

MAYOR OF LONDON

A photograph of a construction site. In the foreground, a worker in an orange high-visibility suit and orange helmet stands next to a blue skip, looking upwards. The skip has a yellow label that says 'AUTOLOCK' and 'DO NOT OPEN'. In the background, several workers in orange and yellow high-visibility suits and hard hats are standing near a blue metal structure. There are stacks of materials, including pipes and bags, and a red gas cylinder. The ground is dirt and concrete.

# Mayor's Construction Academy Programme

PROGRAMME OVERVIEW

MARCH 2018



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## Foreword:

# Why London needs a Construction Academy

London's housing crisis is the single biggest challenge facing our city today. It is holding back growth and preventing Londoners from being able to buy their own home or find a rent they can afford. It risks leading to an exodus of talent as increasing numbers of our young people find themselves unable to afford to live and work in our city.

That's why building more genuinely affordable homes is my top priority as Mayor. Since taking office, I've been open and honest with Londoners that we will not be able to solve this problem overnight, and we need the national Government to play its part. Addressing the chronic housing shortage and building the genuinely affordable homes Londoners need will take time and concerted effort. Put simply, it will be a marathon, not a sprint, and will require a real team effort.

I'm pleased that we've already taken some big steps forward. We've agreed a record breaking £4.8 billion investment with the Government to build over 100,000 affordable homes in London by 2022. And we've increased the number of genuinely affordable homes in planning applications to 38 per cent in the first half of last year. This is up dramatically from 13 per cent, which was the proportion of affordable homes in planning permissions toward the end of the previous Mayor's tenure.

We've also set up Homes for Londoners to bring together local councils, housing associations and developers to speed up homebuilding. This is crucial to helping us move towards our long-term target of 50 per cent of all new homes in London being genuinely affordable to rent or buy.

Clearly, these are big steps in the right direction. However, this hard work could be undermined by a looming skills shortage in London's construction sector which is threatening to drive up costs and delay much-needed developments. One major review recently warned of a 'ticking time bomb', predicting the size of the industry's workforce could decline by as much as a quarter over the next decade.

With the ongoing uncertainty caused by Brexit and the future status of EU workers – who currently account for around 32 per cent of the construction sector's workforce – these concerns around a skills shortage need to be taken incredibly seriously.

A hard Brexit scenario, in particular, poses big risks as it could drastically reduce the number of workers available to the construction industry and have a crippling effect on our plans to build the homes Londoners so desperately need.

In my election manifesto, I made a commitment to establish a Construction Academy scheme, together with the housebuilding industry, to close the gap between our need for more homes and the shortage of skilled construction workers in London. In light of the Brexit vote, this is more important than ever.

The only way we will meet the demand for construction workers in the years ahead is by taking urgent action now. The Mayor's Construction Academy (MCA) – my new policy initiative – aims to ensure more trained Londoners are in place to access vacancies in the construction sector. It will seek to achieve this through additional funding to better coordinate training provision and construction employers' needs, and the creation of an MCA quality mark, which seeks to identify and reward high quality construction skills training provision.

I'm taking steps to ensure those responsible for training the next generation of builders and tradespeople work much more closely with housing developers. This should make it easier for large developers, as well as small and medium-sized construction businesses, to offer work experience opportunities and jobs to newly trained Londoners who are looking to get a foot in the door and progress within the industry.

I'll be working to bring together Further Education colleges, independent training providers, London boroughs, housing associations and construction companies to form new and innovative partnerships across our city that help to create more opportunities for Londoners to enter and thrive in the housebuilding profession. Those participating in the MCA will have to commit to collaboration of this kind and to maintain high quality learning establishments.

As the Mayor of London, I realise that when it comes to tackling our city's lack of affordable housing, the stakes could not be higher. This crisis blights the lives of too many and risks the future economic success of our city. That's why I'm determined to ensure the construction industry has the skills, resources and talent it needs to do its job. Programmes like the MCA are crucial to achieving this objective, to building the affordable homes our city needs, and to giving more Londoners the chance to fulfil their potential.

A handwritten signature in blue ink, appearing to read 'Sadiq Khan', with a small number '2' written below the name.

