with the Partner Card Schemes to ensure appropriate qualifications are in place for each occupation with minimum standards for skilled occupations set at NVQ Level 2 (or an approved equivalent). CSCS will continue to work with the Partner Card Schemes to ensure we all remain on course to meet the CLC's requirements by 2020.

Construction Site Visitor card

The next step towards ensuring that all CSCS cardholders achieve a qualification is the withdrawal of the Construction Site Visitor card. The card was introduced for occasional visitors to site in order to satisfy the '100% carded workforce' policies many companies had adopted.

Following the closure of the Construction Related Occupation card in 2017 the Site Visitor card was the only card issued without the need for the applicant to achieve a recognised qualification. On this basis the CSCS Board agreed to withdraw the card and an announcement was made to this effect in the summer.

All Construction Site Visitor cards issued from 3rd September 2018 will expire on 31st August 2020 and CSCS will stop issuing the card from 28th February 2020.

Those currently holding Construction Site Visitor cards, working on site-based construction related roles, are required to register for an appropriate qualification before their cards expire.



35
Partner Card Schemes



900,000
Partner cards displaying the CSCS logo



125,744
Site Visitor cards (To be withdrawn by end of 2020)





Highlights and Accomplishments (cont.)

The end of the 100 per cent carded workforce

CSCS cards apply to construction related occupations, yet many people holding cards work in roles considered to be non-construction related, such as site cleaning, security guards and catering staff.

As the remaining Construction Related Occupation and Construction Site Visitor cards reach their expiry dates current cardholders in non-construction related roles will no longer be eligible for a CSCS card. Site managers and Supervisors should be prepared for an increase in the number of non-construction related workers arriving on site without a card.

Historically these workers have applied for a card because they were told to do so by their employer. This was often a result of company policies requiring sites to be 100% carded, as opposed to 100% qualified.

Throughout 2018 CSCS continued to call on the industry to scrap the 100 per cent carded policies and to stop turning non-construction related workers away from site because they do not have a CSCS card.

Feedback from the industry tells us that many employers are heeding the advice and putting plans in place to ensure non-construction related workers are properly inducted and supervised when on site. Whilst the progress made in 2018 is encouraging more work is required before the industry abandons 100% carded workforce policies completely.

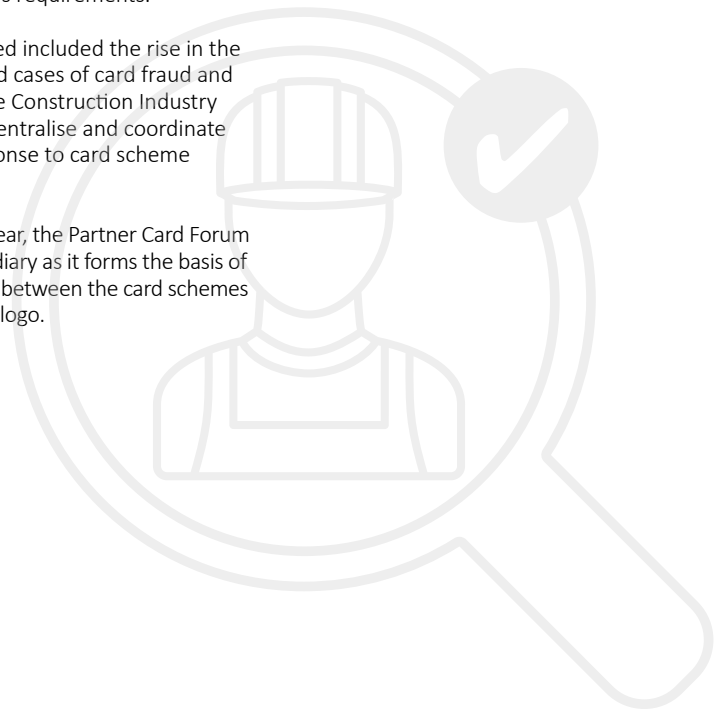
Working with our partners

Closer co-operation with our 35 Partner Card Schemes was another key focus in 2018. Our Partner Card Forum took place in October, providing an opportunity for CSCS logoed card schemes to meet and discuss progress towards achieving the Construction Leadership Council's requirements.

Other topics covered included the rise in the number of reported cases of card fraud and a proposal from the Construction Industry Training Board to centralise and coordinate the industry's response to card scheme related fraud.

Now in its second year, the Partner Card Forum is a key date in the diary as it forms the basis of closer co-operation between the card schemes displaying the CSCS logo.

