

Learning and skills analysis of the **Construction Industry**

London Learning and Skills Councils with CITB

September 2003

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Learning+Skills Council

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Introduction

This analysis of the supply of and demand for Construction sector skills in the London region was undertaken between January and April 2003. The work was managed by London West LSC (on behalf of the five London LSCs) and its partner, the Construction Industry Training Board (CITB). The London Development Agency also had an input. Experian Business Strategies undertook the research.

Experian Business Strategies and the five London LSCs would like to thank all those who kindly contributed to this research.

Objectives

The objective of this work is to research the ability of the construction industry in London to cope with the expected increase in building activity and repair and maintenance over the next five to ten years. There are three key elements to the work:

- Identifying future demand for construction education and the need for training
- Assessing the current provision of the education and training infrastructure for the construction sector – in terms of learner characteristics, source of provision, identifying areas of duplication and any gaps that exist
- Supply-demand mismatches and the policy issues that arise

This work will enable the five London LSCs to plan and contract for training in construction and its allied industries.

Research Methodology

This report draws on information and data from:

- Desk-based research
- Demand-side forecasting – Experian Business Strategies' employment forecasts together with Construction Futures' output forecasts for the construction industry in London
- Analysis of ISRs and ILRs to map the supply of construction students and their paths into the industry
- Face-to-face interviews and telephone interviews with key stakeholders

Executive summary

Background

This research was commissioned by London West LSC on behalf of the pan-London LSCs, and partner organisations including CITB and the LDA. It was undertaken over the period January-April 2003. As part of the research, a wide range of stakeholders providing construction education and training, working in, or engaged in, partnership activity with the industry were consulted. We are very grateful to all those concerned for their contribution to this work.

Objectives

- To review the current level of council-funded supply of construction education in Greater London
- To review forecast employment trends for the industry, including changing skills needs within the industry
- To raise issues and actions to be addressed by the pan-London LSCs and partners to facilitate a match between supply and demand

Supply

Across the five London LSCs, there were approximately 17,300 LSC-funded construction enrolments in FE (2000/01) and 1,400 construction enrolments in work-based learning (2001/02).

Construction enrolments make up around 1.4 per cent of all Greater London enrolments in FE and 4.5 per cent of work-based learning.

46 per cent of LSC-funded enrolments in construction are delivered by just five colleges:

- Lambeth College
- College of North West London
- Newham College of Further Education
- Bexley College
- College of North East London.

The construction student profile is predominantly white and male. White students are over-represented in construction FE (relative to the diversity mix across all subject areas in FE) while Black, Asian and students of mixed ethnicity (particularly Asians) together with women are under-represented. Despite industry efforts to promote a more diverse workforce, reflecting the realities of the population mix, this message appears to be having little impact in the education sector.

The achievement rate for construction learning in FE establishments is above the all-subject average. While White males are gaining an achievement rate below the all-subject average in most other subject areas, they are achieving above the all-subject average in construction.

Students enrolled on construction courses in FE are far more likely to enter employment than general FE students. In work-based learning, the proportion is just moderately higher in construction than the average for all students. Anecdotal evidence from colleges, together with CITB research into recruitment patterns shows that access to employment is often through word of mouth, making it more difficult for unrepresented groups such as women and Asians to break into the industry.

Anecdotal evidence from colleges and employers suggests NVQs are insufficiently attuned to the demands of students seeking to enter the construction industry and of employers. Colleges complain that the scope of the NVQ makes it very difficult for students to obtain the range of work-based experience required. Suggested alternatives include a modular qualification that students can build on over time as they work for different employers gaining more widespread experience; or increased delivery and funding of 'technical certificates' showing competency (and validating existing skills) that can be delivered through colleges without requiring validation on site (industry recorders are in short supply).

Greater London is a net exporter of students to other regions to take up construction learning, particularly in the skilled craft trades. This reflects an unmet demand in the region for training and also the reputation of certain colleges outside the region that offer specialist and highly respected courses.

Data on student flows for the Greater London region indicate that key partnerships for the London LSCs in meeting the demand for construction training courses are the South East, East of England and the North West (accounted for by flows to Manchester College of Arts and Technology for construction materials courses).

Demand

Construction in Greater London is concentrated in the private commercial sector (more than half of all output). Infrastructure also contributes a significant proportion of overall output to the region, followed by private housing and public non-residential projects.

Output is forecast to grow at 1.7 per cent between 2003-2005 – the commercial sector (half of construction output in Greater London) will exert a drag on growth. Output growth is forecast to slow to 1.4 per cent over the period 2005-2010.

After falling in the early part of the last decade, employment in construction has remained relatively stable in recent years. Significant public investment through infrastructure and public service provision has been an important driver in this recovery period.

Employment growth through industry growth is termed expansion demand. In Greater London, forecasts show that expansion demand is relatively moderate with 9,000 new jobs being created over the next four years to 2007. Beyond this period, a moderate decline is forecast, returning employment to 2003 levels.

Skilled trade workers dominate the occupational structure of Greater London's construction workforce. These are predominantly carpenters and joiners, electricians, plumbers, bricklayers, painters, plasterers, roofers and floorers.

Replacement demand estimates calculated using the CITB employment model show that in Greater London, over the five year period 2002-2006, a total of 40,500 new recruits are

needed: that is 8,100 new recruits per year. Demand is greatest for the skilled craft trades and also managerial and clerical occupations.

Evidence from the CITB employer skills needs survey in Greater London suggests that demand for the skilled craft trades is already high. Amongst London employers, more than a third of employers (36 per cent) experienced difficulties recruiting carpenters and joiners, plasterers and bricklayers (16 per cent) and plumbers (9 per cent).

The profile of qualifications in the construction industry in Greater London reflects the dominance of skilled craft workers in the industry, with 30 per cent of workers qualified to NVQ level 3 or equivalent and 29 per cent to NVQ level 2 or equivalent. Construction does, however, have far fewer graduate and higher educated workers (that is, NVQ levels 4 & 5) with just 16 per cent compared to an all industry average of 31 per cent. This is because there are far fewer managers and professionals engaged in the industry than in other sectors, although this trend is changing as a consequence of Latham, Egan and M4I.

With an emphasis on quality and accountability, the industry is increasingly focused on qualifications to recognise the skills that many site workers already have and to encourage workers to gain qualifications through training.

Skills shortages in the industry as a whole arise from a general lack of applicants and employer dissatisfaction with the skills of those who come forward.

Young people, the traditional recruitment pool for construction, are choosing to stay in continuous academic study. A further disincentive is the perception of the industry as having hard working conditions and low pay, although the industry is working to change this. Anecdotal evidence from colleges suggests that parents as well as students are attracted to construction as a result of the well-publicised wage hikes in the industry.

Despite the tight construction labour market in Greater London, employers appear to be sanguine about the labour market though the majority had faced challenges recruiting. Migrant labour is widely employed and this is likely to maintain the demand for English language training to meet health and safety requirements.

Issues

The volatility of the construction industry makes it difficult to predict long-term needs, which is a prerequisite of the longer planning and funding cycles of the learning infrastructure. Though there are no clear numbers, key stakeholders, including employers, construction representative bodies, colleges, unions and Connexions, all point to an excess of demand over supply.

There are no guarantees but, despite forecast slowdown in the rate of industry growth, the demand for education and training in the construction industry is likely to be sustained. This is due to an ageing workforce in the skilled trades requiring replacement, together with increasing concerns around health and safety and quality delivery that is stimulating demand for qualifications and training.

To build a sustainable workforce, the construction industry recognises a need to attract non-traditional entrants into the industry. Colleges can do much to effectively target and attract women and ethnic minorities onto construction courses but it is clear that this will require new forms of course delivery, funding patterns and support networks.

The current forms of training delivery via the FE system do not meet the needs of employers and those 'employees' the industry seeks to attract (women, Black, Asian and mixed ethnic origins, career changers). Nor does it meet the needs of migrant labour.

Anecdotal evidence from colleges and the Women in construction programme suggests that women tend to cluster in skilled trades such as plumbing and gas installation, electrical installation, and painting and decorating. They are also more inclined towards repair and maintenance work. These areas offer more regulated working hours and self-employment, enabling a work-life balance.

Construction courses have been closed in colleges because they are costly to run and require specialist facilities. Expanding construction courses requires capital investment, which is risky given the uneven demand from the industry for labour and the historic difficulties in attracting able students.

College/employer engagement is vital to ensure sustainable delivery of construction learning. Both sides need better understanding of each other's commercial imperatives and should jointly develop courses and lobby for funding structures that support industry and learner delivery needs. There is a widespread willingness within the college network to work with employers but most point to a lack of employer engagement. Both sides view the current forms of engagement as 'talking shops' and more practical forms of engagement need to be developed (mentoring programmes may be one way).

The pan-London LSCs can do little to influence the pay scales of FE lecturers, which is a national issue. However, the shortage of construction lecturers in Greater London is significant and urgent given the demand for construction skills. While not quantified, the majority of colleges raised this as a key issue limiting capacity growth. It is also a growing concern for CITB, who are facing problems staffing their construction courses. Shortage of assessors is also a problem raised by CITB and the colleges and is threatening the delivery of construction NVQs.

Analysis of FE data shows extensive flows of students both out of and into Greater London, indicating that learning boundaries are not clearly demarcated in the same way as organisational boundaries of responsibility. Key partners in managing the supply and demand for construction education in Greater London are South East, East of England and North West (Manchester).

Suggestions for partnership action

- A review of the constraints of the current funding regime, and the opportunities that are available for implementing new partnership and best-practice activities
- An examination of the feasibility of roll-on/roll-off courses for colleges
- Likewise, the value of offering weekend courses (and the means of funding them) to attract more mature people, Black, Asian and mixed ethnic origins and women into construction
- Encourage women into construction by targeting women to take up plastering, decorating, plumbing, electrical and gas installation courses – that is, skills that are more likely to offer them flexibility and autonomy in their work

- Mentoring may offer a valuable form of support for women, Black and Asian people training and trying to enter the industry. The value of mentoring should be examined in more detail as a way of promoting entry and retention, and also a way of negotiating the informal networks that operate in the industry
- FE construction delivery (including decisions to expand or contract provision) should be evaluated on a pan-London basis to make best use of existing resources and future capital investment
- Promote better education/industry links by matching employers to colleges; the CITB's database of employers might be a useful vehicle for this
- Small and medium-sized local contractors and businesses should be encouraged to engage with colleges, possibly through the small business service
- For Centres of Vocational Excellence (CoVEs) to be respected, the rationale for selection should be transparent and reflect the quality of education and training on offer for designated areas of excellence
- Partners need to debate the best way to tackle the shortage of construction staff in FE, including the feasibility of seconding skilled staff from large employers
- If not already in place, a dialogue should be opened up with relevant contacts in the South East, East of England and the North West (Manchester) to monitor flows of construction students and ensure supply and demand are 'in synch'
- The LSC should review the setting up of a website to log skills development projects in the construction industry and facilitate access to a contact database listing training active employers, Construction Heads of colleges, CITB contacts, LSC contacts and so on
- South East Construction Skills Forum and the pan-London LSCs should work with CITB and partners to support the Greater London Forum that has recently been set up by CITB to integrate supply and demand side representatives for the construction sector. To be an effective and practical body, members should be chosen on the basis of wider connections with the relevant bodies (for example, the FE representatives should be linked into wider networks of London construction departments and be in a position to feed back via demonstrable connections)
- The Construction Industry Initiative set up by the Greater London Skills Commission to kick start the FRESA process will also be valuable in promoting joined-up approaches to meeting construction skills needs across the capital

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1

Supply of education and training

1.1

Introduction

In this chapter we provide a baseline picture of the supply of construction education and training in Greater London. Individual Student Records (ISRs) and Individual Learner Records (ILRs) form the basis of the analysis.

The ISR and ILR data are gathered and 'cleaned' by individual colleges and training providers before being aggregated centrally, and there are issues around the accuracy of the recording process. For many variables little data exists (for example, around ethnicity) and in the case of achievement data, the method of calculation together with data limitations means that findings may be indicative but they are certainly not robust. The data provides a good sense of the state of construction learning in Greater London but some caution should be adopted in interpretation.

Greater London's post-16 supply of learning and training is planned and funded by the five London LSCs - North, South, East, West and Central London areas. We have drawn on ISRs and ILRs to understand the London-wide take up of construction and related courses, and the supply of learners from those courses into the construction labour market.

Post-16 FE encompasses sixth form colleges, FE colleges, adult and community learning, specialist designated institutes, HE institutions delivering FE and work-based learning. [In addition, some post-16 learning is delivered through schools with sixth forms, although they are not counted in the ISR (*see below*) and are not, therefore, included in the main analysis].

ISRs provide a record for each student within, or passing through, the FE sector over a year period. Our analysis utilises ISR 22, which covers the academic year 2000/01. Occasionally, where data is missing for this year we have reverted to the preceding year's data. Where this is the case it has been highlighted.

ILRs record work-based learning participation. Data on work-based learning is calculated over a 12-month period to provide a comparable timeframe to the ISRs for FE learning. In practice, work-based learning does not necessarily conform to the academic year and students can be enrolled on a 'rolling' basis.

In the text and tables shown in this chapter we distinguish between council- and non-council-funded enrolments. Council-funded learning is supported by LSCs, while non-council-funded provision is supported by other funding agencies such as the European Social Fund. The proportion of learning that is undertaken as non-council-funded is shown in the tables to illustrate the scale of learning provision in the area, but is not analysed in detail.