**Sadiq Khan**  
Mayor of London





## 1.0 Programme overview

The Mayor's Construction Academy (MCA) will create the opportunity for construction skills training providers and construction sector employers to improve the ways in which they work together. By accrediting high quality construction skills training provision and improving coordination between providers and employers, the MCA will ensure that construction skills training provision meets employer needs. MCA quality-marked training providers will be recognised for their quality and excellence; construction employers seeking to fill their skills gaps will have access to skilled, work-ready recruits; and Londoners will have the skills needed to gain work in construction.

### 1.1 MCA aims and opportunities

1.1.1 The MCA aims to ensure more Londoners train in the skills they need to access construction-sector vacancies on the capital's housing construction sites. It will do this by making the following opportunities available to interested construction skills providers, employers, developers and London boroughs:

1. **An MCA quality mark** which seeks to identify and recognise high-quality construction skills training provision in London. Please refer to the separate 'MCA Quality Mark' prospectus for full details;
2. **Revenue funding to create MCA hub leads** to strengthen co-ordination of skills training and employment opportunities between construction skills training providers and construction sector employers in London; and
3. **Capital funding** for equipment and facilities to support the delivery of high-quality construction provision in London.

1.1.2 Through this approach, the MCA aims to:

- improve the supply of skilled construction workers required by the sector and thereby create more opportunities for Londoners to benefit from the available job opportunities in the construction industry (including more women and BAME Londoners);
- scale up and extend high quality provision and initiatives that are already working well across the capital to train Londoners in the skills needed to enter into and progress in careers in the construction sector;



- intensify local collaboration, particularly between small and medium sized businesses (SMEs) and construction skills training providers; and
- support the development of training provision for the construction of precision-manufactured housing in London.

The model for the MCA has been developed through extensive consultation with a range of stakeholders. This includes engagement through the Mayor's Homes for Londoners Construction Skills Sub-group which was commissioned by the Mayor's Homes for Londoners Board to look at challenges facing the construction industry in terms of skills and capacity. (See Appendix 1 for more detail).

1.1.3 The MCA also responds to the Mayor's vision as detailed in his draft Skills for Londoners (SfL) Skills and Adult Education Strategy to:

1. empower all Londoners to access the education and skills to participate in society and progress in education and in work;
2. meet the needs of London's economy and employers, now and in the future; and
3. deliver a strategic city-wide technical skills and adult education offer.

1.1.4 Successful organisations who form part of the MCA, will be encouraged to align with emerging developments that support the government's proposed National Retraining Scheme pilot<sup>1</sup> for construction skills.

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<sup>1</sup> The National Retraining Scheme announced by the Chancellor Philip Hammond in his autumn budget, will invest £64 million in training initiatives aimed at boosting digital skills and expanding the construction sector. The national retraining partnership between the government, the TUC, and the CBI is overseeing the development of the Scheme. A £29m construction skills fund will be available for bids to fund up to 20 construction skills villages around the country.

## 2.0 Policy context

### 2.1 Construction skills challenges

- 2.1.1 In his manifesto, Sadiq Khan pledged to “establish a construction academy scheme with the housebuilding industry, to close the gap between our ambitious housing targets and the need for more skilled construction workers in London”. Tackling the housing crisis in London is one of the Mayor’s top priorities, and there is a widely shared acceptance that there needs to be an unprecedented increase in housing delivery in London to address the shortage of housing in the capital, particularly affordable housing.
- 2.1.2 The new draft London Plan sets a target for almost 65,000 new homes each year in London, but there is concern that the construction sector lacks the capacity to deliver at this scale. This situation may worsen due to specific challenges facing the sector which Mark Farmer identified in his report ‘The Farmer Review of the UK Construction Labour Model – Modernise or Die<sup>2</sup>’ including:
- An ageing workforce
  - Poor image of the construction sector deterring new entrants
  - Restrictive Section 106 planning condition obligations not producing long-term career opportunities
  - The capacity and appropriateness of construction skills training provision
- 2.1.3 Any increase in restrictions on the movement of EU nationals following Brexit could also have a huge impact in London where around 32%<sup>3</sup> of the construction workforce is from the European Economic Area.
- 2.1.4 Further details on the strategic context in which the Mayor’s Construction Academy (MCA) has been developed are set out in Appendix 1.

