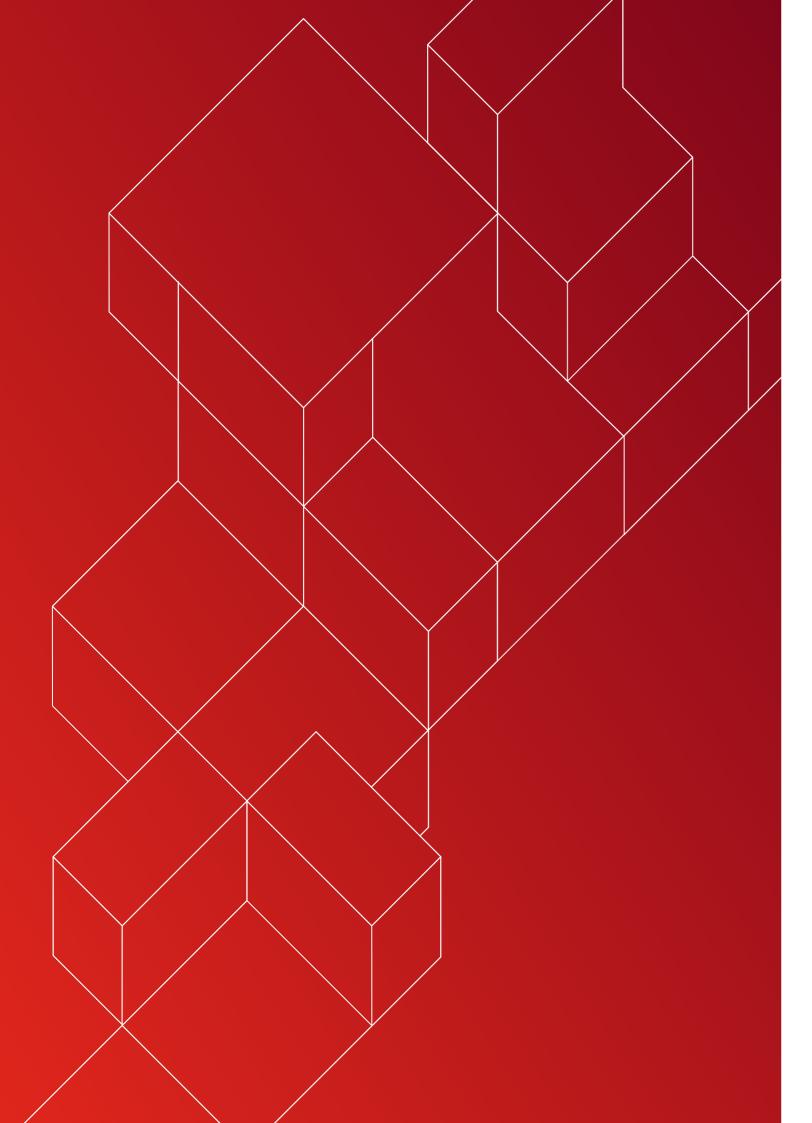


Foundations for the future:

Building the skills to deliver 1.5 million homes



Introduction

The government has declared that economic growth is its top priority, with a goal of getting more people into good jobs, boosting living standards and increasing growth in productivity in every part of the United Kingdom.

'Rebuilding Britain' sits at the heart of the government's commitment to ensuring sustained economic growth under its Plan for Change. The construction industry underpins the commitment for everyone in the UK to have access to safe, high-quality, warm homes. By improving housing supply, the government aims to give people a secure base from which to build sustainable, productive careers that will benefit both their quality of life and the UK economy.

The UK Government's Plan for Change aims to tackle the construction sector's deepening skills shortage while driving economic growth and infrastructure development. With a £625 million investment, the plan will train up to 60,000 new construction workers by 2029 through expanded apprenticeships, Skills Bootcamps, and new Technical Excellence Colleges.

This initiative supports the delivery of 1.5 million new homes and major infrastructure projects, while encouraging experienced tradespeople to mentor the next generation. The goal is to build a future-ready, high-skilled workforce that can meet the demands of a rapidly evolving industry. This is welcomed but also makes it clear there is a tacit understanding of how difficult the situation is right now for the sector to find the skilled workers it needs. It is also clear that, while overall immigration numbers are being reduced and the Skills Immigration Charge has been increased, existing routes for skilled construction workers will still be needed as long-term domestic solutions are developed. This report focuses on those long-term aims.

The government has committed to achieving Net Zero by 2050, but with most of the future housing stock already built, it has its work cut out to make existing housing more energy efficient and sustainable. With retrofitting and green initiatives contributing both towards the government's Net Zero goal and high-quality housing, the construction industry is critical to success. These commitments offer clear opportunities for organisations in the construction sector and their employees, but chronic skills shortages are restricting potential.

To meet the government's targets to build 1.5 million safe and decent homes by the end of the current parliament and to upgrade hundreds of thousands of homes under the Warm Homes Plan, significant investment in specific construction skills is needed, and the recent commitment as part of the Autumn Statement will only scratch the surface.

This report investigates the state of skills in the residential construction sector, proposing a three-pronged approach, with recommendations, for how government, businesses and training providers can work together to ensure that there is an injection of skills now, and a sustainable pipeline of talent equipped with the skills needed to succeed both now and in the future.

Industry forecasts for the period 2024-2028 estimate an additional 251.500 workers would be needed to make current **UK** construction output¹











Contents

- Foreword from Kirstie Donnelly MBE, City & Guilds
- Foreword from Nicholas Maclean OBE RD FRICS, Acting RICS President 2025
- 10 Executive summary
- 14 Policy recommendations
- Ambitions for new home building underpin the government's Plan for Change
- Industry challenges compound skills shortages
- Skill shortages may hinder the Plan for Change
- The drive for green skills 24
- Building a construction workforce fit for the future
- Attract: What are the barriers to entry? 30
- Train: Opportunities for skills development
- 48 Progress: Building skills amongst existing staff
- 54 Conclusion
- Methodology and Acknowledgements

Foreword

Kirstie Donnelly MBE, CEO, City & Guilds

Listening to employers and learners, there's a strong appetite to step up and deliver on the government's bold growth targets for the construction industry. Yet for that to happen skills need to be accessible and readily available. It's clear we need a strategy that results in systemic change - unlocking the skills being called out for by industry.



nly 17% of employers agree that they are always able to fund necessary training, while others cite access issues, pointing to a need for clarity on planned changes to the Apprenticeship Levy and confidence in the duration of demand. Significant factors contributing to a skills shortage we cannot afford.

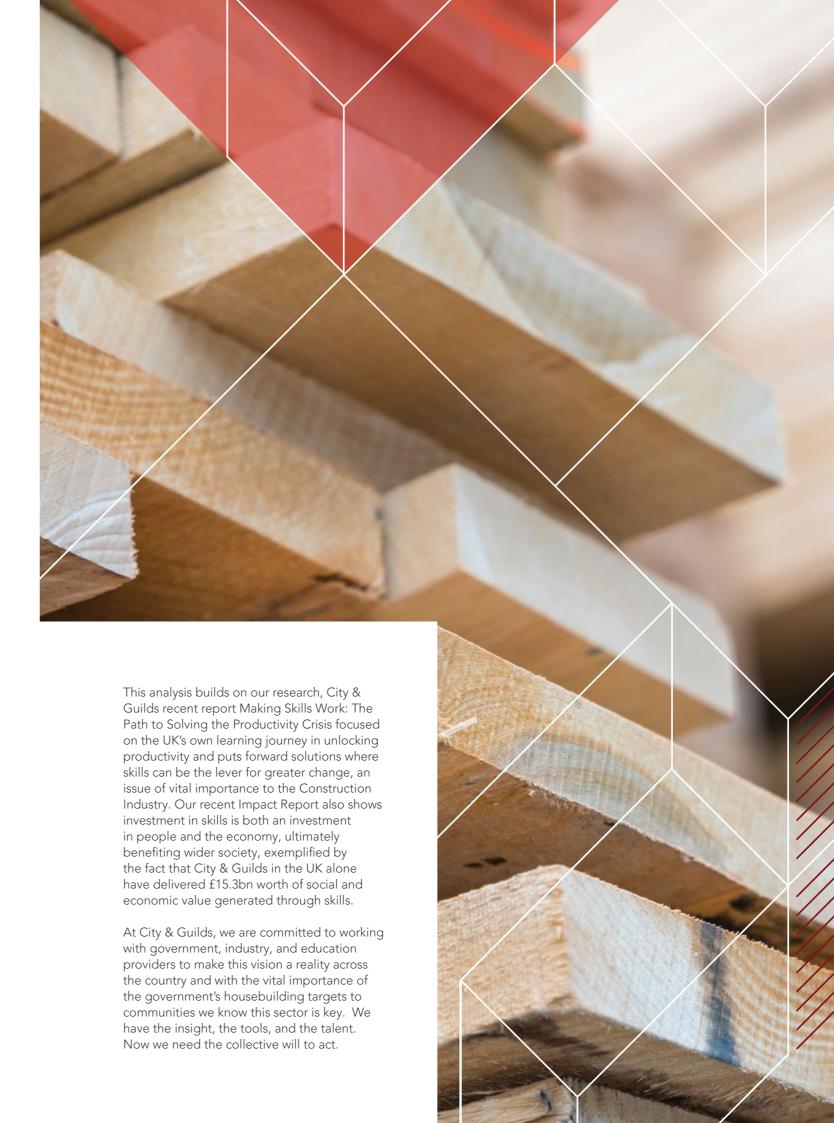
These skills gaps are being driven by a combination of rising costs, labour shortages, and challenges with workforce retention. It's a perfect storm—and it's threatening our ability to deliver on some of the UK's most pressing priorities. Our polling shows threequarters of employers are struggling to recruit the skilled people they need, leading to a lack of confidence that the sector can meet the government's targets for 1.5 million new homes within the next five years. That's not just a construction issue; it's a national

To lay strong foundations for future growth, the funding system must be fit for purpose—targeted, agile, and aligned with real-world demand. That means backing in-demand skills today, scaling up green skills for tomorrow, and investing in providers so they can deliver with speed and precision.