1.1.1

A Greater London overview of the scale of post-16 FE learning provision

Some 1.1 million students are enrolled on council-funded FE courses in London. A further 31,000 are involved in work-based learning. Table 1.1 details the range of institutions offering FE and work-based learning.

Table 1.1
Summary of Greater London enrolments

Source: ISR 22¹; ILR periods 1-12

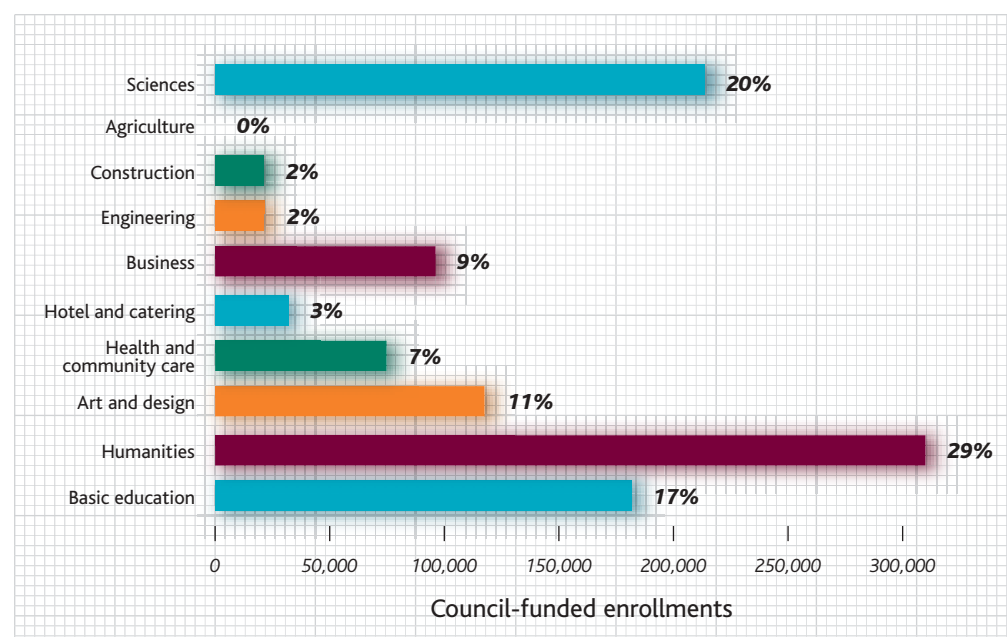
<i>Institution of study</i>	<i>Period</i>	<i>Council-funded</i>	<i>Total</i>
General FE and tertiary college	2000/01	670,658	799,428
Sixth form college	2000/01	82,922	84,081
Specialist (A&HC, AD)	2000/01	2,916	3,251
External institution	2000/01	86,499	86,912
Specialist designated institute	2000/01	205,272	207,494
Dance and drama	2000/01	251	384
HE institution	2000/01	17,546	20,437
Work-based learning	2001/02	30,642	30,642

Key summary statistics for the 126 FE providers in Greater London are as follows:

- A total of 1,066,000 council-funded learners were enrolled in FE over the period 2000/01
- Five institutions each deliver learning to more than 30,000 council-funded enrolments:
 - City and Islington College (44,730 enrolments)
 - Barnet College (40,250 enrolments)
 - The City Literary Institute – non-schedule 2 provision (36,590 enrolments)
 - College of North East London (32,060 enrolments)
 - College of North West London (30,270 enrolments)
- The most popular council-funded programme areas (*figure 1.1*) are:
 - Humanities (308,730 enrolments)
 - Sciences (214,810 enrolments)
 - Basic education (179,610 enrolments)

Figure 1.1
Programme profile of FE enrolments Greater London 2000/01

Source: ISR 22
 (ISR 17, 19 and 20 for some institutions)



¹ ISR 17 for Cordwainers College and London Academy of Music and Dramatics;

ISR 19 for Academy of Live and Recorded Arts, Cambridge House Adult Education College, Central School of Ballet, Doreen Bird College of Performing Arts, English National Ballet School, Royal Academy of Dramatic Art, Stella Mann College, Urban Learning Foundation;

ISR 20 for Arts Educational School London, Lewisham Community Education, Hilcroft College, Italia Conti Academy of Theatre Art, Newham Women's Training and Education Centre, Serbert Road Training Centre, Hartley Centre (Church Army) and Webber Douglas Academy of Dramatics.

1.2

Construction

The number of council-funded enrolments in construction is relatively small compared to other programme areas. In 2000/01, 17,300 enrolments were made in construction (table 1.2), which equates to just 2 per cent of all enrolments in Greater London.

Construction education and training is delivered almost exclusively through general FE and tertiary colleges (98 per cent of total).

- This is significantly different from overall FE provision, where only two-thirds of enrolments are in general FE and tertiary colleges. Nineteen per cent of post-16 education in Greater London is carried out in specialist designated colleges (including specialist agriculture and horticulture colleges and dance and drama institutions)
- The consequence of almost exclusive delivery through general FE and tertiary colleges is that construction programmes (council- and non-council-funded) are taught in 38 of the 126 institutions in Greater London

Construction courses attract 15 per cent of their total student body from outside the region. This is in line with all Greater London post-FE provision, where 16 per cent of enrolments are non-London residents. Further analysis on travel to learn is carried out in section 1.2.5.

Table 1.2
Enrolment profile of
FE provision in Greater
London, 2000/01

Source: Individual Student Record
(ISR) 22

	percentage of total (base = number of enrolments with known information)	
	Total	Construction
Number of institutions	126	38
Total number of enrolments	1,201,987	21,594
Council funded	1,066,064	17,288
Institution type		
General, FE and tertiary college	63%	98%
Sixth form college	8%	–
External institution	8%	2%
Specialist designated institute	19%	–
Other ¹	–	–
Higher education	2%	–
Residence		
Within Greater London	84%	85%
Outside Greater London	16%	15%
Unknown	30,356	552
Non-council funded	135,923	4,306

Note: some groups may not sum to 100% due to rounding
¹Includes specialist agriculture and horticulture colleges and dance and drama institutions

² Exceptions detailed in footnote 1 (page 2)

Construction learning is delivered by 38 institutions in Greater London. However, four institutions in Greater London deliver construction learning to more than 1,000 students each, and account for 41 per cent of all council-funded enrolments:

- Lambeth College (2,060 enrolments)
- College of North West London (1,960 enrolments)
- Newham College of Further Education (1,940 enrolments)
- College of North East London (1,200 enrolments)

A number of institutions cater for construction but fall below the 1,000 cut-off. These include Barking College (970 enrolments), Lewisham College (920 enrolments) and Bexley College (830 enrolments). We discuss the distribution of construction provision across the LSC areas in section 1.2.3 and provide a detailed overview by institution in appendix 1, table A.1.

1.2.1

Participation and social inclusion

Construction has long been characterised as a white male industry. Employer bodies, employers, and learning institutions are keen to develop a more rounded and inclusive image and to attract a diverse range of workers into the sector to ensure sustainable supplies of labour, but the ISR data show little has changed in 21st century construction (appendix 1, table A.1). Those enrolled in the construction learning infrastructure still conform to type, suggesting ever greater efforts are needed to diversify the workforce base and transform the image of the industry.

- **Gender** – in construction, the ratio of male to female students is 94:6. This compares with the gender split across all FE in London of 39:61
- **Age** – FE learning is dominated by the over 19 age group. Construction is no exception, where over 19s account for 83 per cent of all construction enrolments
- **Ethnicity** – the student base in construction is considerably less diverse than all FE. Across all subject areas, students of non-White ethnicities account for 36 per cent of enrolments while in construction they equal just 29 per cent. In addition, 'minority' learners in construction are predominantly Black, with Asians accounting for just 4 per cent (though Asian students are 11 per cent of all enrolments across all subject areas)
- **Special needs and learning disability** – 6 per cent of the construction student population has learning difficulties and/or disabilities. This is based on self-designated need rather than formal assessment.³ This is a slightly lower proportion than the overall Greater London student population (8 per cent)
- **Additional support** – around one third of students overall and in construction have been assessed as requiring additional support.⁴ However, a significant proportion of students overall and in construction have not been assessed. In other words, it is possible that many other construction students may require additional support but are not receiving it because they have not been assessed

³ Learning difficulty and/or disability is defined as whether or not the student considers themselves to have 'significantly greater difficulty in learning than their majority of persons their age' or 'has a disability which either prevents or hinders him/her from making use of the facilities provided by FE institutions for persons of their age'. ISR Analysis Manual, Version 0.3, January 2002.

⁴ In need of additional support means that the 'student has been assessed on entry to the learning programme as requiring additional support'. ISR Analysis Manual, Version 0.3, January 2002.

- **Widening participation**⁵ – Construction has an above-average number of students receiving additional funding as a consequence of being resident in a deprived area (49 compared to 45 per cent overall). Only 1 per cent of construction students are asylum seekers or refugees, although anecdotal evidence suggests many more with this status are operating in the construction industry than are reflected in the student population

Asian and female students registering for NVQs in construction tend to do so at a later age than their male counterparts. This can take them outside of the age criteria (16-25) for government funding to employers of New Entrant Training. The issue has been raised by CITB as hindering the promotion of equal opportunities in the industry. It also came through strongly in our interviews with colleges who faced difficulties taking on older workers keen to make the transition into the industry.

1.2.2

Sub-programme profile

Using ISR data, we can provide detailed information on student enrolments by type – or sub-programmes – of construction education and learning.

Construction is broken down into six sub-programme areas:

- environmental technologies
- construction crafts
- construction technology
- civil engineering
- mechanical services
- other construction

Within each sub-programme area there is a range of different courses (*see table 1.3*). The breakdown of construction-related learner data, to which we refer in subsequent discussion, is shown in this table:

Table 1.3
Hierarchy of construction learner data

Programme	Sub-programme	Courses
Construction	Environmental technologies	Housing studies, management and development; built environment studies; environmental conservation and protection
	Construction craft	Erection; bricklaying; brickwork, masonry/trowel skills; painting/decorating; building electrical work; building construction; building studies; carpentry; plastering
	Construction technology	Built environment studies; construction site management
	Civil engineering	Road work, road signs and street furniture; construction studies
	Mechanical services	Building electrical work, plumbing and gas supply installation; electrical regulations; building electrical and heating installation
	Other construction	Housing studies, management and development; building and construction studies

⁵ The widening participation category is for students for whom enhanced funding is claimed.

Figure 1.2 illustrates the number of enrolments by sub-programme areas. Just over half the enrolments in construction are in mechanical services. Mechanical services includes courses on electrical work, plumbing and gas supply installation. A further 31 per cent of enrolments are on construction craft courses. Construction crafts include courses on erection, brickwork, and painting and decorating.

Figure 1.2
Sub-programme profile
of FE constructor
enrolments in Greater
London 2000/01

Source: Individual Student Record
(ISR) 22

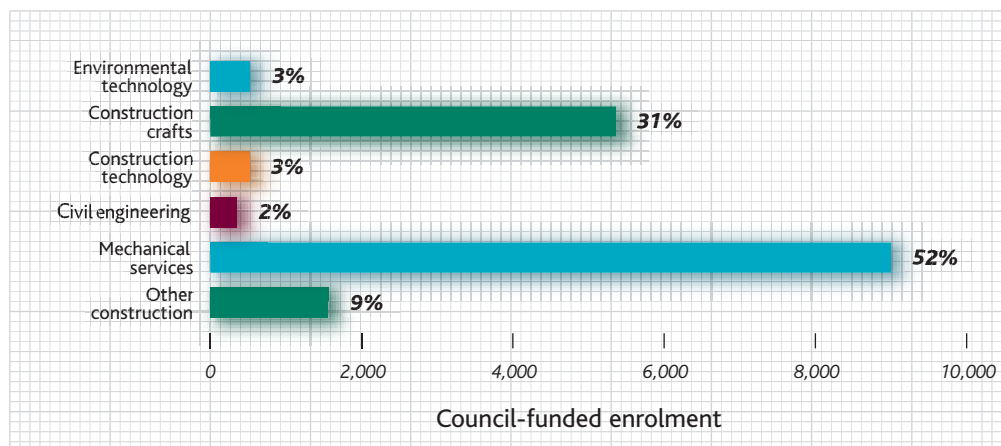


Table 1.4 shows the number of enrolments in the top ten largest subject courses (which account for 70 per cent of all construction enrolments). The table also shows the distribution of enrolments across the five London LSCs, although more detailed analysis by LSC is provided in section 1.2.3.