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<sup>2</sup> <http://www.constructionleadershipcouncil.co.uk/wp-content/uploads/2016/10/Farmer-Review.pdf>

<sup>3</sup> GLA Economics Team Research, September 2017





## 3.0 Delivery Approach

The opportunities available to become part of and deliver the MCA consists of three stages, which are detailed below. Figure 1 provides a further illustration of this.

### 3.1 STAGE 1: MCA quality mark for training providers

The Mayor will award the highest quality construction skills provision in London with an accredited MCA quality mark. The purpose of the quality mark is to set a high bar for construction skills provision in London, and it will only be awarded to those providers who can meet the stated evidence requirements. This can include provision offered by a further education college, independent training provider as well as an employer/ developer's own in-house skills provision.

- 3.1.1 The MCA quality mark is intended to signify excellent, industry standard training provided by organisations with strong employer links. This mark of excellence will be promoted to raise awareness to Londoners about where they can go to undertake training with a quality provider who will support them with gaining the skills need to access employment in the construction sector.
- 3.1.2 The MCA quality mark will also be promoted to construction sector employers as a recognised mark of excellence of construction skills provision. Accredited training providers will be giving their learners industry-relevant, employability and work readiness skills to hit the ground running once onsite.
- 3.1.3 The MCA quality mark will clearly benefit accredited training providers by attracting learners to their construction skills training courses.
- 3.1.4 The GLA plans to accredit up to 24 of the highest quality construction skills training providers in London in the first round of applications for the MCA quality mark. Should a higher number of applications meet the specified criteria, the GLA reserves the right to award a greater number of quality marks to providers.
- 3.1.5 After the initial application process, future application rounds will take place every 12 months until 2020/2021 with up to 60 providers gaining the quality mark.
- 3.1.6 **A separate prospectus which describes the application process for STAGE 1 can be found on the [www.london.gov.uk](http://www.london.gov.uk) website.**

### 3.2 STAGE 2: The creation of MCA hub leads and revenue funding opportunity

- 3.2.1 **Construction skills training providers** which are **successful in stage 1** and who are awarded a quality mark, will be able to bid through a competitive application process to become MCA hub leads. Hub leads could also be an **employer, developer or London borough** (where they are creating employment opportunities and/ or commissioning training interventions for the construction industry). A full list of organisations who will be eligible to apply to become hub leads will be specified in the forthcoming programme prospectus.
- 3.2.2 Organisations successfully appointed as hub leads will have access to revenue funding to develop a co-ordination function across training providers and employers. They will be expected to demonstrate strong partnership and create better links between providers, employers and commissioners (such as developers or London boroughs) to help boost the volume of Londoners taking up opportunities in the construction sector. The hubs leads will focus collaboration between skills training providers, developers, SME employers (which can include contractors and subcontractors), and local authorities to ensure training is employer-led and trainees have the relevant skills to fill available construction sector job vacancies.
- 3.2.3 The hub leads will co-ordinate and facilitate activity between collaborating partners across the hub including:
- ensuring employers' skills requirements are communicated to skills training providers and skills training availability is communicated to employers;
  - enabling employer-led curriculum design enhancements and ensuring work placement/apprenticeship/employment opportunities are shared across the collaborating partners;
  - providing job brokerage assistance between training providers and employers including guidance on utilising the Apprenticeship Levy.
- 3.2.4 A lead organisation will be at the heart of each hub and will engage with skills providers to identify what skills training is available or being planned locally, within the geographical area of the proposed hub. They will also be responsible for engaging and building relationships with house-building employers who are offering job vacancies and/or work placements/on-site experience, or who are willing to work with the hub's skills providers to shape or adapt provision to better suit their workforce requirements, thereby drawing these employers into the hub.
- 3.2.5 There is no limit to the number of skills providers or house-building employers that can link with a hub lead organisation; the more providers that are on board, the

more training places, or types of training will be on offer; the more employers that are committed to working within a hub, the more job vacancies or work placements will be on offer. A hub lead will need to provide a strong coordination function to optimise these opportunities.