But I believe we can change course. Construction is central to the government's Plan for Change, and with the right support, the industry can rise to the challenge. To do that, we must urgently grow the workforce and ensure it is equipped with the sustainable skills needed for the future. At City & Guilds, we see a clear path forward, one that focuses on attracting new young talent, retraining existing professionals from other fields, and supporting existing workers to progress.

This report will look at all three, building a pipeline of skills training and talent to ensure the industry works effectively with government, schools and colleges to bring in the workforce we need. Signposting opportunities and allowing those already in work to transition into the industry, offering skills training and easy routes for career change and progression, especially as the seismic technological shifts brought about by AI change the workplace and certain roles as we know them. We also need to support the people already working in the sector and we hear employers who are calling for more flexible, bite-sized training options that allow professionals to upskill throughout their careers. There are a variety of roles in this growing industry, catering for a variety of talents and its by investing in employability training and lifelong learning that we ensure as many people as possible can access them.

"At City & Guilds, we see a clear path forward, one that focuses on attracting new voung talent, retraining existing professionals from other fields, and supporting existing workers to progress."



Foreword

Nicholas Maclean OBE RD FRICS, Acting RICS President 2025

I tend to avoid using the term 'crisis', fearing that, in a time of myriad urgent issues that the UK is facing, we risk becoming overwhelmed into inaction. But it feels appropriate to say we are in a skills crisis.



he Government has set an ambitious target of building 1.5 million homes by 2030. However, this goal becomes less and less achievable each year that there is continued underinvestment in encouraging people into pursuing, and staying in, careers in the built environment.

Expanding and simplifying entry into the profession through a diversity of pathways is a critical work for the Royal Institution of Chartered Surveyors and as Acting President, I will be a strong advocate of change. Career returners or switchers hold untapped potential, if funding models are set up to suit later stages of life. RICS advocates for investment in vocational options and apprenticeships alongside conventional academic GCSEs and options at Post 16 education.

This research, which has been excellently and thoroughly carried out by City & Guilds asks the important questions. It examines the problem holistically. They gathered views not just from employers, who are at the sharp end of the issue. But also from learners, who we know that despite choosing to study a built environment subject, often leave. And training providers, whose insight is invaluable in understanding the skills needed for the future.

Thank you to those involved in this project. It's an old adage in surveying that 'you can't manage what you can't measure'. So, I hope that the fascinating results you will find in this report mark the first step towards making this crisis an historical one.





The solution

Construction will play a critical role in the government's Plan for Change, but the industry must be set up for success.

Recent changes in legislation around skilled immigration threaten to widen the existing skills gap, if this talent is reduced then to meet the national need for ambitious homebuilding targets there must be matched long term investment made in domestic skills training.

Urgent action is needed to increase both the size of the workforce and the availability of sustainable skills. In the long term it is clear that getting more people into construction jobs, with opportunities to develop and progress, relies on a threepronged approach:

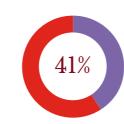






Employers struggle to fill more than 52% of vacancies due to a lack of skills, qualifications and experience²

Attract new entrants



of learning providers identify a lack of learner demand as the top challenge in delivering retrofit and construction qualification programmes



Business leaders highlight labour shortages, lack of industry appeal and poor perception of the industry as significant barriers to attraction



Current learners were motivated by high salaries (58%), training opportunities (53%) and career progression opportunities (48%) but business leaders must consider alternative strategies to attract more workers, including better working conditions, promoting job security and promoting funding options for training

Industry forecasts for 2024-2028 estimate an additional 251.500 workers will be needed to meet current UK construction output³

² Department for Education (2023) Employer Skills Survey, Calendar year 2022 - Explore education statistics

³ CITB (2024) CSN Industry Outlook - 2024-2028

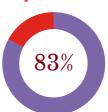
Train new professionals with required skills

44%

60% of providers and 44% of employers cite a lack of funding as the top challenge in delivering training. These concerns may be eased by new government funding announced in the Spring Statement, but work is needed to overcome other hurdles



Only 17% of employers agree that they are always able to fund necessary training, while others cite access issues, pointing to a need for clarity on planned changes to the Apprenticeship Levy and confidence in the duration of demand



of learning providers recognise the need to invest in their ability to provide green skills training in line with predicted demand, but require government support to increase readiness at pace and scale

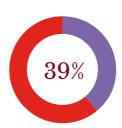
Progress existing staff to build a sufficient workforce



of employers would like the government to introduce more bite-sized training to allow professionals to train throughout their careers, which could be facilitated through flexibility with the Apprenticeship Levy, over time helping to create the skilled workforce we need



of current learners recognise the value of obtaining a qualification for their career progression, but attrition remains high, and more work is needed to keep learners in training



of employers would like to see the government introduce better careers advice or guidance services for all age groups to help with career development and industry attraction



Policy recommendations

Urgent action is needed to increase both the size of the workforce and the availability of sustainable skills. Getting more people into construction jobs, with opportunities to develop and progress, relies on a three-pronged approach:







Skills must be regarded as the 'golden thread' connecting government's policies with its goals and commitments. Departments across Whitehall need to effectively work alongside each other and devolved administrations to tackle the skills shortage and other policy challenges.



Our policy suggestions are as follows:

Attracting new talent and signposting

- 1. Reposition the construction sector to reduce negative perceptions, attract new entrants into the workforce while signposting skills development and clear learning paths into the sector, and create parity of esteem in choices between vocational, technical and education routes for success.
- 2. Take steps to stimulate industry engagement closer collaboration between schools, employers, and industry to provide meaningful work experience, internships, and mentorships as part of their curriculum. Construction skills should be woven into the existing curriculum to help learners develop a broader understanding of its importance, while embedding durable skills such as problem solving, communications and collaboration.
- 3. Co-ordinating the advice and guidance arising from the new approach now being introduced by job centres to achieve a re-set in perceptions of available construction careers
- 4. The government should support providers by providing additional capital investment or grants to ensure equipment is up to date in colleges and training providers. An alternative would be to provide tax break incentives where employers offer job role exchange options to allow industry experts to shadow teaching staff, essentially allowing them to act as job share mentors.
- 5. In addition, the comparatively high vacancy rate within construction teaching should be tackled through active recruitment in this area, to be stimulated by suitable targets and incentives.
- 6. We also support clear signposting of the range of requirements for employers and clearer guidance over which range of career engagements are most beneficial.
- 7. Apply existing funding models to make learning affordable offering incentives for employers and learners to contribute for instance, through targeted grant availability for SMEs employing apprentices in areas of high skills demand.

We recommend that the additional 32% revenue generated by the expanded⁴ Skills Immigration Charge is exclusively directed towards developing skills through these provisions.





Training and Expanding the Workforce

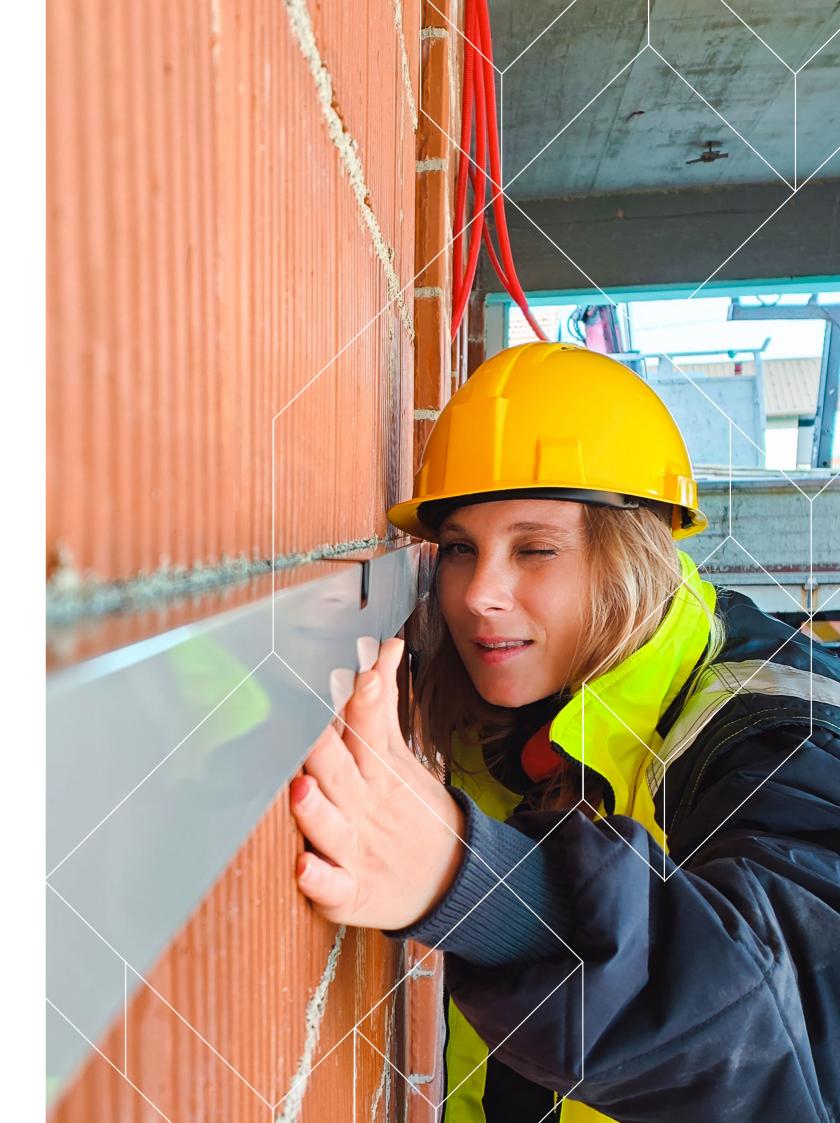
- 1. A key finding of our research is that government support to incentivise supply chain, quality and capacity will have a positive impact on all areas of the sector.
- 2. Tightening legislation to ensure apprentice provision is more realistic for contractors in terms of their labour market - ensuring that young people hired within a local authority can remain with their employer as they progress onto subsequent projects controlled by other local authorities. S106 developments have the flexibility to make this happen.
- 3. Continuing to champion and expand Skills Bootcamps. We also recommend that the shift from National to Regional Bootcamp provision is managed in a way that maximises the benefits of this programme in each case – ensuring that targets are balanced with a systemic approach that considers regional impact.
- 4. Split Growth and Skills Levy funding to allow employers flexibility in how they access and utilise their spend. City & Guilds recommends the following ratio:

20%	30%	50%
to be used to fund in-work, bespoke skills training	to be used for modular training drawn from a national register	to be kept for apprenticeships in their current form



Upskilling the Existing Workforce

- 1. Establishing clear signposting and support for training providers to access existing tax breaks for staff training and upskilling in the sector.
- 2. Recognised standards for all construction occupations to ensuring they are consistent and transferable. We would recommend a return to skills federation bodies being responsible for standards in their sector, within the remit of Skills England.
- 3. Recent changes in legislation around skilled immigration threaten to widen this skills gap, if this talent is reduced then to meet the national need for ambitious homebuilding targets there must be matched long term investment made in domestic skills training. As stated, we recommend this is achieved through use of the additional revenue generated by the imminent Skills Immigration Charge increase.
- 4. Use multiple levers, including capital investment, grants or tax break incentives, to ensure that equipment in colleges and training providers, and trainers' skills are adequate to train learners on new and emerging skills, such as green skills.
- 5. Work across government departments and key industry stakeholders to develop coordinated skills plans so that the right businesses in the right sectors are able to access funding and build the skills they need at a regional and national level.



Ambitions for new home building underpin the government's Plan for Change

In December 2024, the Prime Minister presented the Plan for Change to parliament, setting out milestones for change. Under plans to kickstart economic growth, the government set a milestone of building 1.5 million safe and decent homes in England during the current parliament.⁵

his policy forms part of the government's overarching ambition to raise living standards in every area of the UK. Building and improving homes helps support career ambition, communities, job opportunities and prosperity for everyone - from potential homeowners to those who have been languishing on social housing waiting lists for years.

The ambitious target sets a rate of housebuilding not seen in over 50 years and will require an equally ambitious workforce strategy so that those involved with the construction industry, employers, learners and learning providers – can work towards delivering the government's pledge.

The homebuilding sector will require the equivalent of 161,000 new workers to deliver the 1.5 million new homes – a 30% increase on the existing homebuilding workforce⁶. And the sector is already experiencing skills shortages, with the Office for National Statistics reporting 39,000 vacancies in the construction sector in the three months to March 2025.⁷

We, alongside the sector, welcome recent announcements that see a total of £625 million being put into the skills pathways for the sector. But we encourage government to think bigger and take a longer-term view regarding the kinds of investment needed to ensure that the ambitious targets set for the next five and ten years can be met, while considering the longer-term need for sector and housing growth in the UK.

The Governments Investments in the Sector



Delivering net-zero by 2050

Alongside the pressure of achieving the government's homebuilding goal, they must also address the challenges around net-zero. Given that new housing accounts for only 1-2% of total building stock each year⁸, and that 80% of homes that will be in use in 2050 already exist⁹, addressing the energy efficiency of the UK's existing housing stock is crucial for achieving net-zero ambitions.

The government has committed to upgrading five million homes over five years 10, as well as boosting the minimum energy efficiency standards for private rented homes, making heating homes more fuel efficient and affordable. From electric heat pumps to insulation installation, it is vital to increase the number of construction and building services engineering (BSE) workers with the required skills to meet these goals.

⁵ HM Government (2024) Plan for Change

⁶ Construction Industry Training Board (2024) CSN Industry Outlook – 2024-2028

⁷ Office for National Statistics (20 March 2025) <u>Vacancies by industry</u>

⁸ RICS (2020) Retrofitting to decarbonise UK existing housing stock

⁹ UK GBC (2021) Climate Change Mitigation

¹⁰ UK Parliament (19 November 2024) Retrofitting our homes for a net zero future

Industry challenges compound existing skills shortages

84%

of employers agree the industry is suffering from critical skills shortages Despite the government's ambitions to improve living standards for people across the UK by facilitating more homebuilding and boosting energy efficiency in existing housing stock, the construction industry must be set up for success in order to deliver results.

A significant barrier to achieving these goals is the state of the current workforce. Eighty-four per cent of construction employers agree that they are suffering from critical skills shortages, with sector-wide issues impacting the potential pipeline into the industry.



Aside from safety and risk management, the most significant challenges for the construction industry in 2025 are linked to concerns about skills shortages:

1. The rising costs of doing business (46%)

With steep increases in construction supply side prices – particularly between 2021 and 2023¹¹ - and increases in Employers' National Insurance and Corporation Tax, the costs of doing business have risen. As a result, many businesses' margins are being squeezed, forcing many to reduce their training budgets. Only 13% say they are always able to fund the required training for their current staff, which highlights the scale of the problem, when significant investment will be required to upskill the existing workforce.

2. Lack of interest in the construction industry from younger people (27%)

Work in the construction industry is perceived as physically demanding, low-paying and low-status, which are unattractive qualities to young people considering their career options. Young people outside of the white male demographic may also be deterred by a perceived lack of diversity in the industry, with women only comprising three per cent of construction workers. A perceived lack of flexibility in employment and recruitment is also a deterrent¹². The perceived lack of flexibility in employment and recruitment is also a deterrent.

3. Keeping up with the rapid pace of technological change (26%)

Technology, particularly AI and automation, will transform all industries across the UK. When it comes to both managing construction businesses and the hardware that will need to be installed, it is important that both construction and BSE professionals have opportunities keep their skills relevant.

4. Increasing pressure to meet sustainability goals (24%)

A quarter of business leaders cite CSR commitments as one of the most pressing challenges faced by the construction industry. With netzero targets from the government, increasing pressure from shareholders and evolving environmental regulations, business leaders must ensure the workforce has the green skills and knowledge required to deliver more sustainable homes.

5. Ageing workforce (22%)

Nearly a third (31%) of the construction workforce is 50 or over, while a further 33% are aged between 35 and 50¹⁵, with comparatively few younger people entering the industry. In some occupations, workers are more likely to retire early or switch to another profession, and the number of entrants is not keeping pace - leading to acute skills shortages. It is estimated that the construction industry has seen an average net loss of 50,000 people from the labour pool every year for the past five years¹⁶.

96% of home builders identify as male¹³

Employers indicated that automation, modular construction and modern methods of construction (MMC) will significantly impact the sector, requiring new skills¹⁴

¹¹ Europa (2024) Construction producer price and construction cost indices overview

¹² Construction Industry Training Board (2023) Workforce Mobility and Skills in the UK Construction Sector 2022

¹³ Home Building Federation (2023) Home Building Workforce Census 2023

¹⁴ House of Lords Library (2024) Modern methods of construction in the housing industry

¹⁵ Office for National Statistics (2023) Census 2021: Industry by age

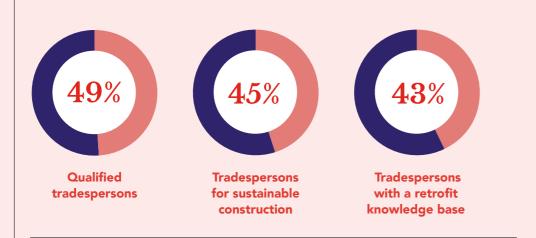
¹⁶ Construction Products Association, referenced by The Construction Index (October 2024) UK construction's demographic timebomb

Skills shortages may hinder government's Plan for Change

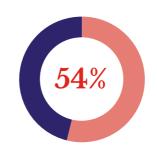
With significant challenges compounding existing skills shortages in the construction industry, three-quarters (76%) of business leaders admit that they are struggling to recruit the skilled talent they need.

76%

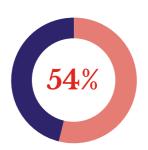
are struggling to recruit the skilled people they need The most significant gaps are in areas that will be critical to delivering against the Government's housing strategy, particularly around sustainable green skills. Employers cite a lack of:



As a result, more than half (54%) of business leaders are not confident that the UK construction sector is going to have the workforce it needs to meet either the government's targets for new homes in the next five years or its net-zero targets in the next five years.



are not confident that the UK construction sector is going to have the skilled workforce in place to meet targets for new homes over the next five years



are not confident that the UK construction sector is going to have the skilled workforce required to deliver net-zero housing targets over the next five years



The Government has made a commitment to training the workforce the UK needs – both now and for the industries of the future – and construction is one of the sectors that has to evolve the most. Significant investment is needed to attract people from different backgrounds and provide access to training through a variety of different routes.

Developing new skills in the current and future workforces will create more opportunities. With two-thirds of the current heat pump installer workforce already over 4517, it is important that there are clear routes for young people, especially those not currently in education or employment, to enter the industry, offering them sustainable, well-paying careers and securing a sustainable pipeline of talent.