- More than one third of construction enrolments in Greater London are in London East. Colleges in London East are particularly popular for bricklaying courses (52 per cent of all bricklaying courses). In addition, nearly three quarters of enrolments in building and construction operations are in London East area
- Enrolments in gas supply and installation are concentrated in London Central LSC (44 per cent) while London East also has a considerable number (39 per cent). This skills area has a much-publicised shortage⁶ but provision is predominantly in only three colleges (Lambeth College, Lewisham College and Newham College of Further Education)
- Plumbing enrolments are concentrated in London West and London East. Typically, plumbing is closely aligned with gas installation (in that most gas fitters are fully qualified plumbers although not all plumbers are legally qualified to install gas)
- A third of enrolments on erection, carpentry and shop-fitting courses are in the London East LSC area

⁶ National media coverage taken from Gas and Water Industry NTO Workforce Development Plan 2002-2005

Table 1.4
Subject profile of FE
construction provision
in Greater London, by
LSC, 2000/01

Source: Individual Student Record
 (ISR) 22

percentage of total (base = number of enrolments with known information)						
<i>Top 10 subjects (70 per cent of all enrolments)</i>	<i>Total enrolments =100%</i>	<i>London North</i>	<i>London West</i>	<i>London Central</i>	<i>London East</i>	<i>London South</i>
Building electrical work	3,599	8%	21%	26%	34%	11%
Construction erection/shop fitting/carpentry	1,650	17%	18%	17%	33%	15%
Gas supply/installation (building work)	1,604	11%	6%	44%	39%	–
Plumbing (building work)	1,538	5%	33%	8%	45%	9%
Wiring regulations	1,030	4%	26%	36%	18%	16%
Brickwork/masonry	608	17%	5%	30%	44%	3%
Electrical installation (buildings/construction)	604	9%	12%	26%	24%	28%
Bricklaying	602	13%	31%	1%	52%	3%
Painting and decorating	439	12%	12%	29%	39%	7%
Building/construction operations	387	7%	16%	7%	71%	–
All construction enrolments	17,288	13%	18%	22%	36%	10%

Note: some rows may not equal 100% due to rounding

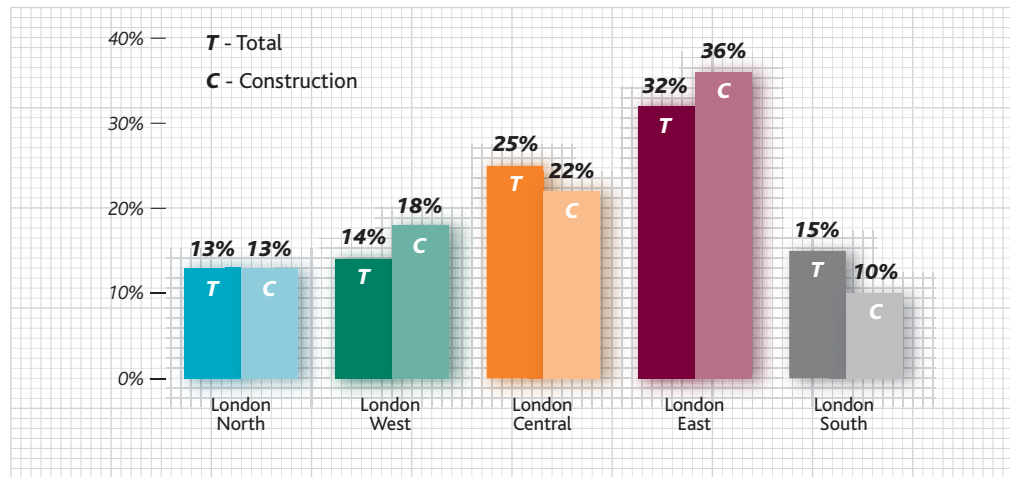
1.2.3 LSC profile

The LSC profile provides an indication of where areas of expertise or concentration reside and therefore where best practice or lessons may be learnt. However, the overall variation in student numbers across the five LSCs will have an impact on the distribution of construction enrolments, and this should be noted when interpreting the data.

Figure 1.3 compares the distribution of construction enrolments across the five LSCs with the distribution of all FE enrolments. From this we can see that almost one-third of total FE enrolments are in London East and a further 25 per cent in London Central. However, construction has an even greater presence in London East, while London West also attracts a higher proportion of construction enrolments than all FE enrolments.

Figure 1.3
LSC profile of FE
enrolments in
Greater London

Source: Individual Student Record (ISR) 22



The distribution of construction enrolments across the LSC areas can be attributed to the institutions delivering the bulk of construction programmes (see appendix 1, table A1).

- Of the 38 institutions delivering construction programmes in Greater London, London North has four – Barnet College, College of North East London, Southgate College and Waltham Forest College. The largest, College of North East London, attracts 1,200 enrolments
- Five FE colleges have students enrolled in construction in London West, although two of these (Uxbridge College and West Thames College) have very small numbers. By far the largest provider is the College of North West London, with 1,960 enrolments
- The largest provider in Greater London, in terms of student construction enrolments, is Lambeth College. This is situated in London Central and attracts 2,060 students. There are also significant student numbers enrolled in several of the seven other providers in the LSC
- The greatest proportion of council-funded construction enrolments are made in London East (36 per cent). Within the LSC are Newham College of Further Education (1,940 enrolments), Barking College (970 enrolments) and Lewisham College (920 enrolments)
- Just 1,800 construction enrolments are made in London South, of which 420 are enrolled at Richmond-upon-Thames College and 380 at Croydon College

A number of interesting patterns emerge when we look at participation and social inclusion across the five LSCs and compare the profile of construction education and learning offerings (appendix 1, table A.3).

- **Gender** – in London North, female participation in construction is twice as high as the Greater London average, and also above the average for construction in London South:
 - typically, women are more likely to engage in painting and decorating, electrical installation and gas installation in the home or in repair and maintenance work – areas where self-employment is possible and more regular working hours ensured

- above-average levels of delivery of these courses would therefore help to explain the higher than average levels of female participation in construction in North and South London. But this is not the case, and wider factors are likely to be encouraging women to construction courses in these areas
- **Ethnicity** – London East and London South have below-average (for construction in London) levels of Black, Asian and mixed ethnic origin student enrolments in construction:
 - This is particularly a concern given the high proportion of Black residents in London South and the significant proportion of Asian youth in London East. Asian engagement in construction is very low at 4 per cent of total, while Black student enrolments are substantially higher at 16 per cent (relative to the make-up of the student body across all subject areas)
- **Mode of attendance** – across the Greater London LSCs, around one-third of all enrolments are part-time, reflecting the fact that construction enrolments are overwhelmingly by older (over 19 years) students. Furthermore, to meet the NVQ requirements, students need to be engaged with an employer to obtain work-based experience and/or to have proven construction industry experience/interests and are therefore more likely to be older
- **Qualification level** – a significant proportion (38 per cent) of construction enrolments in Greater London are at the notional NVQ level 2 (some are NVQs studied at level 2, but many are calculated as equivalents, for example City and Guilds). NVQ levels 1 and 3 each account for around a quarter of other enrolments. Within the construction industry, a person engaged in a skilled trade role is minimally at level 2, while a true skilled craft worker is skilled to level 3⁷

1.2.4

Achievement

A central focus of the LSC network is to raise quality and standards within FE learning. The LSC has an important role in supporting colleges in this goal by benchmarking achievement. ISR data affords one method of benchmarking and is shown in table 1.5. Please note that users see ISR achievement data as fairly unreliable (for example, it is skewed by retention rates). However, while the variations shown are not statistically robust, they do suggest some interesting issues.

On the whole, construction is out-performing the average, but there are variations that appear to buck the trend and suggest that construction is not necessarily a comfortable sector to work in for women or people that are of Black, Asian and mixed ethnic origin.

- While women have a higher achievement rate than men across all subject areas, they underperform men in construction – 70 per cent of men achieve their qualification outcome but this is the case for just 62 per cent of women
- Younger students are less likely to achieve their qualification outcome than older students. While construction is no different, the trend is magnified: 71 per cent of older students compared with 59 per cent of younger students achieve
- White students in construction do far better than their Asian and Black counterparts, although across all subject areas, Asian students are more likely to achieve their

⁷ There may be an issue around whether there is sufficient provision of college courses at NVQ level 3 in construction to meet industry needs. We did not discuss this specifically with employers and colleges but it did emerge in steering group discussions.

qualification than either White or Black students. In other words the typical pattern in FE as a whole – where Asian students out-perform White counterparts – does not hold for construction (caution should be taken with the actual numbers as the findings are small and therefore unreliable)

- London East LSC institutions achieve well below the Greater London construction average (63 per cent compared to 79 per cent) while London Central students appear to be achieving above the norm (83 per cent compared to 52 per cent)

Table 1.5
Achievement in Greater London institutions, 2000/01

Source: Individual Student Record (ISR) 22

(base = council-funded enrolments)		
Achievement rate ⁸	All enrolments	Construction enrolments
Total	66%	69%
Sex		
Female	67%	62%
Male	64%	70%
Age		
Under 19	66%	59%
Over 19	66%	71%
Ethnicity		
White	68%	72%
Asian	67%	61%
Black	61%	58%
Mixed/Other	65%	64%
LSC of institution		
London North	63%	67%
London West	66%	61%
London Central	52%	83%
London East	79%	63%
London South	68%	71%
Institution type		
General FE & tertiary college	66%	69%
6th form college	84%	–
External institution	67%	77%
Specialist designated institute	62%	–
Other ¹	85%	–
Higher education	90%	100%
¹ Includes specialist agriculture and horticulture colleges and dance and drama institutions		

⁸ The definition of achievement used is the same as that used in the LSC Summary Statistics, namely, the total number of qualification aims achieved, expressed as a percentage of the total number of qualification aims for which students have completed the learning programmes. The measure is based on enrolments, not students; each complete enrolment, where the outcome is known, counts towards the achievement figures. It is, however, not a measure of successes against starts; if a student fails to complete a qualification aim, then it is excluded from the calculations. Where a student has achieved at least half of the credits or modules towards a qualification aim, then this is counted as half an achieved qualification. Further, only council-funded enrolments are included in the figures, but complementary studies are excluded, those qualifications extending beyond the expected end date and not yet completed are excluded, and those where the qualification is completed but the outcome is as yet unknown are excluded.

1.2.5

Travel to learn

On the basis of ISR evidence, just over 3,000 Greater London residents travel outside London to access construction courses (*appendix 1, table A4*). We can assess why this might be the case by looking at the courses that people are travelling to undertake.

Potentially, out-migration suggests that some areas of construction provision in Greater London are not adequately provided. It may also reflect the fact that for many residents of Greater London, it is easier to access a neighbouring college that is outside the Greater London boundary.

- The majority of the 3,000 students access construction learning in the South East (52 per cent) and the East of England (25 per cent), regions that neighbour Greater London
- In the South East, Crawley College and North East Surrey College of Technology attract just over 1,000 construction enrolments between them
- Norfolk College of Arts and Technology attracts just over 300 students to the East of England. The college mainly draws students onto its construction technology courses, primarily construction site management and scaffolding and access work. Construction technology is an area of low provision in Greater London (*figure 1.2*)

Of notable exception are residents travelling to the North West, primarily to enrol in construction craft courses, which does suggest an unmet demand in Greater London. That said, the majority of out-migrations to the North West are to Manchester College of Arts and Technology, to study construction materials. The college is specialist and highly regarded in its field so students are clearly travelling to access renowned craft training.

Key partners for the London LSCs in promoting construction education and training are the South East, East of England and North West Regional Development Agencies (and Greater Manchester LSC in particular).

Net flows

In table 1.6 we compare inflows (students resident outside of Greater London enrolled in Greater London colleges) and outflows (residents of Greater London travelling to colleges in other regions). From this we can determine the courses where London is a net importer or exporter.

- Findings indicate that Greater London is a net importer of students enrolling in mechanical services, and that the majority (around half) are engaged in gas installation. The bulk of students entering Greater London to study gas installation attend Lambeth College
- Greater London exports students to other regions to take up construction technology courses and construction craft courses (*see above*)

Table 1.6
Comparison of imports into and exports out of Greater London measured by enrolments

Source: Individual Student Record (ISR) 22 (ISR 20 for Cambridge Regional College)

Sub programme area and subject	Inflows ¹		Outflows ²		Net inflow
	% of total	No. of enrolments	% of total	No. of enrolments	
Environmental technologies	4%	108	2%	52	56
Construction crafts	17%	512	34%	1,017	-505
Construction materials (basic)		–		405	-405
Construction technology	4%	109	14%	419	-310
Access work: scaffolding		–		165	-165
Construction site management		23		186	-163
Civil engineering	8%	242	5%	148	94
Mechanical services	61%	1,872	41%	1,229	643
Gas supply/installation (building work)		678		348	330
Other construction	7%	203	5%	164	39
Total	100%	3,046	100%	3,029	17

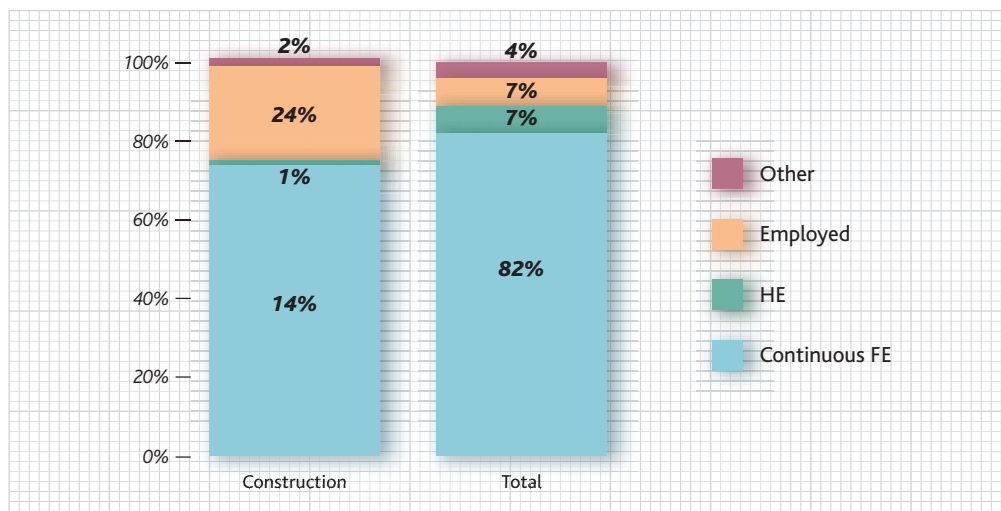
¹ Inflows defined as enrolments in Greater London learning institutions by students resident outside Greater London.
² Outflows defined as enrolments in learning institutions outside Greater London by students resident in Greater London.