- 3.2.6 It is expected that training offered through the hubs will be funded either by existing revenue streams from the Education and Skills Funding Agency, Apprenticeship Levy funds or other public and private sources that enables the delivery of construction skills training, or by employers investing in training.
- 3.2.7 A small and dedicated central MCA Team at the GLA will be established to support the MCA by working with the hub leads to help create their coordination function, monitor and review the granting of the MCA quality mark, help to broker strategic links across all MCA quality-marked providers as well as with employers, collate data and provide strategic oversight of construction skills training across London.
- 3.2.8 **A separate prospectus including the application assessment criteria will be published in summer 2018, inviting applications to become MCA hub leads.**
- 3.2.9 Only MCA quality-marked construction skills training providers will be eligible to form part of the skills training provision within MCA hubs.
- 3.2.10 Construction skills training providers who receive the MCA quality mark need not necessarily form part of an MCA hub, but the GLA will encourage them to do so.

### 3.3 STAGE 3: Capital funding opportunity

- 3.3.1 MCA quality-marked providers will become eligible to apply for grant funded capital investment in construction skills training facilities and equipment, as part of the MCA. Any quality-marked provider can apply for capital funds for construction skills related premises refurbishment or equipment (whether or not they form part of an MCA hub), as long as they meet the capital funds eligibility criteria.
- 3.3.2 London has available £114m Growth Deal funding for investment in the estate a equipment of skills providers over the period 2017/18 to 2020/21 through the Skills for Londoners Capital Fund<sup>4</sup>. £7.2m of the Growth Deal funding has been ringfenced for the MCA from the Fund.

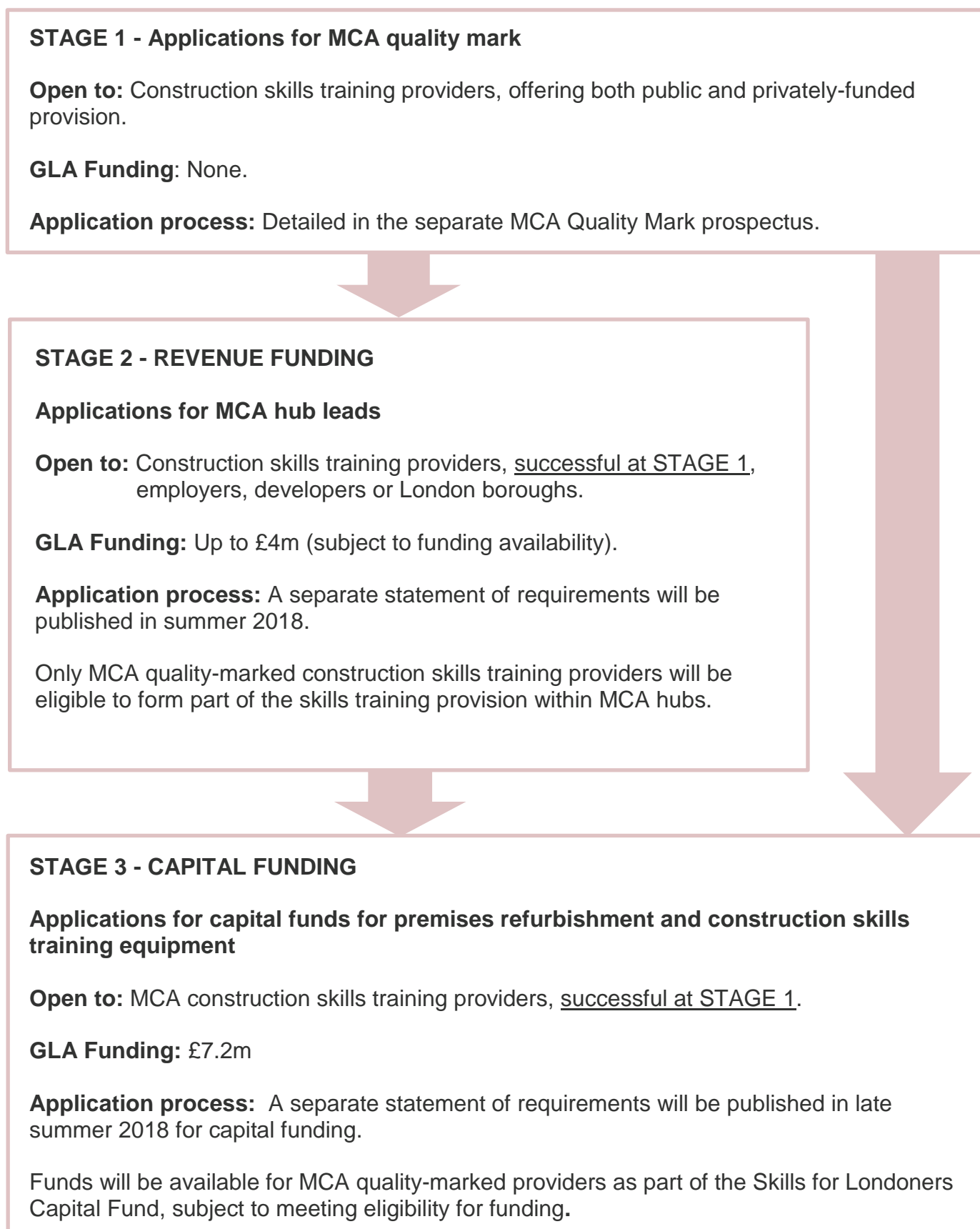
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<sup>4</sup> <https://www.london.gov.uk/what-we-do/regeneration/funding-opportunities/skills-londoners-capital-fund>