The drive for green skills

Protecting and improving our environment plays a critical role in achieving Net Zero targets and ensuring that the way we live is more sustainable. Transition impacts different roles, sectors and regions differently, and each requires a unique approach.

> According to the Green Jobs Foundation, green jobs fall into three categories:





Emerging roles Brand new jobs created by advances in technologies and policies



Transformed roles Existing jobs that evolve, using traditional skills in more sustainable ways

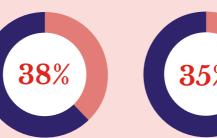
The construction sector is being (and will continue to be) significantly impacted by the transition towards more sustainable approaches. Almost all roles will be affected as housebuilding practices evolve, which requires continuous professional development for those already working in the sector, and appropriate, well-funded training for new entrants, whether they are career changers or young people.

Without green skills training, chronic skills shortages in the sector will only worsen, leaving organisations unable to fulfil their targets and improve their sustainability. However, this research suggests that employers, learners and learning providers are all less-than-prepared to manage the increasing demand for green skills and jobs.

Employers

The Government is committed to making Britain a clean energy superpower, and the construction industry will play a significant role in bringing that policy to life. However, employers in the construction industry are concerned about the lack of sustainability skills currently in the sector, with only 7% not anticipating requiring green skills in the next five years.

Over the next five years, those in construction agree they will need:







sustainable construction skills

people skilled in using sustainable materials

retrofitting skills

Retrofitting sits at the cornerstone of the Government's Warm Homes Plan, which will ensure the current housing supply is made more energy efficient, helping the government tackle the climate crisis and deliver jobs, growth and energy security.

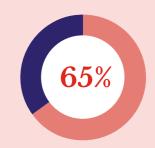
Learners

Amongst learners, there is a clear recognition of the training required to meet net-zero and retrofitting targets. Two-thirds (65%) anticipate needing knowledge of sustainable construction practices in the next five years, while others expect they will need training on the use of sustainable materials (63%), waste management (55%) and retrofitting (40%).

Although the need for green skills is widely recognised across the industry, only half (51%) of learners have so far received training - highlighting both the importance of stepping up the pace and scale of green skills training provision.



have received training in green skills

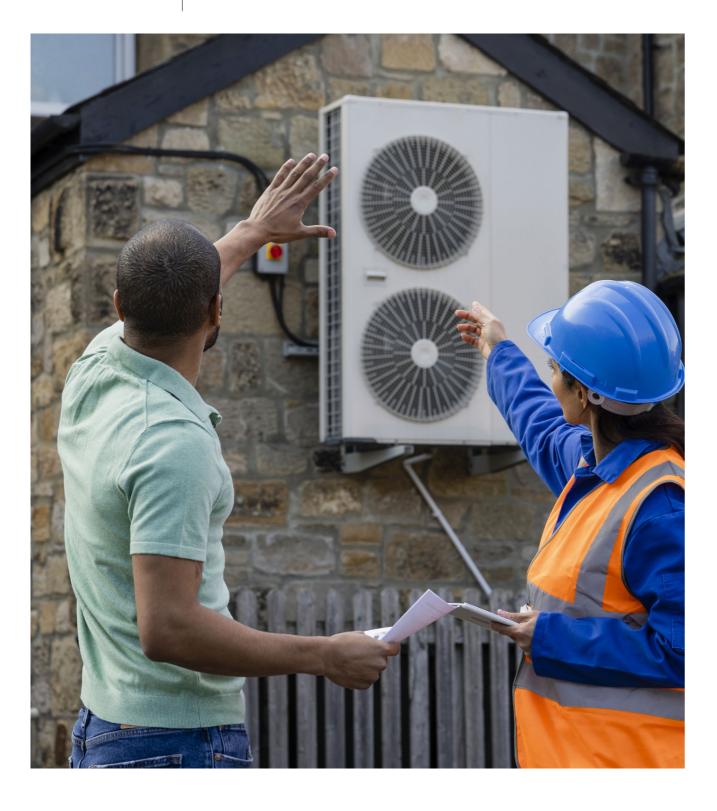


anticipate requiring knowledge of sustainable construction practices in the next five years

Providers

Demand is growing, with green skills certifications by City & Guilds increasing by 38% between 2023 and 2024 – and other providers also expect this to increase.

More than four in five (83%) expect to see a rise in demand from employers in delivering green skills training, such as retrofitting, in the next five years. Despite awareness among employers, learners and providers, it is critical that adequate resources, in terms of funding and trainers, are in place to meet the demand for green skills in the UK.



Groundwork

Case study

Groundwork Greater Manchester partnered with the City & Guilds Foundation to provide The Green Start project - an employer-led educational scheme funded by City & Guilds Foundation. The company partnered with the construction industry, recognising the sector as crucial employers for the individuals they train, and tackles labour market shortages in construction by recruiting from priority groups – working with them on course design and delivery.

"We focus on energy-efficient homes, retrofitting, and greener urban spaces and as green skills evolve, so must training. The current system feels fragmented, making continuous upskilling essential. Our courses need to keep pace with rapid changes in sustainable construction.

Looking ahead, we anticipate a greater need for individuals who can effectively install and maintain a wide variety of green technologies as well as fabric first skills for retrofit. I believe economic drivers and investment will heavily influence the direction of skills development - though we worry about a potential lag.

Government policy and direction is another major factor. Past failures have created nervousness, and this has made future planning and investment difficult. Timing the acquisition of skills for future needs is a persistent challenge especially as new technologies and systems often come with higher initial costs. However, devolved areas with local mayors can lead the way with this. Mayors can tailor priorities to local needs such as retrofit in Greater Manchester which allows for more effective decision-making. Collaboration between central government and local authorities is crucial to ensuring consistency in reaching targets and policies.

To build future-ready skills, we need sustainability education and green career awareness starting in schools. Apprenticeships can open doors in construction for people from diverse backgrounds, but attracting women to trades still needs early, targeted action. Schools and career advisors must play a bigger role in promoting green skills and clearing up common misconceptions."

"We anticipate a greater need for individuals who can effectively maintain a wide variety of green technologies"



Venetia Knight,
Director of Employment
and Enterprise,
Groundwork

Building a construction workforce fit for the future

Construction is set to play a critical role in the government's Plan for Change. Ensuring that the industry is set up for success against its housing and net-zero targets will deliver more highquality homes for UK residents. When people have a safe and stable roof over their heads and a base to call home, they are more likely to secure good, sustainable work, which will help to improve their quality of life and contribute to the UK's economy.

> The construction sector underpins the creation of new homes and the transformation of existing homes, but there must be a large enough workforce with the right skills in place. Urgent action is needed to increase the availability of sustainable skills. With the right approach, the construction industry will be able to create jobs and upskill the existing workforce, providing opportunities to develop and progress.

Based on the issues faced and immediate priorities of the sector, a three-pronged approach is needed to attract applicants and ensure that the workforce has the vital skills needed to succeed:







Bring fresh talent into construction, whether young people or career changes, to overcome the deficit in skilled workers and address the issue of the ageing workforce, while offering people a clear career pathway.

Ensure that those interested in joining the workforce can access training in both construction and durable skills that will provide them with stable, well-paying jobs both now and as the industry evolves.

Establish a culture of continuous professional development, that allows construction workers to update their skills in line with market demand, helping them progress into their next jobs.





What are the barriers to entry?

Forty-one per cent of learning providers identify a lack of learner demand as the top challenge in delivering retrofit and construction qualification programmes at the scale required by the government's goals. Meanwhile, every employer in construction faces challenges in recruiting new talent to the workforce, so it is imperative that the barriers to entry and demand are identified and addressed.

According to business leaders in the sector, labour shortages are a primary challenge for recruiting new talent. However, a perceived lack of diversity and career status can be off-putting for potential workers and present significant barriers to entry.

Top five barriers to entry:

41% Labour shortage in the local area

36% Desire to recruit people who are job ready

31% Lack of appeal to a broad enough group of people

28% The impact of stricter immigration laws

26% Poor perception of the industry as a place to work

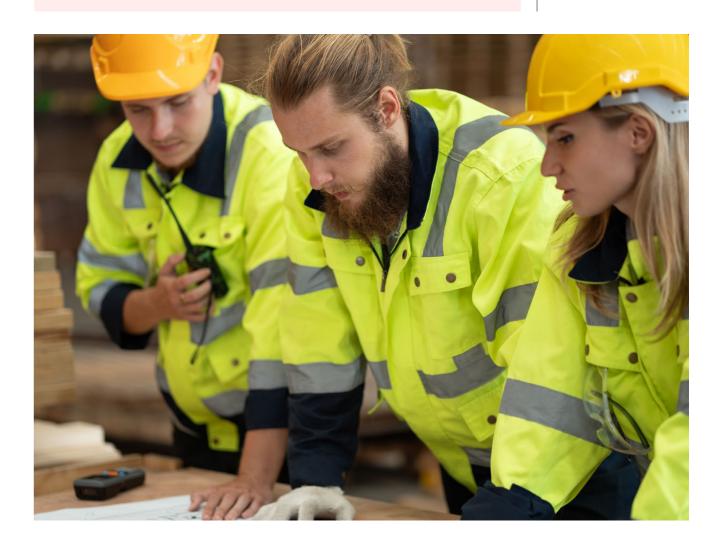
Despite understanding that the perception of the construction industry and lack of broad appeal are underlying reasons that businesses struggle to hire, employers are focusing on their employer value proposition (EVP) rather than addressing these issues head on, with the challenge of repositioning the sector perhaps feeling too big to handle.

Recommendation: Repositioning the sector

Business leaders point out that a national drive to improve perception of the construction industry is needed to attract new entrants to the workforce. Campaigns, both from businesses and the government, will be essential for repositioning the built environment sector as one that offers high-skilled, well-paid careers with long-term sustainability and growth potential.