1.2.6 Destination

As construction education and training is predominantly vocational, we would expect to see more students moving to employment than the all-subject areas average. Around one quarter of all council-funded students enrolled on construction courses in Greater London go on to employment (compared to 7 per cent of all students), while just under three-quarters stay on in education (compared to 82 per cent of all students).

To achieve NVQs, students have to demonstrate competencies on site and so the relationship between employment and study is closer than for more academic studies. While it may ease the transition, anecdotal evidence from colleges is that students can find it difficult to make the transition. Construction firms tend to want those with experience rather than those straight from college.

Figure 1.4
Destination of construction students studying in Greater London



Despite the shortage of workers expressed by the industry, there are still students leaving college and failing to enter employment. Better links between employers and colleges are necessary to facilitate a smoother transition and reduce labour drain from the industry.

The importance of networks and existing relationships both to earn a place on a college course (through work experience and an understanding of the sector) and to access employment following completion, means that White male students tend to be more successful at both stages. Better links between colleges and employers are essential for increasing the employment of those of Black, Asian, mixed ethnic origin and women in the industry and were identified as an action point following the Royal Holloway report into equal opportunities in construction.⁹

1.2.7
Future supply

While there are concerted efforts by government and industry bodies to raise the level of qualifications amongst workers in the sector, the construction labour market does not solely rely on qualified people but makes use of migrant labour (which is both skilled and unskilled and without qualifications). The industry still faces the position that many skilled workers remain unqualified, having developed relevant skills through work experience.

However, the labour market is changing and entry is becoming more dependent on qualifications. This is the case across all industries, but is particularly so in the construction industry as a way of ensuring health and safety standards are maintained (especially down the supply chain). As older workers retire (craft workers in particular are an ageing occupational group) and new entrants are needed, these people will increasingly need to have recognised qualifications. Accredited learning will therefore become more important in securing access to the industry for new recruits, and for accrediting those already in the industry.

Against this labour market backdrop, anecdotal evidence from the colleges indicates that at this present time, demand is outstripping supply. Many colleges are beyond or close to capacity – for example College of North East London was 90 per cent full for their September 2003 intake by June. CITB and other partners have been working to improve and promote the opportunity and diversity image of the industry and this, coupled with the high wages publicised for the construction industry, is encouraging seemingly strong demand for courses.

⁹ Centre for Ethnic Minority Studies, Royal Holloway, University of London (commissioned by CITB) (Oct 2002) Retention and Career Progression of Black and Asian People in the Construction Industry

Responses from our interviews suggest that colleges are looking to increase provision mainly in mechanical services, for example, plumbing and gas work. However, the decisions regarding which courses to provide are not solely made through student and industry demand but also take into account the ability of colleges to offer new courses.

The very nature of construction education and training requires suitable premises and equipment for capital-intensive activities. Construction education and training can be provided in a classroom environment, but the larger colleges we interviewed for this project had significant room and workshops to carry out activities such as bricklaying and plumbing. As a result, colleges are immediately limited in their plans for expansion if they do not have the capital funding or physical room to introduce new workshops.

This has significant consequences if colleges or the five London LSCs wish to increase the overall provision of construction training across the region. As previously outlined, a significant proportion (41 per cent) of enrolments are made in just four colleges [section 1.2]. A review of the capacity of these colleges, and colleges with much smaller provision at present, needs to be conducted to assess potential capacity for greater construction provision.

It has also been strongly expressed that colleges can only offer courses if they can guarantee that there will be sufficient take-up. The industry is very cyclical [section 2.2.2] and some colleges look back to the early 1990s recession when construction courses were cut back significantly. For example, many Essex colleges dropped construction provision during the recession and have not reinstated the courses as demand has grown, partly for reasons of cost. As a result, many students on construction courses who would formerly have gone to colleges in Essex now travel to Barking College.

A number of other issues have arisen through this review, both via analysis of ISR data and interviews with stakeholders, which will have an impact on future supply of construction education and training.

- From discussions with colleges in Greater London, the majority plan to use (or are using) Centre of Vocational Excellence (CoVE) awards to fund significant capital expenditure. For example, Barking College opened a new workshop in September 2002, which was mainly funded by CoVE funding
- Any proposed expansion in provision is significantly limited by teacher shortages, an issue identified by all colleges in our interviews. Providers cannot attract lecturers because wages are uncompetitive compared to wages that could be earned in the industry. The College of North East London and the Building Crafts College are trying to overcome this problem by offering a better package (for example, offering more responsibility and using advanced new technology)
- Many colleges are making use of intermediate construction awards, which consist of NVQ study but do not require the work experience evidence to gain a full NVQ award. This meets the needs of industry and students because employers do not have to provide a wide range of work experience in one go and students can return to the qualification when they have gained the experience required
- A number of colleges are making use of weekend provision to allow career changers to study without interfering with work

1.3

Work-based learning

ILRs are the primary source of information on LSC-funded work-based learning, but the data is less comprehensive than the ISR data. A smaller range of variables recorded means information is not available for retention and achievement rates.

Across Greater London, 30,600 enrolments were made in the 12 months of 2001/02 (*table 1.7*). Of these, around 40 per cent were for NVQ level 3 or equivalent qualifications, and were concentrated in modern apprenticeship courses (FMAs and AMAs). Construction courses account for 4 per cent of all work-based learning, equivalent to 1,370 enrolments.

- Half of the LSC-funded work-based enrolments were in modern apprenticeships, both foundation and advanced, but a significantly higher proportion than the average were NVQs
- Compared to the average for all work-based learning, the level of construction training is concentrated at the lower end of NVQs, with almost one third of construction students working towards level 1, and 43 per cent towards level 2

Table 1.7
Profile of work-based learning provision in Greater London, 2001/02

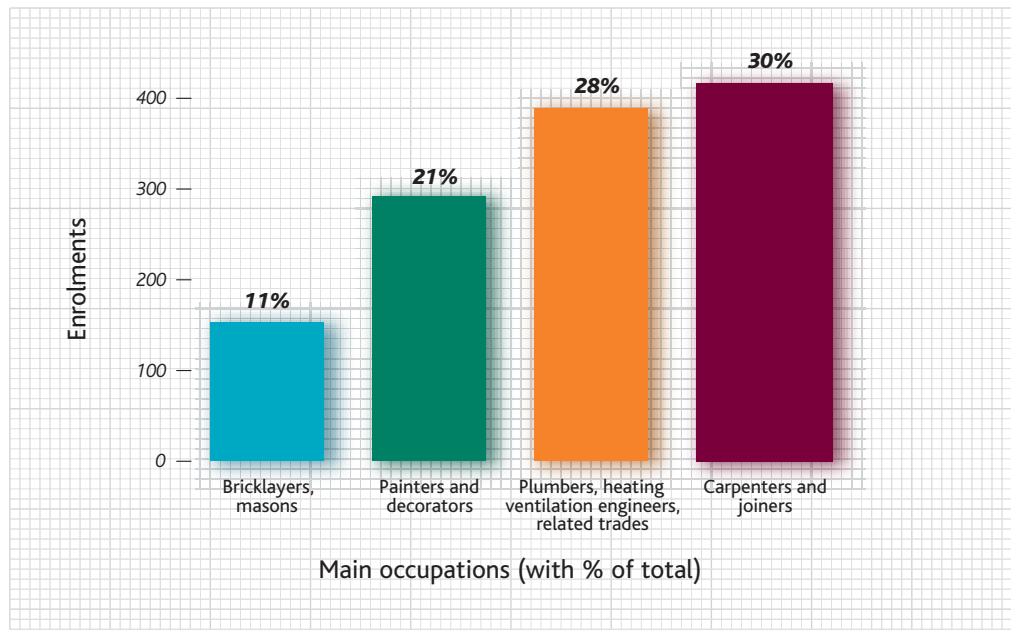
Source: Work-based learning Individualised Learner Record (ILR) 2001/02 periods 1-12

percentage of total (base = number of council-funded enrolments with known information)		
	<i>Total</i>	<i>Construction</i>
Total number of enrolments	30,642	1,370
Level of NVQ		
1	19%	32%
2	43%	43%
3	38%	25%
4	1%	–
Programme type		
AMA	36%	23%
FMA	30%	29%
NVQ	22%	48%
Lifeskills	9%	–
Preparatory learning	–	–
Generic FE	–	–
Other – CFD	2%	–
Institution: LSC		
London North	13%	6%
London West	18%	5%
London Central	13%	20%
London East	26%	38%
London South	30%	30%
<i>Note: some groups may not sum to 100% due to rounding</i>		

Greater London's construction work-based learning enrolments are concentrated in the skilled craft trades. Figure 1.5 shows that 30 per cent are in carpentry and joinery; 28 per cent in plumbing and heating/ventilation; 21 per cent in painting and decorating; and 11 per cent in bricklaying.

Figure 1.5
Occupation profile
of construction
enrolments in Greater
London, 2001

Source: ILR periods 1-12

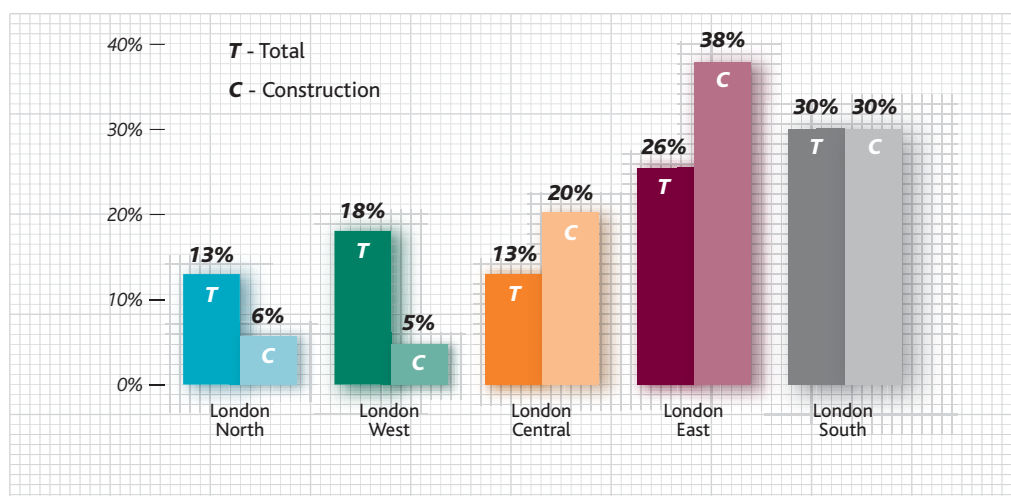


There is a discernable pattern in the distribution of work-based learning enrolments across the five London LSCs (see figure 1.6).

- 38 per cent of construction LSC-funded enrolments are in London East, compared to 26 per cent of all LSC-funded enrolments. London Central also has an above-average proportion of construction enrolments compared to all enrolments
- London South's representation of construction enrolments is equal to the average for all enrolments (30 per cent). However, London North and London West show a notable difference, with both significantly under-represented compared with the average

Figure 1.6
LSC profile of work-
based enrolments in
Greater London, 2001

Source: ILR periods 1-12



The largest suppliers of council-funded work-based construction learning in Greater London are Hampton & Rose Ltd (London East) and Croydon College (London South).

- Hampton & Rose was formed in May 2000 to provide advanced and foundation modern apprenticeships in construction in London. Training and assessment is mainly carried out in the workplace while off-the-job training is carried out on a block-release or day-release basis at the training centre. Some learners attend local FE for their off-the-job training and key skills training and assessment
- All off-the-job training with Croydon College is undertaken part-time on a day-release basis and taught by the college, and all assessments take place in the college's workshops

1.3.1

Participation and social inclusion

The demographic profile of LSC-funded construction work-based learning is no different from FE provision (*shown in appendix 1, table A2*). The trainees are overwhelmingly male and White. Again, Asian representation is particularly low.

However, in contrast to FE, the majority of trainees are young – three-quarters are 18 or under – and hence a third of work-based learning is at NVQ level 1 and three-tenths of enrolments are on Foundation Modern Apprenticeships.

A fifth of those enrolled in work-based learning have both additional learning and additional social needs. This is higher than the all-sector average (5 per cent). It suggests, and this is supported by anecdotal evidence, that youngsters with academic and social difficulties end up in construction – whether by choice or because of a lack of alternate opportunities.