- 3.3.3 A separate Skills for Londoners (SfL) Capital Fund prospectus will be published in late summer 2018 inviting applications for capital funding. This funding opportunity will be published on the SfL Capital Fund website and MCA web page.



**Figure 1. MCA opportunities**

### 3.4 MCA timetable: Stages 1 to 3

Table 1

Activity	Timeline
<b>STAGE 1: MCA quality mark</b>	
Launch of MCA quality mark prospectus and application process	Friday 23 <sup>rd</sup> March, 2018
Deadline for applications	1700hrs on Tuesday 1 <sup>st</sup> May 2018
Applications assessed	May 2018
Successful applications announced and MCA quality mark awarded	Summer 2018
<b>STAGE 2: MCA hub lead revenue funding opportunity</b>	
Launch of prospectus and application process for the MCA hubs revenue funding opportunity	Summer 2018
City Hall market warming / networking event for the MCA hub prospectus	Summer 2018
MCA hub revenue funding opportunity application deadlines	Summer 2018
Successful hubs funding applications announced	Summer/ autumn 2018
<b>STAGE 3: Capital funding opportunity</b>	
Launch of prospectus and application process for the MCA capital funding opportunity	Late summer 2018
MCA capital funding opportunity application deadlines	Autumn 2018
Successful capital funding applications announced	Autumn 2018



## Appendix 1: The development of the MCA

The model for the MCA has been developed through extensive consultation with a range of stakeholders including engagement through the Mayor's Homes for Londoners Construction Skills Sub-group. This sub-group was commissioned by the Mayor's Homes for Londoners Board to look at the skills and capacity challenges facing the construction industry. The sub-group had a specific focus on the challenges faced by housing construction, rather than construction more widely. The sub-group met four times between April and July 2017 and considered a range of evidence and proposals.

The sub-group produced a report which was presented to the Mayor's Homes for Londoners Board in September 2017. It contained recommendations on the MCA areas as well as other initiatives to address construction skills shortages. The report confirmed that the MCA provides a good opportunity to co-ordinate training and skills provision already in place, provided its role and purpose is communicated clearly and effectively. The report also recommended that the MCA should be supported by a central co-ordination function within the GLA.

The development and delivery of the MCA is now being overseen by the Mayor's Construction Skills Advisory Group. This is a sub-group of the Mayor's Skills for Londoners Taskforce, whose membership includes employers and construction skills training providers. The group will report to both the Mayor's Homes for Londoners Board and the Mayor's Skills for Londoners Taskforce.