These efforts should emphasise the diversity of opportunities within the sector, highlighting advancements such as digital technologies and modular construction methods that can make the industry more appealing to younger workers, who are attracted by innovation, sustainability and the circular economy. Such campaigns could also focus on the broader societal impact of the sector, including its critical role in achieving net-zero targets to inspire the next generation of professionals.

To be successful, campaigns like this need to connect to the new national jobs and careers service to support a coordinated approach – promoting understanding about the career choices available.





Understanding learners' motivations

Understanding the mindsets of learners who are currently undertaking construction skills training.



These motivations are broadly aligned with the steps employers would take to attract more new entrants into construction. Employers agreed that higher salaries (63%), more opportunities to progress (51%) and more or better training provisions (50%) could entice more young people into a construction career.

Better working conditions

According to current construction learners (63%), better working conditions (63%) would help to attract more workers to the sector. Not only does this compound the need for a repositioning of the sector, but it also highlights the value that younger people place on working conditions and work-life balance. It is important to note that by comparison, only one in 10 (9%) agreed that higher salaries would be a motivating factor, contradicting employers' belief that offering higher salaries could attract more people into the industry.

Better working conditions encompasses issues of safety and longevity, but also flexibility. While 52% of employers agreed that flexible working could attract more people into the sector, but nearly a quarter (22%) say they are unable to offer these practices. Where possible, offering part-time roles or flexible working hours can remove barriers to entry faced by many, particularly those with caring responsibilities or certain religious beliefs, helping to increase diversity in the sector.

63%

of learners agree that better working conditions could attract more workers

Job security

Four in five (79%) current learners feel optimistic that there will be a lot of job opportunities in the construction sector over the next five years. Given that the government's plans require a level of housebuilding not seen for over fifty years, the demand for construction workers will only increase, particularly for those with sustainable skills.

With the job security that comes from having skills that are always in demand, those entering the sector can focus on honing and building their capabilities, allowing them to progress in their roles and ultimately move on to higher-paying work more quickly. This must form a critical part of the messaging from both employers and government as they encourage more people to enter the construction industry.

Access to funding

Three in five (59%) current learners agree that more or better training provisions could help the construction industry to attract more workers, in line with the 63 per cent of employers who think this could be an attractive strategy. However, the same proportion (61%) of learners agreed that it can be difficult to get funded training in the sector, suggesting a lack of awareness and need for better signposting.

Recommendation: Signpost skills development offers

College courses in construction skills for 16-19-year-olds are already covered by state funding, and there are many different types of apprenticeships available, where jobs are plentiful. However, this requires young people to have found their way to a construction career pathway within this age range and does not provide for potential learners outside of this demographic.

To ensure that everyone who would be interested in a career in construction is able to access training, we recommend targeting older age groups with skills development offers. Training content is often clear, but not the options for funding or subsidy, which could be a barrier for many people. It must be made clear whether each option is fully funded, part funded, funded by loans or privately funded so that those who are interested can make informed decisions before applying.

Since April 2021, there have been over 50,000 starts on Sector-Based Work Academy Programmes (SWAPS) in the construction sector¹⁸

Vistry Group

Case study - Attract

Vistry and City & Guilds collaborate on training initiatives including digital badging programmes, in addition to delivering City & Guilds qualifications in partnership with local authorities.

Its graduate programme allows recent graduates to kick-start their careers in the construction industry, with an 18-month rotational programme allowing participants to gain experience in construction, design and technical, commercial, and real estate.

"We provide an extensive induction, master classes and soft skill sessions - a solid foundation for anyone new to the field. There's an emphasis on pastoral care with dedicated mentors, so that the graduates feel supported throughout their journey. Permanent contracts are offered, and our Future Talent Committee ensures ongoing feedback, along with regular check-ins with apprenticeship providers and HR business partners.

In terms of widening our ability to recruit there's also our Trainee Rise Programme, which is aimed at individuals with Level 3 qualifications and requires no prior experience. Trainees take a Level 4 apprenticeship, staying within the team to align with their learning and move into a permanent role with opportunities for further training. We have a new Timber Frame Installer programme which is set to launch in Leicester, Yorkshire and Warrington which pioneers entry-level success in timber frame installation and addresses industry-specific needs.

It takes multiple strategies to attract young learners. We have partnerships with businesses like Spring Pod which offer virtual work experience for individuals aged 14+, raising brand awareness through school outreach programmes. Our social value managers collaborate with local councils and our Recruitment Team utilise career websites and jobs boards to make the candidate process run more effectively.

Graduates who have been on our Training programmes who are now senior leaders connect with younger individuals challenging the misconception that strong academics are essential for construction careers. Vistry also leverage T-levels, and we have recently been nominated for Best Work Experience Programme with the ISE (Institute of Student Employers) and have won the Home Builders Award for community initiatives.

For those unsure about a construction career, we recommend starting with work experience to dispel any misconceptions. The recruitment and development of young professionals, facilitated by optimising the apprenticeship levy for upskilling, is crucial given the industry's current, ageing workforce."

"Starting with work experience helps to dispel any misconceptions about construction careers"



Chris Dowling, Future Talent and Organisational Development Lead, Vistry Group



Ronja Jenkins, Future Talent Partner, Vistry Group

Bridgend College

Case study - Attract

Bridgend College offers a range of City & Guilds accredited courses, providing a wide range of qualifications including bricklaying and carpentry - feeding directly into full-time apprenticeships. The college is proud to be the first in Wales to offer Level 3 roofing and slate tiling apprenticeships, due to begin this September.

"Our recruitment strategy for apprentices is multifaceted. We focus on early engagement and addressing misconceptions by engaging with local schools and sending our apprentices to instruct students. We also collaborate with employability programs in Bridgend and Cardiff, targeting the long-term unemployed.

Other successful recruitment routes come from our partnership with homeless charity the Eden Gate Project and similar recruitment initiatives in Welsh prisons dedicated to supporting individuals not in education, employment or training (NEET).

One of the biggest challenges we face is shifting perceptions of the industry. Construction is often seen as a last resort, but we work hard to highlight diverse career paths and earning potential. Strong relationships and early investment in grassroots training are key to ensuring government funding delivers lasting impact.

There is a pressing need for the education system to play a more active role in raising awareness about the diverse career pathways available in construction, including roles in engineering, surveying, and sales. Collaboration with schools, local authorities, and parents is crucial to dismantling outdated stigmas and shifting mindsets. Promoting diversity is equally important -particularly encouraging more women to pursue careers in construction and addressing concerns related to site conditions.

Ultimately, building trust and strong relationships is key to creating sustainable career pathways and ensuring that government investment is directed toward grassroots training and early development initiatives."

"The education system has to play a more active role in raising awareness about the diverse career pathways available in construction"

Rob Clover,

Employer Partnership Leader, Bridgend College

Volunteer It Yourself

Case study - Attract

Volunteer It Yourself (VIY) is a not- for- profit social enterprise and community interest company, partnered with City & Guilds to offer young people the opportunity to gain Entry Level 3 trade skills qualifications. The company is dedicated to upskilling young people, helping them move toward employment, and supporting disengaged youth who are disengaged or excluded from mainstream education and employment. Drawing funding and wider support from local authorities, grant-giving trusts and foundations and companies like Barclays, Dulux, Morgan Sindall and Toolstation, VIY's unique mission supports broader goals within the construction industry.



Tim ReadingCEO and Co-founder
at Volunteer It Yourself

"Our model involves young people developing construction trade skills and boosting their work-readiness whilst refurbishing and retrofitting community places and spaces they use and value. It's a purposefully bite-sized opportunity to make it readily accessible for young people and to give them a brilliant first taste of construction and trade skills.

Also, what helps keep our learners motivated is the knowledge that, after just twenty hours on a VIY project, they'll walk away with a City & Guilds Entry Level 3 vocational training qualification. We recruit our learners through collaboration with nearly 300 local referral partners UK-wide including council youth and social service teams, schools and colleges, alternative education providers, local police and the national partners like The King's Trust and the YMCA.

Our learners get the chance to explore trades such as carpentry, brickwork, plumbing, plastering and painting and decorating. For the participants, seeing the physical results of their efforts in their communities brings a sense of fulfilment and fuels their interest in construction. We track success through retention, accreditation, skill development and well-being outcomes, aiming to build a diverse talent pipeline for the construction sector.

"Our learners, seeing the physical results of their efforts in their communities brings a sense of fulfilment and fuels their interest in construction."

Our projects offer on-site work experience and on-the-job guided learning that feels welcoming, authentic and accessible, especially for young people who have previously struggled in conventional education and training environments and lack basic skills. In many cases, colleges help us identify and support young people who are still developing their English, Maths and other basic skills and strongly benefit from building vocational skills as well as their broader/ softer employability skills on VIY as a way to get a start in construction - especially when we've seen growing concern that strict English and Maths requirements may put unnecessary barriers in front of young people interested in construction.

Also, with our increasing focus on retrofitting community buildings for energy efficiency, we're working to future-proof young people's skills. We now offer accreditations specifically in improving the energy efficiency of older buildings and we further address sustainability by recycling and using surplus building materials to reduce environmental impact."



Train

Opportunities for Skills Development

Whilst attracting new entrants to the sector is the first step, ensuring that they are well-trained with the skills required now and in the future is critical. For that to happen, the ecosystem between government, learners, employers and providers must ensure a steady pipeline of highly skilled workers.

Despite a wide range of training opportunities in construction from skills bootcamps and apprenticeships to industry placements and bespoke training, the system is currently not delivering the volume of skilled workers that will be needed to achieve both the government's homebuilding and net-zero goals.