“Whilst the progress made in 2018 is encouraging more work is required before the industry abandons 100% carded workforce policies completely.”



215,044

increase in Labourer cardholders

Total number
of Labour card
holders is

446,797

(May 2017 to October 2018)

2018

382,033

CSCS cards issued in 2018





Priorities for 2019

Industry accreditation

Following the withdrawal of the Construction Site Visitor card the next step towards a fully qualified workforce is to develop proposals for those holding their card through Industry Accreditation (IA). Also known as Grandfather Rights, IA 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 holding a card are currently able to renew on the same basis. To meet the requirements of the Construction Leadership Council (CLC) we will develop plans in conjunction with our industry stakeholders, to move all IA cardholders to a recognised qualification.

The CSCS Board are currently discussing how we achieve this within the necessary timescales and a transition plan to move IA cardholders to an appropriate qualification will be announced in early 2019.

The withdrawal of IA will be the final step towards achieving the CLC's requirement of ensuring nationally recognised qualifications are in place for all construction related occupations. In the interim existing IA card holders can continue to renew their cards in accordance with the scheme rules.

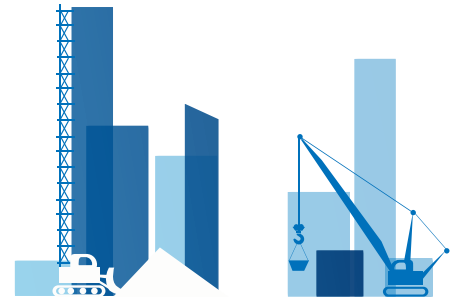
Continue the fight against fraud

Historically many applicants were simply required to complete the CITB Health, Safety and Environment test, together with an employer endorsement, in order to obtain their CSCS cards. Following recent changes to the scheme applicants are now required to hold a qualification or be registered to complete a recognised qualification before we issue a card. On this basis the CSCS cards have become more valuable and are increasingly attracting the attention of the fraudsters.

Historically the fraudsters have focused on the production of fake cards and cheating the CITB Health, Safety and Environment test. As part of our efforts to tackle this activity

we have been working closely with our key stakeholders to promote the use of electronic card checks.

As we restrict the capacity of the fraudsters to operate they are turning to other means in which to obtain a card. Since the withdrawal of the CRO card in 2017 we have noted an increase in the production of high-quality fake certificates, supposedly issued by a recognised Awarding Organisation, which if not properly checked could lead to a legitimate CSCS card.



37%

decrease in unqualified CRO cards

(May 2017 to October 2018)



17%

increase in qualified Skilled Worker cards

(May 2017 to October 2018)



5%

increase in qualified Advanced Craft cards

(May 2017 to October 2018)



24%

increase in qualified Manager cards

(May 2017 to October 2018)



Priorities for 2019 (cont.)

In 2019 we will work with the relevant Awarding Organisations to introduce online validation of construction certificates, a move that will counter the activities of the fraudsters and further safeguard standards and safety on construction sites.

Checking cards electronically is the most effective way to identify card fraud. This is one of the reasons why the CLC require card schemes carrying the CSCS logo to adopt Smart technology by 2020.

The promotion of Smart technology and electronic card checks remain a key priority for 2019. As demonstrated by the Build UK/CECA national SmartCard audit that took place in the autumn, the use of technology is increasing across the industry.

Improving the service

For more than 20 years CSCS's application processing and contact centre has been delivered under contract by the Construction Industry Training Board (CITB). Each year the

CITB process more than 400,000 card applications and 1 million contact centre enquiries on behalf of CSCS.

In late 2017 CITB formally notified CSCS of their intention to withdraw from the contract.