Table 1.8
Student profile of
work-based learning
provision in Greater
London, 2001/02

Source: Work-based learning
 Individualised Learner Record (ILR)
 2001/02 periods 1-12

	percentage of total (base = number of enrolments with known information)	
	<i>Total</i>	<i>Construction</i>
Total no. of enrolments	30,642	1,370
Gender		
Female	46%	2%
Male	54%	98%
Age		
15 to 18	56%	75%
19 to 35	44%	25%
Unknown	403	–
Ethnicity		
White	67%	82%
Asian	9%	2%
Black	13%	12%
Mixed/Other	11%	4%
Unknown	133	*
Residence		
Within Greater London	75%	92%
Outside Greater London	25%	8%
Unknown	1,429	60
Disability or health problems		
Yes	3%	1%
No	97%	99%
Special training needs		
Additional learning need	11%	16%
Additional social need	2%	5%
Both	5%	19%
Need not stated	–	–
No special training needs	82%	59%
Unknown	75	–
<i>Note: some groups may not sum to 100% due to rounding</i>		

1.3.2

Travel to learn

Those Greater London residents travelling outside the region to access construction work-based learning are primarily enrolled in skilled craft trades (*appendix 1, table A5*). A total of 758 residents travelled outside the region over a 12-month period (40 per cent of these are for carpentry and joinery work-based training).

As with FE, the main flows of learners out of London are to East of England (74 per cent) and the South East (24 per cent).

- Of those travelling to the East of England, the majority are enrolled in carpentry and joinery. The concentration of these students is with the Construction Industry Training Board in Luton

- Those going to the South East are mainly accessing plumbing and heating ventilation training. Nescot Training Group provides a significant proportion of this training

Net flows

By comparing the imports of work-based learning enrolments with exports we can get a sense of whether Greater London offers the places currently demanded by students. Table 1.9 shows net inflows of work-based learning. In fact, more residents travel out of Greater London to enrol in work-based learning than there are non-Londoners coming into the region to learn. The main outflows in construction work-based learning are in the skilled craft trades where Greater London exports 730 enrolments and imports just 91. Net inflows are greatest for Carpentry (301 enrolments).

Table 1.9
Comparison of work-based learning imports into and exports out of Greater London

Source: Work-based learning Individualised Learner Record (ILR) 2001/02 periods 1-12

Occupation	Inflows ¹	Outflows ²	Net inflow
Managers and Administrators	2	1	1
Professional	3	1	2
Assistant Professional and Technical	6	13	-7
Clerical and Secretarial	–	–	–
Craft and Related	91	730	-639
Bricklayers, masons	6	58	-52
Roofers, slaters, tillers, sheeters, cladders	–	42	-42
Plasterers	1	28	-27
Scaffolders, staggers, steeplejacks, riggers	–	30	-30
Painters and decorators	–	59	-59
Other construction trades NEC	–	57	-57
Plumbers, heating/ventilation engineers, related trades	70	120	-50
Carpenters and joiners	12	313	-301
Personal and Protective Service	–	–	–
Sales	–	–	–
Plant and Machine Operatives	–	13	-13
Other	1	–	1
Total	103	758	-655

¹Inflows defined as enrolments in Greater London work-based learning institutions by students resident outside Greater London.
²Outflows defined as enrolments in work-based learning institutions outside Greater London by students resident in Greater London.

1.3.3

Destination

Around half of enrolments in work-based learning in construction go on to employment, slightly higher than the 46 per cent from all work-based learning enrolments. However, even though the construction labour market lately has been tight, one-tenth of enrolments become unemployed. This is in line with the average for all work-based learning enrolments but suggests that more might be done to aid the transition to work for those in training. In the construction industry this may involve more structured networking systems between employers and colleges.

Table 1.10
Destinations of
students studying in
Greater London,
2001/02

Source: Work-based learning
 Individualised Learner Record (ILR)
 2001/02 periods 1-12

	<i>All work-based learning enrolments</i>	<i>Construction work-based learning enrolments</i>
Employed	46%	49%
In education	5%	4%
In work-based learning	19%	25%
Unemployed	10%	9%
Dissatisfied with course	–	–
Other	20%	13%
Unknown/not recorded	11,693	629

2

Demand for skills

2.1 Introduction

The demand for skills in an industry is fuelled by a number of factors, including changing employment levels, replacement demand for people leaving the industry, occupational shifts in employment (transforming the type of skills required) and overall demand to increase the level of skills required.

In this section, we examine the demand for skills in the UK and Greater London construction industry and how this is met by the education and training infrastructure, looking at a variety of sources. Employment and occupation forecasts are also used to build up a picture of labour demand. These combine the effects of growth and the needs of those leaving the industry (through retirement, sectoral shift and so on).

Finally, we look at how skills needs within the industry are changing as a result of new working practices and technology. This is sourced from a number of skill surveys – primarily the English Employer Skills Survey¹⁰ and CITB publications¹¹ – providing data about skills shortages and gaps within the industry.

2.2 Economic trends in the industry

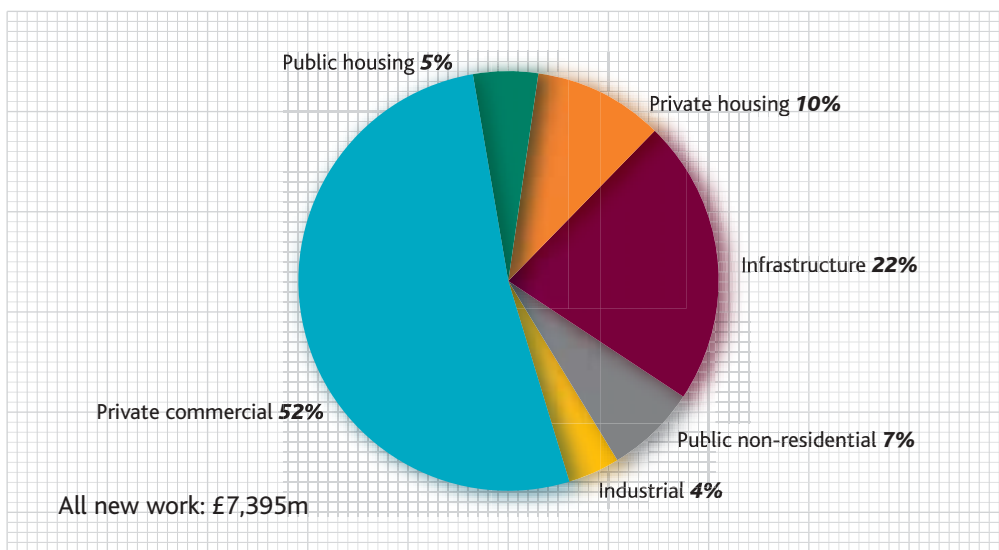
The performance of the sector generally is fundamental to our understanding of employment change in construction. In the following analysis we demonstrate how the patterns of output have a direct link to employment. Our breakdown includes historical and forecast growth within the industry [section 2.2.1] and variations across sub-sectors of construction [section 2.2.2], together with the identification of large construction projects being undertaken across the LSC areas.

2.2.1 Construction industry structure in Greater London

Despite output being concentrated in the private commercial sector, infrastructure also contributes a significant proportion of overall output to the region, followed by private housing and public non-residential projects (*figure 2.1*).

Figure 2.1
Greater London output by sector, 2001

Source: DTI, CFR



¹⁰ Employer Skills Survey, Department for Education and Skills, 2001 and 2002

¹¹ CITB Employers' Skill Needs Survey, Autumn 2002; Construction Regional Skills Foresight Report 2002 – London; Skills Foresight Report, February 2002

2.2.2

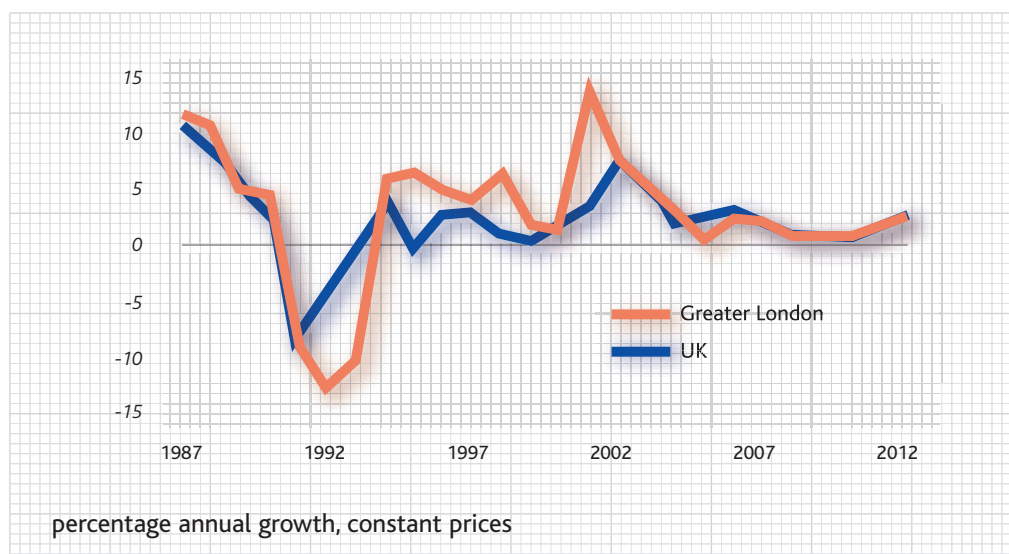
Output

Construction trends in output follow a relatively volatile pattern. As table 2.1 and figure 2.2 show, there have been many periods of strong growth, as the performance of the wider economy boosts construction through increased public and private capital expenditure. However, the sector is equally susceptible to downturns in the economy. Construction was strongly hit by the recession in the early 1990s, contracting over a three-year period before bouncing back in the mid-1990s.

The recent period of strong construction performance in the region led to growth annually of 8.4 per cent between 2000 and 2003, compared to 1.8 per cent overall. The strongest year in this period was 2001, when new construction output in constant prices leapt by 13 per cent in Greater London¹². This was by far the highest growth rate of any of the GB regions, and way above the national increase of 6 per cent.

Figure 2.2
Construction output

Source: Experian Business Strategies, May 2003 - based on ONS data



Looking forward, the public sector will be the main driver of short-term growth – public housing, public non-residential, and infrastructure. Public housing output in the region will benefit from regeneration projects and increases in the Housing Corporation's Approved Development Programme. Growth in the public non-residential sub-sector will be fuelled by the government's commitments to improving health and education. Furthermore, increases in infrastructure work will be driven by the huge array of transport-related projects either already started or in the pipeline.

However, the largest drag on output growth after 2002 will be the commercial sector, where a decline in office construction is expected to pull down the sector as a whole. Commercial construction is more than half of Greater London's total construction output (see figure 2.1). The CITB's nationwide survey of skills needs in construction, undertaken in October 2002, provides further support to the slow-down in output growth shown in the Experian Business Strategies forecasts – the number of employers expecting their workload to increase fell from 62 per cent to 56 per cent.

¹² Source: Department of Trade and Industry

Looking ahead to 2004 and beyond, we forecast growth to slow further. While steady economic expansion should support repair and maintenance work, we expect a sharp deceleration in growth of new work. Continuing weakness in the industrial sector and reduced demand for office space suggest that these areas will act as drag on total output. A cooler housing market and planning difficulties are likely to inhibit growth in the housing sector.

Table 2.1
Annual average output growth in UK and Greater London

Source: Experian Business Strategies, May 2003 - based on ONS data

	Greater London		UK
	Total	Construction	Construction
1985 – 1990	2.6	7.6	6.3
1990 – 1995	1.3	-4.0	-2.0
1995 – 2000	3.8	3.7	1.9
2000 – 2003	1.8	8.4	5.4
2003 – 2005	3.2	1.7	2.6
2005 – 2010	3.1	1.4	1.5

2.2.3
Patterns of growth within construction sub-sectors

A comprehensive review of the prospects for construction in Greater London should take into account the activities currently in progress or in the pipeline at a more detailed level (unfortunately, we do not necessarily know the time frame of these projects, nor whether this investment is additional or part of existing programmes).

The following section is an overview of the key developments in the main construction sub-sections. Additionally, appendix 3 gives details of a selection of construction projects in each of the London LSC areas. At this level, we can understand the specific skills that the industry requires, and the potential demand for them in the future.

Private commercial

Commercial construction remains by far the largest sector in Greater London, often accounting for half of all new construction output in the region.

Most property agents indicate that demand is weakening, the vacancy rate is rising, and rents are at best stable, and in some areas declining. However, there are still some big projects in the system, such as the redevelopment of the Empress State building in West London, and the revamp and extension of Broadcasting House in central London.

Shops and entertainment are the other two sizeable sub-sectors in the region. There are some fairly major projects either underway or in the pipeline in the retail sub-sector, such as a £130 million development in Knightsbridge. Furthermore, the leisure sub-sector will benefit from the start of the previously stalled Wembley Stadium redevelopment and, further down the line, the proposed new stadium for Arsenal Football Club.

The health and education sub-sectors should continue to expand as the government increasingly makes use of the PFI route to deliver projects related to the commitments they have made to improve the sector's stock. The largest of these projects is the £620 million redevelopment of St Bartholomew's and Royal London hospitals, the first contracts for which have already been let.

Infrastructure

The vast array of transport-related projects on-site or in the pipeline in London must mean that the boom in infrastructure in the region is set to continue for some considerable time. The go-ahead for Heathrow's Terminal 5 project means that core capital investment programme in the region should total £2.3 billion over the period 2002/03 to 2004/05, much of this construction-related. The development of T5 also requires new road and rail links, the contracts for which are either at the bidding stage or have already been let.