Feedback from employers, learners and providers identifies three key areas that need to be addressed:

Access to funding

A lack of funding is the top challenge in delivering retrofit and construction qualification programmes at the scale required by the Government's goals according to three in five (60%) providers. Providers are not alone in their desire for additional funding to reduce skills shortages in the construction sector, with 44% of employers agreeing that they find it hard to secure the funding they need and would like the government to invest more.

With only a quarter (26%) of providers rating the Government's financial commitment to resolving skills issues in the construction sector as 'good' prior to the Spring Statement in March 2025, the Chancellor's commitment of more funding is a suitable response to the existing demand within the sector.

It is essential that funding delivers the skills currently in-demand, as well as increased green skills as jobs emerge and evolve. This requires agility in funding plans, as well as investment in learning providers so they are equipped and agile enough to deliver crucial training.

"It is essential that funding delivers the skills currently in-demand, as well as increased green skills as jobs emerge and evolve." As of the Spring Statement 2025, the Government's financial commitment of £625 million to building construction skills in the UK includes:

£100 million

in extra funding for Construction skills bootcamps

£100 million

£32 million

£100 million from HM Treasury and £32 million from the CITB to fund more than 40,000 construction industry placements

£100 million

for creation of 10 new Technical Excellence Colleges (TECs) across England

£40 million

to provide 10,000 new Foundation Apprenticeships

£80 million

to provide 10,000 new Foundation Apprenticeships

£20 million

for Local Skills Improvement Plans to form partnerships between colleges and construction companies

Recommendation:

Take a holistic approach to investment

While the recent announcement of a further £625 million for building construction skills is very welcome, not all will go to applied skills investment. It is critical that the Government takes a more holistic view across all channels of investment, including the Department for Education, Department for Work and Pensions, Department for Levelling up, Housing and Communities and the Construction Industry Training Board (CITB) subsidy or UK Shared Prosperity Fund.

One focus should be limiting duplication, which is currently frustrating employers who are now paying both the apprenticeship levy and the CITB subsidy - this may be working against skills development in the sector. This duplication, in conjunction with a lack of agility and flexibility as to how funding can be deployed, is impacting the industry's ability to evolve.

Working across departments to identify specific groups and communities who would most benefit from training funding could be valuable. Maximum impact measures could also include targets to reduce the number of NEETS by facilitating better access to construction training and jobs or focusing on providing transferable skills training to migrant or ex-prisoner communities to enhance job readiness.

Finally, there is a need for consistency in terms of the funding routes available, including the amount of funding and how it can be spent. To build confidence among employers, learners and providers, multi-year investments are critical, allowing organisations and individuals to develop their own multi-year plans for skills development and careers.

"It is critical that the Government takes a more holistic view across all channels of investment"



Financial concerns build hesitation

With wider economic instability, including high inflation, concerns about tariffs and increases to the costs of running a business, construction businesses' margins are being squeezed. Almost half (46%) agree that rising costs is one of the biggest challenges they face, and as a result many are reluctant to invest in training. Uncertainty about the future may also cause businesses to hesitate when it comes to spending on training, especially if the skills needed relate to long-term plans rather than immediate needs.

Recommendation: Shift the narrative on training

Shift the narrative around training, presenting it as part of the solution for other difficulties construction businesses face, rather than part of the cost challenges they are experiencing. It should be viewed as a necessary investment to secure existing and new business.

To encourage more construction businesses to invest in training, campaigns that demonstrate how skills investment can lead to productivity and efficiency gains, or employer incentives could prove effective. With the limited availability of skills in the sector, promoting the impact of development opportunities on workforce retention and recruitment could also be valuable.

Employers suggest that current training models are not financially viable for some SMEs and are too complex and administration heavy¹⁹ Given current economic pressures, fewer than one in five (17%) employers agree that they are always able to fund necessary training either all or some of the time, while more than half (55%) find themselves unable to fund training either all or some of the time. As a result, employers are concerned about their ability to develop the skills needed to deliver the expected home building targets.

The Apprenticeship Levy is one source of funding employers can access to build the skills they need within their organisation. Large employers, with a wage bill of over £3 million, pay the equivalent of 0.5% into the levy each month and can draw down on that funding on a rolling 12-month basis, while small employers can access the funding through levy transfers, government funding, direct funding for apprenticeships or training providers. There are approximately 82,000 apprentices currently enrolled on construction apprenticeships across Great Britain, with 33,000 starting in 2023/2024. However, many employers are not making full use of the funding available to them.

In 2024, the Government announced its plan to broaden the Apprenticeship Levy, with changes expected to allow employers to spend their levy and transferred levy on other programmes in addition to apprenticeships. Although it is yet to provide clarity on the alternative training routes that will be included, the changes are expected to ease the concerns of the many employers who currently find themselves unable to fund training their organisation needs.

¹⁹ GOV.UK (2 June 2025) Academic year 2024/25: Apprenticeships

Recommendation:

Provide clarity on the Apprenticeship Levy

The government recently announced plans to make changes to The Apprenticeship Levy but exact information on those changes has not yet been provided.

The Apprenticeship Levy offers an opportunity to enhance the UK's skills landscape by providing flexibility in how employers invest in workforce development. While freeing up funds for various forms of workplace training could be a positive step toward broadening opportunities for young people across the UK, it's crucial to ensure this added flexibility doesn't detract from the importance of apprenticeships. Maintaining a clear focus on apprenticeships as the core of the levy ensures these essential training pathways remain available to young apprentices and small to medium-sized enterprises (SMEs).

To address both immediate skills gaps and long-term industry needs, a balanced levy structure would be effective. Allowing around 20 per cent of funds to support in-work training for re-skilling and up-skilling would allow construction employers and providers to address gaps where shortages are holding the industry back. The remainder should be reserved for apprenticeships, although even there could perhaps be allocations with a percentage retained for younger people and entry-level jobs.

This targeted approach will benefit sectors most impacted by skills shortages, like construction, where full apprenticeships are not always necessary, while protecting a pipeline of opportunity for young people and those that are economically inactive through the apprenticeship route.

Key suggestions

- 1. Split the remaining 80 per cent of levy funding, allowing 30 per cent to be used for flexible or modular approaches to learning that lead into shorter duration apprenticeships, with the remaining 50 per cent reserved for traditional apprenticeships that together deliver a truly flexible apprenticeship offer from Level 2 upwards
- 2. Incentivise employer funding at higher levels (Level 4-Level 7+), realising the value of higher technical qualifications through engagement with business and linking to Industrial Strategy main sector and sub sector plans. This should be taken from the wider Levy pot and/or driven by Mayoral Combined Authorities' (MCA) support.
- 3. Incentivise employer support for young people taking up apprenticeships by providing extra resources and wage subsidies. Offering the greatest incentives for SME take up would supporting small businesses, community regeneration and stem the number of young people not in education, employment and training (NEETs).

Gelder Group

Case study - Train

A multi-award-winning construction firm with a dedication to training and apprenticeships, Gelder Group has twice been recognised with Princess Royal Training Awards for its commitment to nurturing young talent. The firm aims to have apprentices comprise 10% of its workforce.

"Despite our strong focus on apprenticeships, we've recently identified numerous challenges in attracting new talent into the construction industry. We're concerned about the widening skills gap due to an aging workforce, as well as the recruitment difficulties posed by our rural location.

To address these challenges, we've taken a proactive approach attending school career fairs and partnering with FE providers like Lincoln College to offer student work experience. We focus on retaining apprentices by providing clear career paths, such as one who joined in 2020 and is now a senior contract manager pursuing a Level 7 qualification. We also maximise our apprenticeship levy to fund training across departments, supporting both new hires and existing staff through upskilling programmes.

Still, we recognise that significant barriers remain, and these are limiting our ability to bring in more apprentices. We've found it can be challenging to integrate younger learners with older team members due to generational differences. To help with this, we pair each learner with a skilled, more experienced tradesperson, this approach allows us to bridge the gap between traditional skills and new technologies.

We champion greater construction industry involvement in education to challenge outdated views and highlight diverse career paths.

With the Government targeting 1.5 million new homes, construction apprenticeships are vital. We track success through a 95% retention rate and strong career progression, with every apprentice staying at least a year post-completion - two recent graduates now lead in contract management and surveying. We're also improving our programme using learner feedback."

We focus on retaining apprentices by providing clear career paths, such as one who joined in 2020 and is now a senior contract manager pursuing a Level 7 qualification.



Katie Scott, Training Coordinator, Gelder Group

Improving access to apprenticeships

Despite challenges in accessing funding for apprenticeships and other forms of training, employers are quick to note the value this type of training brings to their organisation and their workforce. A third (34%) of employers agree that investment in apprenticeships delivers the greatest benefit to their business performance, followed by product training and technical training (27%).

In early 2025, the Government announced reducing red tape around apprenticeships to improve training for construction and maximise the value of government and employer investment. Four in five (84%) employers and a similar proportion (82%) of training providers in construction agree this will have a positive impact on the industry, as it will allow them to focus on building the skills required with a lower administrative burden.

Recommendation: Set up a red tape taskforce

Before changes are made, it is important to understand where the red tape exists. If there are unnecessary processes, rules or procedures in place, then government should work to remove these constraints providing doing so would not jeopardise the quality of training or apprenticeships on offer. This approach would simplify access to funding and training programmes that could benefit the construction industry.

Since the launch of the Apprenticeship Levy in 2017, many employers have criticised its lack of flexibility, including the length of the courses and some of entry requirements in place.

The removal of mandatory Functional Skills training for 19 and over, effective from 11 February 2025, marks a step towards more flexible and targeted learning. This change frees up employers to focus on practical, job-specific training, supporting a more responsive skills development system. Providers and employers who still see value in including Functional Skills can continue to do so where appropriate and where they see value related to the occupation.