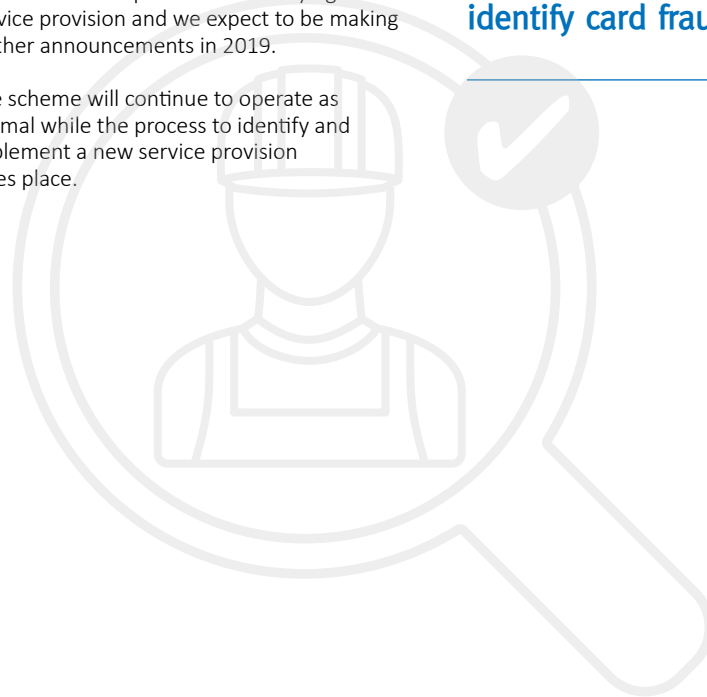
This provides an exciting opportunity to identify new and smarter ways of working, such as online applications, that will improve the application process for individual applicants and employers.

CSCS has appointed a specialist consultancy to assist with the process of identifying a new service provision and we expect to be making further announcements in 2019.

The scheme will continue to operate as normal while the process to identify and implement a new service provision takes place.



“Checking cards electronically is the most effective way to identify card fraud.”



22%

increase in qualified Supervisor cards

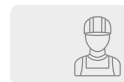
(May 2017 to October 2018)



46%

increase in qualified AQP cards

(May 2017 to October 2018)



17%

increase in qualified PQP cards

(May 2017 to October 2018)



165%

rise in the number of Experienced Worker cards

(May 2017 to October 2018)



CEO closing statement

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

When I joined CSCS in 2012 the Construction Site Operative card, which required no qualifications to obtain, accounted for half of the cards in circulation. The Construction Related Occupation card, which again required no qualifications, accounted for another quarter.

On this basis the majority of the cards were being issued purely on an employer’s recommendation rather than a qualification.

Over the last few years we have made a number of changes aimed at ensuring construction workers hold the correct qualifications for the job they do on site. The most high-profile of these were the introduction of the Labourer card in 2014 and the withdrawal of the Construction Related Occupation card in 2017.

The changes impact many construction workers who are now required to register for and obtain nationally recognised qualifications before they can apply for another CSCS card. This is a major change for the industry that will lead to improved standards, safety and productivity on site.

Despite the large scale changes the benefits to the industry are not always immediately obvious. The process of fully qualifying the workforce doesn’t happen overnight; it takes time and it will take a few more years before we see the full benefits of the changes that have been made and those that are planned to be introduced.

The signs are encouraging. Displayed throughout this review are a number of graphics that demonstrate the progress we

have made towards the certification of a fully qualified workforce.

We closed the Construction Site Operative (CSO) card in 2014 on the basis it was not qualification based. The Labourer card replaced the CSO card with applicants required to achieve a Level 1 Award before a card can be issued. Labourer cards now outnumber the remaining CSO cards by 3 to 1.

I’m pleased to report that over 60% of all cards currently issued are supported by a qualification, up from 40% in May 2017. This figure will continue to rise as the closure of the Construction Related Occupation card and the Construction Site Visitor card take effect.

Over the same time period we have recorded a significant rise in the number of Experienced Worker cards issued. Experienced Worker cards are only available to those who have construction experience and can demonstrate that they are in the process of obtaining a recognised qualification. This indicates that workers who previously held CSO or CRO cards are registering for the appropriate qualifications for their occupations.

The total number of cards contained within the scheme has remained stable at 1.5 million. This indicates card holders are choosing to remain within the industry and making the decision to obtain a qualification before their existing cards expire.

The way in which CSCS operates has been radically overhauled in recent years. Over a period of only 18 months we have seen the



Graham Wren, Chief Executive

“I’m pleased to report that over 60% of all cards currently issued are supported by a qualification, up from 40% in May 2017.”

proportion of cards issued with a qualification rise by more than 20% and transition plans are in place to bring that figure up to 100%.

My thanks are extended to the Board for their strong support and guidance, the CSCS operational team for the continued hard work and wider industry stakeholders for their continued commitment to CSCS.

May 2017



40%

qualified cardholders

vs

Oct 2018



62%

qualified cardholders

In October 2018 there were 901,207 qualified cardholders and 558,480 unqualified cardholders





Construction Skills Certification Scheme

Contact Us



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Send us an email

customerservice@cscs.co.uk



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www.cscs.uk.com



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