In the rail sub-sector, the setting up of Network Rail brings to an end the uncertainty created by the failure of Railtrack; work in London continues apace, mainly on CTRL-related contracts, such as the redevelopment of St Pancras. Besides CTRL projects, work on the extension of the Docklands Light Railway to London City Airport, and the ongoing Thameslink 2000 project in South London, should provide further boosts to output in the sub-sector.

Work should also now begin to flow from the London Underground's £16 billion investment programme. One of the biggest projects, the £600 million East London line extension has recently had its second contract let and work has begun on site. The green light for the redevelopment of Wembley Stadium means that the expenditure promised to improve the transport infrastructure in the area should now go ahead. In the water and sewerage sub-sector, it is anticipated that Thames Water will attempt to catch up on its capital expenditure programme in 2003 and 2004, having under-spent by around £100 million last year.

Public non-housing

The health and education sectors remain the main drivers of output in the region, with the occasional contribution from large office developments. In 2001, education took the lion's share of the orders (52 per cent), while health contracts accounted for 19 per cent and offices for 12 per cent. With no other big office developments in the pipeline, the health and education sectors are likely to dominate over the rest of the year.

Public and private housing

Looking to 2003 and 2004, the two major schemes likely to keep new public housing output reasonably buoyant are the Mayor's London Plan, and the redevelopment of North Greenwich. While the London Plan is a long-term project for the city's development centred on East London boroughs, such as Hackney, regeneration work linked to the plan has already begun.

Housing need in London and the South East is forecast to increase markedly over the coming decade. The Deputy Prime Minister, in his foreword to the Housing Corporation's latest Approved Development Programme, indicated that he is looking for 200,000 new homes, while the Mayor's London Plan is for 56,000 new homes in East London by 2015. There is no doubt that the London Plan and the redevelopment of North Greenwich will provide opportunities for private house building, but much new property may be created by the conversion of commercial and light industrial premises to residential use.

Industrial work

King Sturge's latest survey of available industrial floor space gives slightly conflicting signals. While the total amount of available floor space fell by 2 per cent in April compared with December, available new space rose by 31 per cent, and accounted for 9 per cent of London's available stock. There are a handful of sites still under construction, such as that

at the Victoria Industrial Estate, Acton, and Isis Reach, Belvedere, but not much in the way of further works. The value of land in Greater London means that industrial sites are relatively very expensive, deterring this type of land usage.

2.3 Employment trends

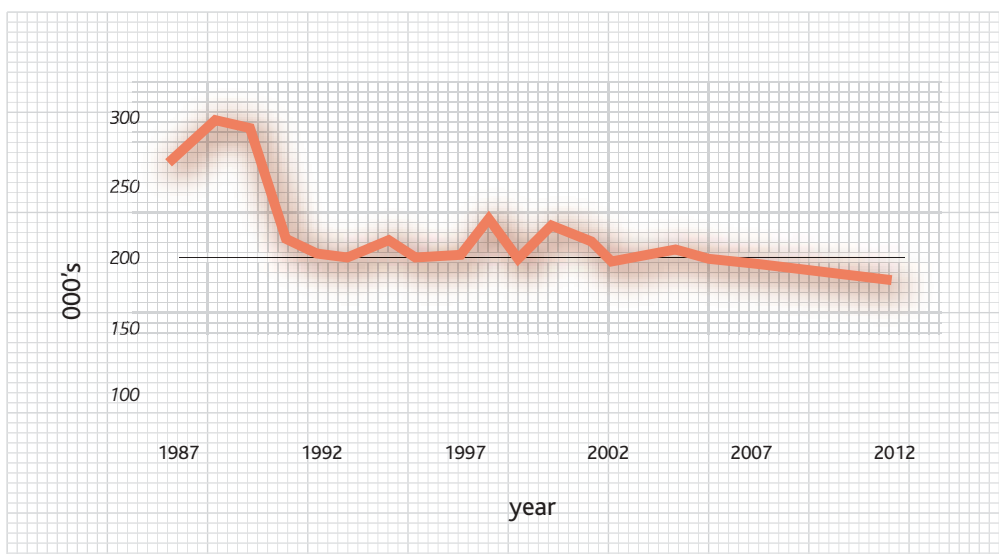
UK employment in construction declined dramatically between 1990 and 1993 as an immediate consequence of industry contraction during the early 1990s recession and in dramatic contrast to the late 80s construction boom. Around 480,000 jobs were lost over these three years and, although employment growth resumed in the mid 1990s, the overall level of employment is still much below its 1990 peak. Experian Business Strategies estimate that in 2002, there were around 1.9 million people employed in construction compared to 2.3 million in 1990.

The employment pattern of Greater London construction (see figure 2.3) follows that of the UK.¹³ After falling in the early part of the last decade, employment in construction has remained relatively stable in recent years. Significant public investment through infrastructure and public service provision has been an important driver in this recovery period.

Employment growth through industry growth is termed expansion demand. In Greater London, forecasts show that expansion demand is relatively moderate, with just 9,000 new jobs being created between 2002 and 2004. Beyond this period, a moderate decline is forecast.

Figure 2.3
Construction employment in Greater London

Source: Experian Business Strategies, May 2003 – Based on ONS data



2.3.1 Occupational structure and trends

Structure

The greatest number of workers in the London construction industry are in skilled trades, predominantly carpenters and joiners, electricians, plumbers, bricklayers, painters, plasterers, roofers and floorers. Skilled craft workers account for half of the workforce of the construction sectors, compared with around one tenth of the Greater London economy as a whole (figure 2.4).

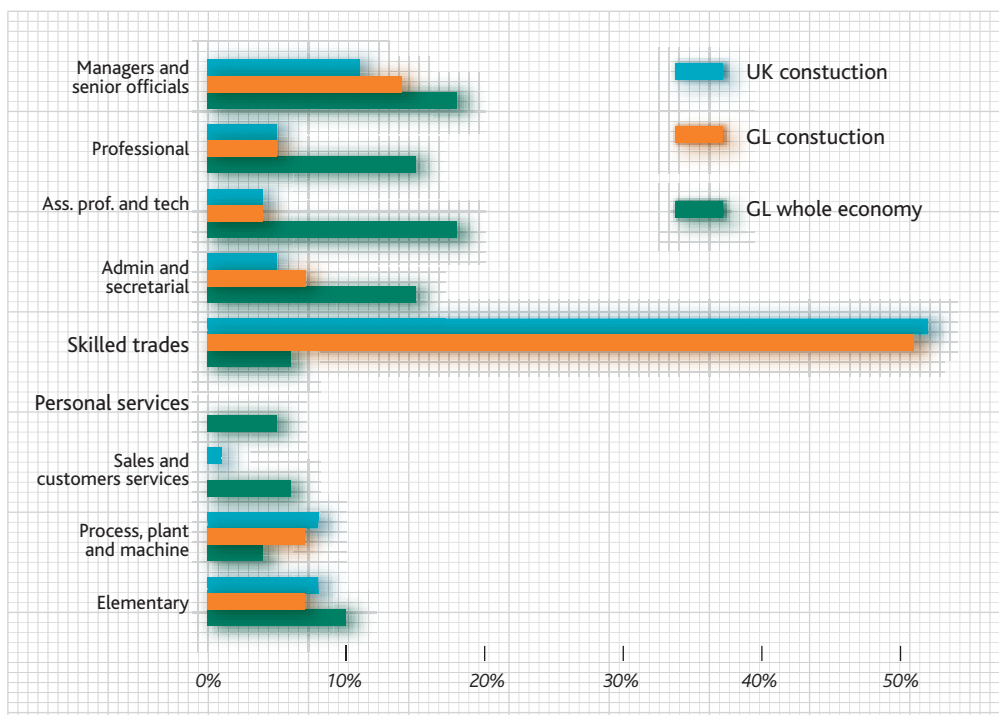
¹³ However, regional estimates of employment in the construction sector are notoriously difficult. Contractors working in the sector may not be registered as construction companies. In addition, employment estimates are residence-based - a construction employee working in London but resident in the South East will not be included in employment statistics for London. Firms and workers resident outside London carry out a substantial amount of new construction work in London.

Construction relies on people with well-developed manual skills. With so many skilled manual workers employed by construction and specialist contracting firms, it is not surprising that employment in these industries is less concentrated in white-collar jobs than in the majority of other sectors.

However, Greater London has slightly higher proportions of managers and also administration and secretarial support, reflecting the fact construction, like most sectors, tends to locate head-office functions in London.

Figure 2.4
Occupational profile of Greater London and UK construction, 2002

Source: Experian Business Strategies, May 2003 – based on ONS and LFS data



Trends

The future occupational mix in the construction sector will be influenced by development in the industry. However, it is worth noting that this process will be gradual. A report commissioned by the CITB, *Managing Profitable Construction: The Skills Profile*, concluded that construction is unlikely to be radically transformed over the next five years.¹⁴

Management is a growing concern in construction. The quality of project and contract management needs to develop to deliver improved standards of work and more cost effective projects to meet client demands. The demand for managers means that employment in this occupation is set to increase between 2002 and 2012, despite an overall fall in employment.

Employment levels in skilled trade occupations, which make up just over half the total construction workforce, are set to fall by 9.3 per cent over the next decade. The occupational decline reflects the overall fall-off in employment. Nevertheless, CITB and Construction Skills Dialogue evidence shows that the skilled trades workforce is ageing and that despite employment contraction there will be a need for new entrants to replace those retiring or leaving the industry through ill health (see 2.3.2).

¹⁴ This independent research was commissioned by CITB from Moores Rowland Management Solutions, July 2000

Table 2.2
Occupation employment
in construction,
2002-2012

Source: Experian Business Strategies,
 May 2003 – based on ONS and LFS
 data

	Employment (000's) Greater London			Change (000's) 2002-2012
	2002	2007	2012	
Managers and Senior Officials	26.3	29.1	28.8	2.4
Professional Occupations	10.8	12.8	12.2	1.4
Ass. Professional and Tech. Occ.	7.8	8.1	7.4	-0.4
Admin. and Secretarial Occ.	15.7	15.0	13.9	-1.8
Skilled Trades Occ.	100.2	99.2	90.9	-9.3
Sales and Customer Service Occ.	0.6	0.4	0.4	-0.3
Process, Plant and Machine Ops.	15.6	13.4	11.5	-4.1
Elementary Occupations	16.6	17.0	15.7	-0.9
Total	193.6	195.1	180.6	-13.0

2.3.2 Replacement demand

As already discussed in section 2.2.2, expansion demand for labour as a result of construction industry growth will be moderate. However, people are also needed to replace those leaving the industry, either through age or to changing occupations/sectors. The age profile of the industry points to significant and ongoing demand through ageing of the workforce.

Forecasts of replacement demand take into account the need for new workers as a result of both industry expansion and replacement of workers leaving the industry. As a result, even for occupations where demand is contracting, there can be a demand for new workers. Experian Business Strategies does not produce replacement demand forecasts for the construction industry at detailed occupational level, but estimates are produced by CITB and are described below. Please note that these estimates are constructed on a different basis to Experian Business Strategies' forecast estimates and also apply to different time periods. They are therefore not comparable.

Replacement demand estimates calculated using the CITB employment model show that in Greater London, over the five-year period 2002-2006, a total of 40,500 new recruits will be needed; that is 8,100 new recruits per year. Demand is greatest for the skilled craft trades:

- Carpenters and joiners (1,300 a year)
- Electricians (800 a year)
- Plumbers (700 a year)
- Bricklayers (600 a year)
- Painters and decorators (500 a year)

However, there is also significant demand for the more generic occupations:

- Managers (800 a year)
- Clerical (700 a year)

Evidence from the CITB employer skills needs survey in Greater London suggests that demand for the skilled craft trades is already high (please note that numbers are small and therefore should be treated with caution).

- Across the whole of the UK, employers face difficulties recruiting carpenters and joiners (reported by 34 per cent), bricklayers (27 per cent) and, to a lesser extent, plasterers (15 per cent)¹⁵
- Amongst London employers, more than a third of employers (36 per cent) experienced difficulties recruiting carpenters and joiners, and plasterers and bricklayers (16 per cent), and just under a tenth (9 per cent) had problems recruiting plumbers

2.4 Changing skills needs

2.4.1 Drivers

The Latham Report, *Constructing the Team* (DoE, 1994) followed by the Egan Report, *Rethinking Construction* (DETR, 1998) responded to criticisms about customer care, quality, productivity and costs within the construction industry. The challenges and concerns they raised have been significant drivers of skills needs in the industry.

The Egan report set an agenda for radical change in the construction sector's working methods by advocating modern supply chain management principles, lean production and an integration of the design and production processes. It argued that an increase in the use of prefabrication (which is far less widespread in the UK than in other European countries) could have a major impact on the construction industry's productivity, construction costs and project times. It also argued that construction businesses should restructure around the processes needed to deliver clients' requirements rather than around a supposed decline in craft trades.

The profile of qualifications in the construction industry in Greater London reflects the dominance of skilled craft workers in the industry, with 30 per cent of workers qualified to NVQ level 3 or equivalent and 29 per cent to NVQ level 2 or equivalent. Construction does, however, have far fewer graduate and higher educated workers (that is, NVQ levels 4 and 5) with just 16 per cent compared to an all-industry average of 31 per cent. This is because there are far fewer managers and professionals engaged in the industry than in other sectors (*see figure 2.4*), although this trend is changing.