Course length should be determined based on the length of time required to learn the desired skills. When asked, half (50%) of employers in the construction industry agreed that long apprenticeships and the minimum maths and English requirements in place are a barrier to entering the industry. Recent announcements on these issues therefore have support of a large proportion of the sector, but there remains a feeling that more will need to be done.

Employers would value greater flexibility regarding uses of the levy allowing them to cover a broader range of training costs and support shorter courses²⁰



Recommendation: Monitor adjustments carefully

The Government should continue with tweaks and refinements to the apprenticeship system where warranted, but any changes made should be kept under careful review so as not to impact the quality and reputation of the apprenticeship brand.

Changing apprenticeship requirements and reducing the length of courses should help to address the desires of employers within the construction industry, but it is important to monitor whether shorter apprenticeships impact job competence or the range of skills and knowledge developed. English and Maths capabilities are still important, and therefore the numeracy and literacy levels of those entering the profession should be tracked.



Invest in green skills

Business leaders in construction anticipate needing to build green skills and knowledge in the near future. Currently, only one in four (28%) agree that some within their organisation possess retrofitting skills, which are essential for the Government's Warm Homes Plan to succeed, with a third (33%) recognising the need to develop these skills in the next five years.

Accordingly, 83% of providers expect to see increased demand from employers for green skills training, but many are not necessarily prepared to deliver high-quality training to meet the demand. Two in five (41%) learning providers are currently providing training on resource efficiency and waste reduction, while 39 per cent are supporting learners with sustainable innovation.

However, there is recognition that colleges and training providers will need to expand and update their offerings. Four in five (82%) of the training providers and industry teachers surveyed believe that they will need to increase investment in their ability to deliver green skills training within the next five years. Two in five anticipate needing to add carbon footprinting and environmental planning to their repertoire (40% and 37% respectively).

Recommendation: Green skills readiness

Training allows the UK to rise to the global challenges of our time while creating quality jobs. As skills requirements change, it is essential that training providers and teachers can educate learners in relevant skills. Invest in continuous professional development interventions for education or training staff so that providers can stay current is critical to the success of the green skills agenda.

The Government should support providers with additional capital investment or grants to ensure equipment is up to date in colleges and via training providers. An alternative would be to give tax break incentives where employers offer job role exchange options to allow industry experts to shadow teaching staff, essentially allowing them to act as job share mentors.

38%

increase in learner training totals on City & Guilds green skills certifications last year

Cyfle Building Skills Ltd

Case study - Train

Cyfle (Welsh word for 'opportunities') Building Skills was set up in 2012, it runs a multi-award-winning apprenticeship scheme across five local authorities in Southwest Wales. Each year, the scheme recruits 60 apprentices in the Built Environment sector, reflecting the industry's shift toward low-carbon, digital, and tech-driven practices.

Apprenticeships are offered in trades such as electrical, plumbing, carpentry, and bricklaying, plastering and others. In collaboration with City & Guilds, Cyfle have developed a shared apprenticeship scheme, to offer vocational qualifications to levels 2,3,4 and 5.

"Currently the scheme employs 110 apprentices and 14 staff through training and upskilling. This summer, we'll welcome our 1,000th apprentice—making us the UK's first shared apprenticeship scheme to reach this milestone. Our program has contributed over £23 million in wages, and sustaining training for the next decade is our ongoing goal.

Staff training is vital as the industry evolves toward net-zero targets. While core skills remain essential, understanding green economy terminology is increasingly important. Training is tailored to individual roles and project needs, ensuring resources are used effectively. Appraisals help identify training gaps, and knowledge gained from key events is shared across teams.

Well-being and mental health are central to apprentice success. All staff receive regular training, and we partner with the Jac Lewis Foundation Charity to provide professional support. Early intervention helps improve retention and attendance.

A major challenge is navigating the abundance of training initiatives while managing limited resources and avoiding disruption to onsite work. Additionally, most government funding goes to colleges rather than industry bodies, making the transition from education to employment difficult. For example, only 20% of 160 electrical course students in colleges move into apprenticeships.

With Wales aiming to build 30,000 homes annually, the entire supply chain—from planners to roofers—must be equipped. Addressing the skills shortage and ensuring high-quality, durable housing is essential for meeting these targets."

This summer we'll become the first shared apprenticeship scheme to reach the milestone of 1,000 apprentices



Anthony Rees, Regional Manager for Cyfle Building Skills Ltd

Coordinated skills strategies

While employers hold much of the responsibility for ensuring that their organisations are developing the skills they need (both now and in the future) within their workforces, the Government will play an important role strategically.

More than two in five (41%) employers highlighted that a labour shortage in their local area is one of the main challenges they face when recruiting new talent to join their workforces, while one in 10 (13%) highlighted the difficulties of being based in an isolated location that it not necessarily attractive or easy to get to.

Recommendation:

National and regional coordinated solutions

Coordinated skills plans are required in sectors that are crucial to driving growth, as well as the support to access and attract targeted investment. There must be a cross-government commitment to a skills impact assessment to identify 'skills dependency' ensuring joined-up investments at a departmental level.

Skills England should work with the Industrial Strategy Council to direct funding to output-related investment through education and training that corresponds to high-growth sectors and regions - enabling the development of a local skills pipeline that can be matched to opportunities.

Given that local communities have unique needs, with skills demands varying significantly between regions, collaboration between the public and private sectors will be vital to facilitate rapid upskilling and ensure training aligns with local labour market needs. A more coordinated post-16 education and skills system could support greater skills matching between industries experiencing gaps and the UK's untapped talent pool that could be upskilled to meet labour market demand.



Building skills amongst existing staff

Reskilling and upskilling the current workforce is vital to ensuring they can continue to progress in their careers and secure high-quality, well-paid roles as demands in the industry change.

Employers recognise that green and sustainable skills will be required in the next five years, and it is important that they utilise the current workforce, as new entrants alone will not meet the demand. Experienced workers will be necessary for steering projects, applying their years of training to new ideas, and helping to embed durable skills in those new to work, such as communication, collaboration and resilience.

Half (51%) of employers have spent some or all of their training budgets to support current staff, helping them to progress in their careers, while 48 per cent invested in new starters. While employers are providing training for their workforce, many would value funding for other types of training, particularly shorter, modular courses that can fit around work commitments.

Funding access to bite-sized training

The green and sustainable skills that will be needed in the next five years can be built onto the skillsets of existing construction workers, allowing them to upskill without retraining. However, employers feel that there are limited funded options available to enable this.

Two in four (40%) would like the government to introduce more funded bite-sized training to allow people to train throughout their careers, with a focus on modules, short-courses or additional in-work training to support early entry. These will need to be part of a longer-term skills pathway developed with employers to ensure depth of training required in line with employment progression.

There is appetite from the sector to modularise apprenticeship provision to allow learners to become job ready in areas such as bricklaying and plumbing - by breaking down existing courses into shorter modules²¹

Recommendation: Split Apprenticeship Levy funding

Allowing the Apprenticeship Levy to be spent in a wider variety of ways could open up more opportunities for funded bite-size training. In addition to allowing 20 per cent of levy funds to be spent on different types of in-work training for reskilling and upskilling existing workers (as discussed above), the remaining 80 per cent could also be treated differently.

If 30 percent of the remaining 80 per cent could be used on flexible or modular apprenticeships, it could provide opportunities for both bite-sized learning and shorter duration apprenticeships, which could benefit current staff as well as new entrants.

A change like this would ensure that not only are people helped into jobs, but that they are also able to grow on the job and progress to the next. However, care must be taken to ensure that current apprenticeships for younger age markets and SME support is not disrupted by such a change.

Reducing mid-apprenticeship drop out

Due to the nature of apprenticeships, when someone is offered a permanent, higher paying role it can be difficult for them to decline.

Following

sector, the

government

attributes low

in construction

subjects (53%

in 2022/23) to

completion and

rather than initially

attracting learners

further and higher

retention rates

to courses in

education

achievement rates

engagement with

the construction

However, without completed qualifications, it can be challenging for workers to continue to build their skills as they do not meet the entry requirements for the next level of qualifications and training. Two-thirds (66%) of current construction learners recognise the benefits of obtaining a construction qualification for their career progression.

What are the benefits of obtaining a construction qualification?

66% Career progression

65% Increase in salary

51% Direct to job after training

50% Choice of construction specialism

While attracting learners into further and higher education courses in construction is critical for building the skills needed, poor completion and retention rates are resulting in low achievement rates (53% in 2022/2023)²². Improving achievement will increase the number of people entering the industry, providing organisations with the skills they need and ensuring that vital training funding does not go to waste.

²¹ GOV.UK (29 May 2025) Academic year 2023/24: Further education workforce ²² GOV.UK (29 May 2025) Academic year 2023/24: Further education workforce



Recommendation: Monitor adjustments carefully

Providers and sponsoring employers should come together to highlight the benefits of completing qualifications to those in training. By ensuring that learners recognise that they may not be able to progress as far or as fast in their careers, are likely to have lower earning potential and may limit their choices of construction specialism if they fail to complete qualifications, it may be possible to reduce attrition.

Encouraging learners to take a long-term view of their career can help them in the future, and also means that construction businesses will have better access to qualified professionals and reduces funding wastage.



Megan Gardiner, Self-employed electrician

Case study - Progress

After studying biomedical science at university, Megan was forced to rethink her future when she faced limited career options, compounded by restrictions during the pandemic. She began her electrical training with the support of City & Guilds Foundation bursary scheme and subsequently achieved Level 2 and 3 Electrical Installations qualifications.