The Mayor's Homes for Londoners Board, brings together expertise from the Greater London Authority (GLA), London Councils, Transport for London, London's largest housing associations and London's property sector. The Board's objective is to achieve a genuine step-change in the approach to, and delivery of, housing in London. Using their combined expertise and working with partners across the housing sector, the members aim to maximise new home building, especially of affordable homes, in London through innovation and problem solving.

The Mayor's Skills for Londoners Taskforce is made up of members who reflect the diversity and dynamism of London's economy and skills sector. The Taskforce aims to ensure that London's businesses and learners alike have access to the training they need to succeed by:

- helping the Mayor meet his manifesto commitments on skills;
- supporting the Mayor to develop a London Skills Strategy; and

- sharing creative and innovative ideas to improve City Hall policy making on skills.

The Homes for Londoners Board and Skills for Londoners Taskforce will steer the strategic direction of the MCA as it evolves in response to employers' needs as these change over time.

To assist the MCA in meeting its objectives, the GLA will undertake a programme of marketing activity targeting both young people and adults to help raise awareness about the MCA as well as the wide range of employment opportunities within the sector. The marketing campaign will signpost learners to MCA training providers giving them confidence that they will receive high-quality construction skills training.

## Appendix 2: Strategic Context

### Construction sector growth

The construction sector contributes nearly £90bn to the UK economy (6.7% of GDP) and employs 1.2 million people. London's construction sector accounts for 5% of total jobs in the capital.<sup>5</sup> London's total construction output is forecast to rise by an annual average of 2.4% between 2017 and 2021, with housing<sup>6</sup> accounting for 42% of this growth<sup>7</sup>. Private housing construction work is set to grow strongly over this period, averaging 5.1% each year, with public housing construction seeing an average annual growth of 2.4%.

### Need for more homes in London

The Mayor wants to tackle London's housing crisis and has launched *Homes for Londoners* to work with local councils, housing associations and developers to build the homes Londoners need. The Mayor has secured more than £4.82bn to help start building 116,000 affordable homes by 2021. These new homes will be both for sale and for rent.

### The Farmer Review of the UK Construction Labour Model

The Farmer Review<sup>8</sup> highlights the consequences of proceeding with the current construction labour model, including increasing litigation over longer term defects and residential design, materials and workmanship failures; developers and housebuilders being subject to increasing risk of major reputational damage and sector newcomers taking business; and residential development becoming too high a risk and increasingly unviable using traditional models.

It highlights there is no clear leadership within the industry, government or skills providers to deliver a sustainable solution to these challenges and that the structural fragmentation of the construction industry can make it difficult to ensure that direct employers are contributing to and benefitting from skills development.

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<sup>5</sup> p.15, *Jobs and skills in London: Building a more responsive skills system in the capital* (IPPR, 2016)

<sup>6</sup> This is made up of public housing, private housing and repairs and maintenance.

<sup>7</sup> P. 32, *Industry Insights: Construction Skills Network Forecasts 2017–2021* (CITB, 2017)

<sup>8</sup> In February 2016, Mark Farmer, CEO of Cast, was commissioned by the Construction Leadership Council and the Government to undertake a review of the UK's construction labour model. The Review highlighted construction's dysfunctional training model, its lack of innovation and collaboration, its non-existent research and development culture and low productivity, which continues to hamper the sector. The report is available here:

<http://www.constructionleadershipcouncil.co.uk/wp-content/uploads/2016/10/Farmer-Review.pdf>

## **Gaps in Further Education (FE) provision**

There is considerable public investment in construction skills training, but it lacks the flexibility to respond to industry demand. The current mainstream FE funding regime (largely funded by the Education and Skills Funding Agency) incentivises learner starts and achievements but not job outcomes or progression into apprenticeships. The courses delivered do not always meet industry needs and in many cases, the frameworks required by industry are not delivered in London. From 2019/20, the Adult Education Budget which funds skills provision (excluding apprenticeships and European Social Fund) for learners aged 19 and over will be devolved to the Mayor.

In light of this, the GLA expects to move progressively towards greater use of incentives to deliver outcomes on progression into further learning, employment and increased earnings for those with low skills in low-paid work. Funding will be geared towards meeting the needs of Londoners and London's businesses.