¹⁵ The CITB employer survey respondents are drawn from the CITB register. This covers businesses whose main activity is in building, civil engineering and specialist building. The skills needs of electrical and plumbing contractors are not covered and so the figures relating to these skills trades do not reflect the wider recruitment picture and may therefore underestimate skills needs in these occupations.

Table 2.3
Qualifications in Greater London, Autumn 2002

Source: Labour Force Survey, Autumn 2002

NVQ equivalent	Construction	All industries
NVQ 4 and 5	16%	31%
NVQ 3	30%	18%
NVQ 2	29%	25%
NVQ 1	12%	13%
None	14%	13%
Total	100%	100%

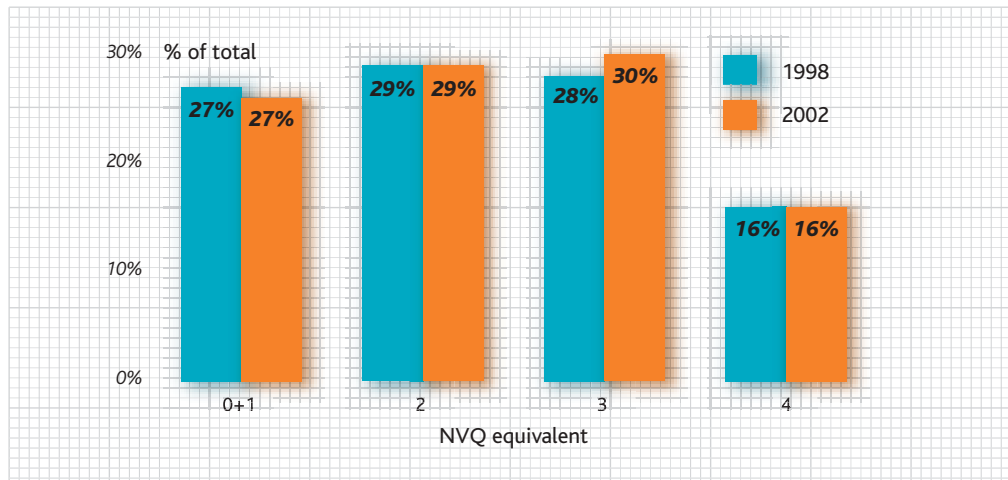
Note: coverage is all men aged 16-64 and women aged 15-59 or those in employment with qualifications. Total does not include those who replied 'don't know'.

With an emphasis on quality and accountability, the industry is increasingly focused on qualifications to recognise the skills that many site workers already have and encouraging workers to gain qualifications through training.

As figure 2.4 shows, construction has shown a slight improvement in the qualification levels of its workforce over the period 1998-2002 at NVQ level 3 and also a small decline in the proportion of workers with no qualifications or NVQ level 1. However, unlike the all-industry average, construction has a considerably lower proportion of workers at graduate and higher levels (NVQ levels 4 and 5) and this position has not changed materially over the period.

Figure 2.4
Construction workforce qualifications in Greater London

Source: Labour force survey, Autumn quarter



The demand for a more qualified workforce comes from:

- A need for multi-skilled or cross-craft workers below the level of craft-skilled workers, able to complete a variety of moderately complex assembly tasks
- A need to retain workers by offering them qualifications, increased job satisfaction and career prospects

- Customers who want some assurance that they are getting good quality work, and thus who care about the qualifications of those who do the work (also to ensure health and safety guidelines are met)

The five London LSCs are understandably concerned to meet the local demand for labour as a result of large-scale construction projects in their areas, be they housing or infrastructure (see section 2.2.3 and appendix 3). However, the mobility of labour in the industry is such that just as labour will transfer across and into London to find work, so workers will transfer across the sub-sectors of construction. For example, carpenters and joiners, one of the core occupations across all types of construction work, can apply their skills to new-build housing or equally to refurbishment.

2.4.2

Shortages

In times of rising output, skills shortages have built up quickly but, equally, as output falls there has been a decline in skills shortages as more labour becomes available. Consequently, skills shortages have not presented the industry with severe difficulties as they have been temporary and the industry has been adept at dealing with them.

While the industry has become adept at coping with shortages there are wider and more long-term implications for the future of the industry in terms of willingness to invest in training and up-skilling existing workers, and also for the attractiveness of the industry to new recruits.

Many firms are reluctant to invest in training or take on new recruits in an uncertain business climate: the money spent on training and recruitment rapidly goes to waste if workers are shed during a downturn. Individuals, too, are reluctant to enter an industry where jobs are impermanent and where they are typically on short-term, unsecured contracts, which at present is the norm for the majority of site workers. According to CITB research, this perception is still prevalent: the numbers of new workers, particularly those under 25, who perceive the industry as being one which offers sustained, long-term career prospects has been declining in recent years.¹⁶ Young people are becoming more demanding about the opportunities that employment in any sector or business can offer them as individuals, so construction is having to compete in an ever more competitive youth recruitment market.

On a positive note, colleges contributing to this research felt that since the decline in IT opportunities and the widespread (though exaggerated) publicity around competitive wages (particularly for plumbers and T5 workers), parents now consider construction trades a viable career choice. Other innovative projects like the Southwark Council and partners project to develop a web-based employment brokerage service may also help. By smoothing the transition from project to project, individuals are better able to sustain employment and construction companies can access the workers they need without depending on word-of-mouth.

The construction skills dialogue identified the following shortages:

- A shortage of suitable younger workers to replace mature workers who are retiring
- Young people, the traditional recruitment pool for construction, are choosing to stay in continuous academic study. A further disincentive is the perception of the industry as having hard working conditions and low pay, although this is changing

¹⁶ CITB 2002

- Shortages arise from a general lack of applicants and employer dissatisfaction with the skills of those who come forward
- Skills lacking amongst applicants for skilled craft jobs are technical and practical skills (other than IT) and customer service skills
- Skills shortages may mean businesses are making do with labour that does not necessarily have the required skills and/or qualifications
- Cost competition has held back wage inflation and, in the face of skills shortages, businesses are making do with inadequately skilled labour. This is having an adverse effect on customer service, increasing operating costs and resulting in a loss of business

2.4.3 Gaps

Skills gaps exist when workers lack the skills required to meet the business objectives of their employers. They are an internal skills problem while skills shortages are an external labour market problem, although in reality, skills shortages are often the cause of skills gaps as firms compromise their recruitment needs to employ labour. From the construction skills dialogue and CITB research, skills gaps in the industry are as follows:

- Skilled craft workers are most likely to lack technical and practical skills; managers, administrators and professionals mostly lack management and team working skills
- Long-lasting recruitment problems and new working practices are the most likely causes of skills gaps
- Evidence from case studies¹⁷ shows that because of tightness in the labour market, firms have to be satisfied with technical skills and forgo generic skills (customer service; multi-skills; personal attributes)
- However, employers in construction and specialist contracting see surprisingly few problems with the skills of existing workers. The CITB employers survey (Autumn 2002) suggests that the majority of employers are satisfied with the skills of their current workforce

As with skills shortages, the construction industry is good at adapting (*see last bullet above*). Nevertheless, operating at below optimum skills levels may be costing the industry business. In making the case for investing in the workforce, the M4I Respect for People working group states:

*Those who fail to improve their attitude and performance to respecting people will fail to recruit and retain the best talent and business partners. The cost to a business of such a failure can only be guessed. Team working or partnering will not become a reality. It will not be possible to keep up with the leaders in process innovation or productivity. Ultimately, business will be lost and profit will fall.*¹⁸

English language skills

Construction has a long history of using migrant labour. Historically, this has been Irish gangs, but now there are Eastern European gangs, recently boosted by the issuing of 10,000 work permits to meet the need for labour in the industry.¹⁹ Although these are

¹⁷ Department for Education and Skills

¹⁸ Rethinking Construction (November 2000) Respect for People Working Group Report, p. 9

¹⁹ At present we are unable to verify this number

often skilled workers, there is now an urgent need for effective language training in the industry to meet health and safety needs and to promote effective working on site. 'Workforce mobility research' undertaken by SEEDA and partners suggests that 15-20 per cent of workers on Greater London construction sites are foreign labour, refugees and other non-English speaking workers.

The Languages National Training Organisation is currently undertaking a study of the need for language skills in the construction industry. Drawing on case studies of construction sites in London they are analysing the language needs of migrant gangs of workers, and wider needs emanating from different working cultures. The primary concern is health and safety. The findings were due to be reported in July 2003.²⁰

2.4.4

Anecdotal evidence

From interviews with construction employers undertaken as part of this research, the industry is well aware of the skills challenges facing it. It is also of the view that these challenges are unlikely to dissipate in the near future, and require action.

- Addressing skills shortages is a key priority for the industry at the moment
- Requirement for Health and Safety skills is ever increasing. CSCS cards are driving the H&S skills agenda at the moment and have generally been received well but there is some concern that they do not address the more fundamental need for H&S knowledge and understanding
- Increased number of immigrant groups on sites and they have associated H&S and language training issues
- Diminishing number of people with good craft skills in many areas, for example, dry lining, plumbing, groundwork and plant maintenance
- Of particular concern are those skills where gangs are ageing, for example, tunnellers, and steel erectors
- Key area of shortage in planning, supervisory, management skills – dealing with implications of new technology, legislation
- Construction labour shortages are leading to technological developments geared to reducing the need for workers but sometimes increasing the complexity of equipment – that is, fewer but more skilled workers will be needed in the future
- Increased use of prefabrication is a key current change in the industry, which has skills implications, for example less welding, bricklaying skills on-site but more sophisticated management skills
- London sites are mostly brownfield and small, creating access issues. Skilled management is required with tight sites

In terms of addressing the skills needs of the industry – increased recruitment to meet the labour needs of large-scale construction projects and recruitment to replace workers leaving – employers agree action is needed. A number of large construction companies are engaging with public sector partners in innovative projects to promote the supply of a

²⁰ This work is being funded by CITB, SEEDA, DTI and London Central LSC

more diverse workforce. But the Achilles' heel remains the slim profit margins and uncertain business conditions faced by the smaller suppliers down the supply chain. Uncertainties, alongside responsibility for skills and training, continue to be transferred to those businesses least in a position to contribute the time and money required to resolve the challenge.

3

Supply and demand: what the stakeholders are saying

3.1

Supply

During the course of February, March and April, Experian Business Strategies conducted one-to-one interviews with stakeholders. These were conducted with education and training providers, employers engaged in construction, employers' organisations, regional planning agencies, careers services and JobCentre Plus. A record of individuals involved in the stakeholder interviews is listed in appendix 2.

3.1.1

Image

- Major shortage of new recruits to the industry
- It has a big image problem – getting young people interested is a real problem – perceived as a dirty, hard job
- Rates of pay at entry level are low
- Alternative jobs at school leaver level require less commitment to training

3.1.2

Diversity

Women

- Recognition of continuing low supply of women and ethnic minorities (apart from immigrant groups) yet feeling that not much can be done to change this
- The trailblazing project – Women in Construction – has been successful but very small scale, requiring considerable funding and is dependent on close liaison between project placement workers and on-site foremen
- Women are more likely to be attracted to and succeed in occupations like painting and decorating, plumbing and gas installation, and electrical installation in the repair and maintenance area of construction, where they can be self-employed and control their working hours (impossible when working on-site)
- Connexions networks across London report few women and ethnic minorities approaching with an interest in construction

Ethnic minorities

- Ethnic minority construction gangs operate throughout the Greater London construction industry. No official figures exist but it is widespread knowledge within the industry:
 - East European and Asian paving gangs in North London
 - Asian concrete piping gangs in East London
 - Kosovan and Albanian bricklaying networks in South London
- Language is a major barrier. In East London, employers are investing in language training as a cost effective means of retaining hard-working and long-staying gangs.

3.1.3

Raising the supply of learning

Capital investment

- College construction courses appear to be closing as colleges rationalise courses with relatively lower student demand and which are costly to offer, whilst demand from employers is increasing (publicity around construction wages has also increased student demand for courses)

Shortage of educationalists, trainers and assessors

- Shortage of trainers is clearly a core problem (which is largely driven by a shortage of people in the industry – why earn £25k as a highly qualified trainer when you can earn £35k as a relatively unskilled labourer at Terminal 5?)

3.1.4

Is the qualification infrastructure in alignment with employer demands?