"Encouragement from my partner (who is also an electrician) led me to explore electrical work - and I discovered a passion for hands-on practical tasks and problem solving.

Getting the right advice on qualifications was a challenge at first, and I noticed a significant lack of centralised, clear information detailing electrical qualifications, and the necessary steps required to become a qualified electrician. For example, the fact that a Level 2 qualification would be mandatory in electrical, for me to progress to a Level 3 qualification.

When beginning my training, I noticed a distinct difference between domestic and industrial electrical work. The qualifications are often perceived to be more relevant to commercial roles, but this may not always align with learners wanting to work in residential settings. I'd like to see more specified qualifications for either domestic or commercial work.

Practical on-site experience and peer collaboration reinforced my confidence and deepened my understanding. I've found that understanding the rationale behind specific procedures, rather than just following practices, is valued highly within the industry. The design project at the end of the course, which involved applying calculations and utilising reference materials, marked a pivotal moment, as this is where I really started to recognise the positive impact of my training.

I now champion the benefits of training, especially with sponsorship that provides on the job mentoring and learning. As a more mature student, beginning a new career later in life, I would like to encourage others to think 'outside the box' and reimagine what career opportunities are out there if you are ready to learn and develop new skills."

There was a lack of clear information setting out the necessary steps to become a qualified electrician

Megan Gardiner, Self-employed electrician



Access to careers guidance

Having a clear pathway for progression in careers is an important motivating factor for many employees, increasing productivity and engagement as they work towards achievable goals and milestones. While young people have access to careers guidance through their colleges and other training providers, once in the workforce, there is limited support available.

The burden has fallen to employers in construction to inform their teams of the training and progression options available to them, while self-employed contractors must identify and access their own development pathways. While workers can develop their own plans independently, there are emerging opportunities in specific areas in construction, so further support may be beneficial in steering workers towards sustainable careers.

The Department for Education recommends that more is done to ensure that those completing further education courses have the necessary credentials to transition to onsite working on completion²³

of employers would like the see the government introduce better careers advice or guidance services for all age groups.

Recommendation:

Reposition the sector and signpost learning paths

Reducing negative perceptions of the construction sector and signposting skills development and clear learning paths could help to attract new entrants into the workforce.

We recommend enhancing industry engagement - closer collaboration between schools, employers, and industry to provide meaningful work experience, internships, and mentorships as part of their curriculum. Construction skills should be woven into the existing curriculum to help learners develop a broader understanding of its importance, while embedding durable skills such as problem solving, communications and collaboration.

Start early with careers advice embedded in schools to guide children, young people and parents towards education paths that align with their career aspirations and create parity of esteem in choices between vocational, technical and education routes for success.

Connecting the New Job Centres will be key to support coordinated information, advice and guidance that starts a step change in understanding available careers.



Conclusions

Behind every new home, and every improvement to an existing home, is a skilled worker. To build 1.5 million homes, the workforce must be built first - and currently, critical skills shortages within the construction sector place the government's ambitions, and the promise of better lives for people across the UK, at risk.

By removing barriers to entry and progression, the construction sector will become a source of opportunity where individuals can thrive.

To build a construction workforce with the skills needed both now and in the future, investment in training - for new entrants and existing workers - is critical. With prolific and persistent skills shortages, it is important to recognise and remove barriers that negatively impact how the industry attracts and trains individuals.

In this report, we found that removing barriers would mean campaigning by government, businesses and providers to reshape perceptions of the industry, and of the training options available. While the Apprenticeship Levy continues to play an important role in funding high-quality training, greater flexibility and clarity on recently-announced changes is required to ensure it truly delivers results for the construction sector.

While there is no one region that is particularly impacted by the skills shortages in the construction sector, government must nevertheless take a strategic approach to ensuring alignment between regional skills gaps, the training available and facilitating providers to offer green skills training. Only then will there be a sustainable pipeline of talent with the skills required now and in the future.

Getting people into jobs, developing new skills on the job and helping them to progress not only ensures that the industry has access to the skills it needs, but it also sets workers on path towards sustainable, high-quality, high-paying careers. By removing barriers to entry and progression, the construction sector will become a source of opportunity where individuals can thrive.

Ensuring the industry is set up to build and improve homes is critical to the UK economy and in breaking down barriers to opportunity. When you build homes, you build careers, communities, opportunities and prosperity.

Safe, high-quality, warm homes provide a foundation for life, allowing individuals to focus on the things that matter most. From building and progressing their careers to offering a higher quality of life, the security of a high-quality home engenders productivity, strengthens communities and will ultimately play a role in kickstarting the UK economy.



Methodology

City & Guilds combined its expertise and knowledge of the construction sector with survey data collected from providers, learners and employers.

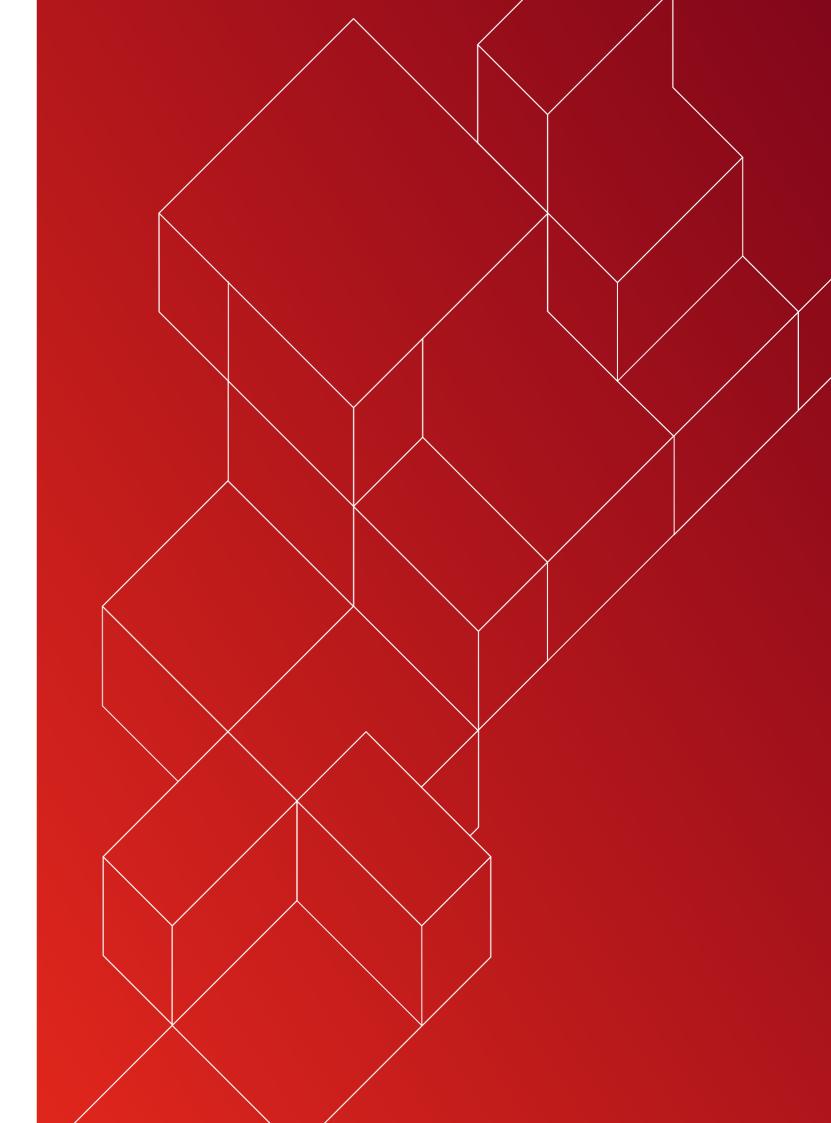
- 1. City & Guilds commissioned Censuswide to conduct an online survey amongst 250 providers, between 27 February and 13 March 2025. The respondents were senior decision-makers and managers who worked in construction and provide training, at a further education college and teach a construction-related subject, or at a training centre where construction-related subjects are delivered. The sample included respondents from varying business sizes and locations across the UK.
- 2. City & Guilds commissioned Censuswide to conduct an online survey amongst 500 middle managers, senior managers, directors and business owners within the construction sector between 27 February and 13 March 2025. City & Guilds also distributed the survey among eight clients. Each of those surveyed managed a team and had responsibility for skills development in their company. Respondents were distributed across businesses of varying sizes.
- 3. City & Guilds commissions Censuswide to conduct an online survey amongst 500 learners aged 18+ between 28 February and 17 March 2025. Each learner either worked in construction and was receiving training, or was a student currently receiving training in construction-related subjects. Respondents held a positions of varying seniority from c-level executives to entry level. The survey included respondents from a range of age groups, business sizes and locations.

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About City & Guilds

Since 1878, City & Guilds has been dedicated to advancing the skills that people, organisations and societies need to thrive, both now and in the future.

As the global skills partner, we empower organisations to grow by creating and delivering comprehensive end-to-end solutions. These include high-quality skills training and credentials designed to meet the evolving needs of industries and workforces. Through our trusted network of colleges and training provider partners, learners across the globe develop skills and competencies that lead to employment and career progression.

Each year, over 5.1 million learners of all ages and backgrounds benefit from City & Guilds learning programmes, which have contributed £15.3bn to society in the UK alone. We champion workforce development and technical training routes that drive social mobility, prosperity, and success. By working closely with industries and governments, we also advocate for improvements across the global skills landscape.

Our City & Guilds Foundation amplifies this purpose by focusing on high-impact social investment, recognition, and advocacy programmes. These initiatives aim to remove barriers to employment, celebrate best practice on the job, and advocate for jobs of the future.

City & Guilds Training, Gen2, Intertrain, ILM, Kineo and The Oxford Group brands are all a part of City & Guilds.

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