There also needs to be a balance struck to ensure that there is a wide variety of training available and that it meets the current and future needs of the sector, including the skills required to deliver housing at scale through offsite manufacture methods, as well as repair and maintain existing stock. This will help to ensure that gaps can be filled at all levels, from sub-level 2 qualifications through to higher level apprenticeships, and that qualifications can be delivered at pace when required.

## **Post-16 Skills Plan and new vocational routes**

The government's Post-16 Skills Plan, published in July 2016 outlines an ambitious framework to reform the post-16 vocational qualification system, based on recommendations from the Lord Sainsbury Panel. The ambition is that every young person is presented with two choices that are of parallel quality and leading to the highest levels of study: 1. Academic; 2. Technical

Alongside the academic option, there is a world-class technical option with appropriate bridging of courses to enable movement between the two options. Employers sit at the heart of the system and take the lead in setting the standards (building on the best examples of the apprenticeship 'trailblazer' approach).

The Sainsbury Panel recommended the creation of a common framework of 15 routes across all technical education, one of which covers construction. The routes will group occupations together to reflect where there are shared training requirements. The remit of the new, employer-led institute for Apprenticeships will be expanded to include all technical education.

The technical option will have two modes of learning: employment-based (typically an apprenticeship with a college or private training provider) and college-based. The college



based route will typically begin with a two-year, full-time study programme. The technical option – through either mode of learning – will extend to the highest skill levels and must be flexible enough to allow movement and progression between academic and technical routes. Each route will include:

1. a 'common core', which applies to all individuals studying that route and will be aligned to apprenticeships (including English, maths and digital skills);
2. followed by specialisation towards a skilled occupation or set of occupations; and
3. quality work placements.

For each technical route, rather than having to choose between many qualifications, there will only be one approved tech level qualification – T-Level - for each occupation or cluster of occupations within a route. Licenses will be granted for the development of the tech levels through a competitive process.

A small number of 'pathfinder' routes will be established first to start developing standards for first delivery in September 2019, with additional routes becoming available for teaching in phases between 2020 and 2022.

### **Skills shortages and capacity in the construction industry**

Accessing accurate data on future demand for construction skills can be difficult, given the unpredictable, cyclical nature of the industry and different approaches to estimating future construction output. These figures can be even more difficult to obtain at a London (rather than national) level. However, available estimates from CITB suggest that in the coming years, between 2,500 and 3,500 new construction jobs will be created in London each year. Further estimates which take into account replacement demand for those individuals who are leaving the profession (e.g. retiring) suggest that between 3,800 and 13,000<sup>9</sup> new workers each year will be needed from 2017 to 2021 to meet the additional demands on the construction industry.

CITB's research *Skills & Training in the Construction Industry 2016*<sup>10</sup> highlighted that 18% of employers reported they did not have sufficient skilled labour for a part of the previous year. It also found that 43% of employers had turned down work in the last 12 months due to a lack of skilled workers, whilst 47% of employers seeking to fill vacancies reported difficulties in doing so (compared to 21% in 2011). Furthermore, the report found that personal skills, such as attitude, motivation and common sense had increased in importance as skills that were difficult to obtain.

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<sup>9</sup> GLA research (SQW, 2016)

<sup>10</sup> *Skills and Training in the Construction Industry 2016* (CITB, 2016):

[http://www.citb.co.uk/Documents/research/CITB%20Skills%20and%20Training%20in%20the%20Construction%20Industry\\_2016%20Final%20Report.pdf](http://www.citb.co.uk/Documents/research/CITB%20Skills%20and%20Training%20in%20the%20Construction%20Industry_2016%20Final%20Report.pdf)

## Brexit

The figures outlined above do not take into account the expected impact of Brexit. London's construction workforce includes 32%<sup>11</sup> who come from the European Economic Area (with some employers reporting that this can be as high as 80% on individual sites). The impact of the referendum result is already being felt by employers across sectors, as more than a quarter of employers saw evidence that suggests EU nationals in their organisations were considering leaving the company, or the UK, in 2017<sup>12</sup>.

## Off-site manufacture

In 2011/12, 12% of construction activity in the UK involved offsite manufacture<sup>13</sup>, while over a third of organisations interviewed in 2016 reported that they are considering (or may consider in the future) the use of volumetric construction<sup>14</sup>, suggesting that the popularity of these kinds of construction methods is on an upward trajectory. However, skills provision does not necessarily reflect this change in focus, with concerns amongst developers, contractors and other stakeholders that the skills to deliver offsite construction at scale are not available due to a lack of appropriate and consistent training provision<sup>15</sup>. Furthermore, CITB's latest study *Faster, Smarter, More Efficient: Building Skills for Offsite Construction*<sup>16</sup>, suggests that where training does exist, there is very little awareness of this among construction employers.

## Workforce diversity

Women make up only 13% of London's construction workforce, compared to 44% of all workers in the capital, while only 18% of the construction workforce identify as non-white British compared to 30% of the workforce in London overall.<sup>17</sup>

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<sup>11</sup> GLA Economics Team Research, September 2017

<sup>12</sup> p. 3 *Labour Market Outlook Winter 2016-17 (CIPD, 2017)*: [https://www.cipd.co.uk/Images/labour-market-outlook\\_2017-winter-2016-17\\_tcm18-18238.pdf](https://www.cipd.co.uk/Images/labour-market-outlook_2017-winter-2016-17_tcm18-18238.pdf)

<sup>13</sup> p.126, *Construction, Building Services Engineering and Planning: Sector Skills Assessment 2012* (UKCES, 2012): [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/306384/briefing-paper-ssa12-construction-building-services.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/306384/briefing-paper-ssa12-construction-building-services.pdf)

<sup>14</sup> p.10, *Modern methods of construction: Views from the industry* (NHBC Foundation, 2016) <http://www.buildoffsite.com/content/uploads/2016/07/NF70-MMC-WEB.pdf>.

Volumetric refers to the construction of three-dimensional units which are fully fitted out off-site

<sup>15</sup> p.48, *Technology and skills in the Construction Industry* (UKCES, 2013):

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/305024/Technology\\_and\\_skills\\_in\\_the\\_construction\\_industry\\_evidence\\_report\\_74.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/305024/Technology_and_skills_in_the_construction_industry_evidence_report_74.pdf)

<sup>16</sup> <https://www.citb.co.uk/research/research-reports/offsite-construction-report/>

<sup>17</sup> ONS Annual Population Survey 2016

## Ageing workforce

London's construction workforce is older than the city's overall workforce (although compared to the construction workforce across the UK it is slightly younger). 14% of London's construction workforce are aged 55 or over, and therefore are likely to retire in the next 10 to 15 years<sup>18</sup>.

## Local employment targets – Section 106

Section 106 planning obligations create many employment and training opportunities in new developments for local people who live in the borough within which the related development is situated. On occasions this may mean that the employment opportunities created by new development are not always being fully utilised due to a lack of candidates within the local area. There is a need to ensure that these opportunities for Londoners to train to enter and progress in the construction sector are fully utilised. In the case of apprenticeships, construction companies may be reluctant to employ apprentices as they cannot be moved to work on other sites across borough boundaries due to the geographical restrictions created by section 106 planning obligations.

## Poor image of the industry

The government's *Construction 2025* strategy and the Farmer Review both highlight the need to tackle the industry's poor image and reputation. CITB data shows that the overall appeal of the construction industry as a career option for young people is low, scoring 4.2 out of 10 among 14 to 19-year olds<sup>19</sup>. Views of the construction industry are no better with the wider British public. A YouGov poll of 2,000 British adults for Construction United found that 67% would never consider a career in the construction industry and 41% believed working in the sector was unlikely to require FE or HE qualifications<sup>20</sup>. While there are a number of projects in operation which aim to improve the image of the industry and promote it as a career, these are not entirely joined up and there is not a specific scheme in place for London.

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<sup>18</sup> GLA analysis of Labour Force Survey (Q2 individual data for 2014 to 2016)

<sup>19</sup> [https://www.designingbuildings.co.uk/wiki/Tackling\\_the\\_construction\\_skills\\_shortage](https://www.designingbuildings.co.uk/wiki/Tackling_the_construction_skills_shortage)

<sup>20</sup> <http://www.heatingandventilating.net/careers-in-construction-dont-appeal-survey-finds>

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