- There was broad criticism of the training industry
- Much more communication needed between employers, training providers and training funders
- Training is patchy, focusing on certain specific disciplines and not on others – for example, there is little training focused on bringing those with craft skills on to being site supervisors
- Construction foundation degrees may be the way forward
- Our discussions with employers and the CITB do not support distinctive forms of training in different LSC areas. To meet local LSC construction demand patterns, focus should be on meeting overall need for training in London

NVQs and problems with the assessment procedure

- NVQs are falling behind in terms of relevance to skills required (for example, welding is less and less important yet it remains a key element of NVQ. Conversely, despite the increasing need for foreman/management skills the construction NVQs do not cover this)
- The diversity of work experience available on student placements is insufficient to meet the demands of the NVQs. While large firms may be able to provide a diverse working environment, smaller contractor companies cannot
- Colleges report a shortage of on-site recorders, making it difficult to complete the on-site assessment process for NVQs

Language needs

- Flagged up by employers, but also by colleges as a major issue in Greater London. To qualify migrant workers, one college is using video (visual) rather than language or written materials to deliver health and safety training and help non-English speakers achieve formal qualifications, drawing on their already appreciable construction skills and aptitude

3.1.5

Retention and achievement

- Young people who fail academically are guided towards construction at FE level, yet in many cases they are unable to cope with the academic content of the NVQs and often lack practical aptitude
- In the buoyant labour market, some able students leave before completion to take on paid construction jobs – one college suggested (only half jokingly) that low achievement rates meant they were delivering well skilled (albeit not qualified) students to be taken on by the industry

3.2

Demand

- The London market for construction workers is very stretched at present according to the industry
- Employers refer consistently to a number of large projects being carried out and more coming on stream:
 - Paddington Basin
 - Heathrow T5
 - Wembley Stadium
 - White City
 - Kings Cross / St Pancras
 - Stratford
 - Thames Gateway housing
- There are varying views as to future demand, but the overall picture is that slackening off is unlikely. The number of big projects probably implies sustained employment opportunities over many years – (this is supported by our output forecasts and levels of order books reported in chapter 2 although there is some tail-off)

3.2.1

Effective planning in a cyclical industry

- Colleges are unable to justify keeping construction courses open for low levels of demand. While construction appears to be booming, colleges cannot hold open places during the downturn if there are insufficient students. While overall demand appears to be high, employers' needs do not necessarily coincide with the college intake calendar
- The industry ideally wants roll-on/roll-off courses that do not sit easily within the education and funding infrastructure
- Adult learners, especially those with family and work commitments, need courses delivered at evenings and weekends if they are to develop skills to access the industry
- College construction departments feel demand for their courses is strong on the basis of queries and levels of applications. Yet construction expansion may not be in the interests of overall college economic viability
- Despite growing interest in construction careers amongst the public, Connexions services report difficulty getting employer placements for Modern Apprentices and other work-based training (those not academically inclined prefer to pursue a work-based rather than college-based route into the industry)

3.2.2

Sub-contracting and the supply chain of employment and training

- Companies interviewed were keen to emphasise the strength of the training in their own companies but there was general agreement that not enough investment in training takes place
- The fragmentation and lack of cohesion of the industry is not conducive to the supply of training and companies do not tend to think long term

3.2.3

Wages

- The shortage of skills is almost certainly having an impact on wages, albeit not to the extent reported in the press
- A managed site agreement has meant higher wages for Heathrow T5 – concern is being expressed by employers that this is the sign of things to come
- Wages are on the increase through improving bonus schemes, both official and unofficial – good gangs of craft workers are appreciated and hard to come by
- The high levels of wages reported in the press around T5 and plumbing are not realistic, according to employers and CITB, although new people are being attracted into the industry on this basis

4

Policy issues

The policy context

In October 2002, the London FRESA set out an agenda for collaborative action for London to sustain its position as a leading global city and sustainable regional economy. At the heart of its agenda is for 'London to achieve a healthy and dynamic labour market accessible to all London's residents and delivering benefits to employees, employers and the wider community'.

The flow of construction labour across London and from surrounding areas and abroad, to meet employment needs in the capital, points to the value of a joined-up approach to tackling the needs of the London labour market. As innovative 'brokerage' projects have recognised and are addressing, labour mobility is on a pan-London basis as major construction projects are completed and work begins afresh elsewhere.

The London Skills Commission is supporting a number of flagship initiatives to kick start FRESA implementation and construction is targeted through the Construction Flagship Initiative. Officially launched in July 2003, this programme will harness and support a wide range of construction labour market initiatives (projects support new entrants, the existing workforce, supply chain development and information sharing) to promote consistent delivery and share best practice.

The Strategic Area Review (StAR) process is also underway in each of the five London LSCs. The review will ensure the supply of post-16 learning meets the needs of learners, employers and local communities, promotes quality and cost effectiveness, and meets government targets.

This research into supply and demand in the construction labour market and the policy issues this raises are presented in the following sections. It provides valuable input for the Construction Flagship Initiative and the Strategic Area Reviews.

Courses to meet the needs of employers and learners

The current forms of training delivery via the FE system do not meet the needs of employers and those 'employees' the industry seeks to attract (women, Black, Asian and mixed ethnic origins, career changers). Nor does it meet the needs of migrant labour.

- Employer need for roll-on/roll-off courses that colleges find difficult to meet under current funding regimes
- The industry aims to attract older entrants, people of non-White ethnicities and female participants – these require part-time and/or weekend courses to discover whether they have an aptitude for construction-related occupations and to gain some relevant experience before being accepted on more mainstream training programmes
- The College of North East London is successfully running weekend courses with a very high level of ethnic minority participation (around two-thirds) – this may be rolled out successfully in other colleges

- One college in London East has customised its training to meet the needs of East European workers in the local construction industry, including video for health and safety training and ESOL

Anecdotal evidence from colleges and the Women in Construction programme suggests the low proportion of women tend to cluster in skilled trades such as plumbing and gas installation, electrical installation and painting and decorating. They are also more inclined towards repair and maintenance work. These areas enable more regulated working hours and self-employment, enabling a work-life balance.

- While there is a danger that women may become 'ghettoised' in these areas, the most pragmatic interim route to raising the number of women in construction is likely to be targeting of these courses and job opportunities at women rather than promoting construction in general to women
- The Goldsmith's report into barriers faced by women entering construction suggests that more can be done by colleges to market their construction courses to women

The funding regimes

Construction courses are often axed within colleges because they are costly to run and require specialist facilities. Expanding construction courses requires capital investment, which is risky given the uneven demand from the industry for labour and the historic difficulties in attracting better-qualified students.

- While LSCs are unable to directly control funding multipliers, they can work to influence the multiplier for construction programme areas at a national level to reflect more accurately the costs of delivering the courses
- Given the cost of delivering construction education, delivery (including decisions to expand or contract provision) should be evaluated on a pan-London basis to make best use of existing resources and future capital investment

College / employer / community engagement

There is a widespread willingness within the college network to work with employers but most point to a lack of employer engagement. At the FE forum for construction heads, there is rarely attendance by employers.

- The LSC should investigate whether some matching of employers to colleges can be undertaken, possibly via the CITB's database of employers
- The greatest challenge lies in encouraging small and medium-sized local contractors and businesses to engage with colleges. It is the smaller employer at the end of the supply chain who has responsibility for training and who is likely to recruit in the local labour market – there is little evidence of such employers engaging with local colleges
- CoVE status is dependent on proven employer engagement, and employer engagement is now a critical funding issue. This lever should be used to push engagement and transfer best practice across colleges

Employer engagement with education and training providers and the local community (through the training and employment of local labour) can be encouraged through use of the 106 clause to promote local labour and contractor engagement on local construction projects.

- The usage and success of 106 agreements should be evaluated across London to compare experiences across construction projects and share best practice²¹
- Monitoring under section 106 agreements offers a way to promote social inclusion and meet employers' specific labour needs, and to ensure that supply and demand is linked at a very local level
- Relationship building early in the planning and negotiation stages seems vital to determine local skills needs and deliver tailored training programmes
- Likewise the appointment of a dedicated liaison officer to broker relationships between developer, lead contractor, colleges and employment agencies
- Flexibility in funding is also needed to enable training providers to respond to market needs (at present, funding is secured through tight programme specification and there is little room for adaptation as the market moves)

The impact of CoVEs

CoVE status should promote the transference of best practice and knowledge but there is a danger that without the more widespread engagement of the industry, this will remain college to college rather than industry to college.

For CoVEs to be respected as a source of best practice, the rationale for selection should be transparent and reflect the quality of education and training on offer for designated areas of excellence. It is not clear that this is currently the case.

Meeting the demand for construction lecturers and training assessors

The London LSCs can do little to influence the pay scales of FE lecturers, which is a national issue. However, the shortage of construction lecturers in Greater London is significant and urgent given the demand for construction skills. While not quantified, the majority of colleges raised this as a key issue limiting capacity growth. It is also a growing concern for CITB, who are facing problems staffing their construction courses.

- A wider debate needs to be held within the industry and by partners on how best to tackle this – the LSCs might facilitate this debate. A programme for seconding skilled staff from large employers is unlikely to meet the demand but it will help to build strong linkages between training suppliers and employers. The feasibility of this should be examined
- The LSCs may be able to improve the supply of on-site training assessors through funding programmes

²¹ Relevant research has already been undertaken by the Notting Hill Housing Trust (January 2003) 'Best Practice guidelines for construction training opportunities on commercial, regeneration and housing association development schemes' & 'Model for construction training and employment outcomes for S106 developments'.

Regional partnerships

Analysis of FE data shows extensive flows of students both out of and into Greater London, indicating that learning boundaries are fluid. Key partners in managing the supply and demand for construction education in Greater London are the South East, East of England and North West (Manchester).

- If not already in place, dialogues should be opened up with relevant contacts in each of the three regions

Co-ordination of skills activity in Greater London

There is widespread activity by colleges, targeted at specific groups, and by employers to promote skills and training activity. The challenge we have faced in drawing together information and finding out about projects suggests that other partners may also not be aware of relevant and complementary activity to promote construction employment and skills levels.

- It would be valuable to have a central store of information, contacts and project listings, accessible to all partners
- In Spring 2003, the CITB set up the Greater London Construction Skills Forum (an identical forum is already up-and-running in the South East). To be an effective and practical body, members should be chosen on the basis of wider connections with the relevant bodies (for example, the FE representatives should be linked into wider networks)²²
- Following on from the FRESA, the London Skills Commission has initiated the Construction Flagship Initiative, jointly led by London Central LSC and the LDA. The themes of the initiative are to meet the workforce development needs of new entrants, upskill the existing workforce, and to address the transient nature of construction employment by promoting workforce mobility at the pan-London level²³

²² Further information is available from the CITB's Greater London Strategy adviser phil.page@citb.co.uk

²³ To view documents related to the Construction Flagship Initiative please go to www.lda.gov.uk

Appendix

1: Detailed supply tables

Table A.1
Profile of FE
construction provision
in Greater London, by
institution, 2000/01

Source: Individual Student Record
 (ISR) 22

Number of institutions	38
Total number of enrolments	21,594
Council funded	17,288
London North	
College of North East London	1,201
Barnet College	540
Southgate College	242
Waltham Forest College	238
London West	
College of North West London	1,963
Hammersmith and West London College	746
Ealing Tertiary College	275
Uxbridge College	93
West Thames College	31
Hammersmith Community Learning and Leisure	12
London Central	
Lambeth College	2,058
South Thames College	561
City and Islington College	394
City of Westminster College	375
Myrrh Ltd	203
Westminster College	114
Building Crafts College	107
University of North London	28
Southwark Adult Education and Vocational Training Service	19
London East	
Newham College of Further Education	1,942
Barking College	971
Lewisham College	915
Bexley College	830
Hackney Community College	666
Havering College of Further and Higher Education	609
Woolwich College	308
Shalom Employment Action Centre	22
Workers' Educational Association	20
London South	
Richmond Adult and Community College	418
Croydon College	382
Carshalton College	317
Bromley College of Further and Higher Education	298
Merton College	135
Richmond Adult and Community College	130
Kingston College	125
Non-council funded	4,306

Table A.2
Enrolment profile of
FE provision in Greater
London, 2000/01

Source: Individual Student Record
 (ISR) 22²⁴

	percentage of total (base = council-funded enrolments)	
	<i>Total</i>	<i>Construction</i>
Number of institutions	126	38
Total number of enrolments	1,201,987	21,594
Council funded	1,066,064	17,288
Gender		
Female	61%	6%
Male	39%	94%
Unknown	317	–
Age		
Under 19	30%	17%
Over 19	70%	83%
Unknown	14,720	12
Ethnicity		
White	54%	71%
Asian	11%	4%
Black	20%	16%
Mixed/Other	14%	8%
Unknown	119,294	2,406
Student mode of attendance		
Full-time	33%	33%
Part-time	67%	67%
Learning difficulties and/or disabilities		
Yes	8%	6%
No	92%	94%
Unknown	213,316	4,942
Additional support assessment		
Requires additional support	5%	3%
Does not require additional support	31%	31%
In receipt of disabled students allowance	–	–
Not been assessed	64%	66%
Widening participation category		
From deprived area	45%	49%
Asylum seeker/refugee	2%	1%
Studying basic skills prog.	8%	1%
Other	3%	2%
Not eligible	42%	47%
Unknown	317	–
Non-council funded	135,923	4,306
<i>Note: some groups may not sum to 100% due to rounding</i>		

²⁴ ISR 17 for Cordwainers College and London Academy of Music and Dramatics;

ISR 19 for Academy of Live and Recorded Arts, Cambridge House Adult Education College, Central School of Ballet, Doreen Bird College of Performing Arts, English National Ballet School, Royal Academy of Dramatic Art, Stella Mann College, Urban Learning Foundation;

ISR 20 for Arts Educational School London, Lewisham Community Education, Hilcroft College, Italia Conti Academy of Theatre Art, Newham Women's Training and Education Centre, Serbert Rd Training Centre, Hartley Centre (Church Army) and Webber Douglas Academy of Dramatics.

Table A.3
Profile of FE flows:
Greater London
residents studying
construction outside
Greater London,
2000/01

Source: Individual Student Record (ISR) 22

	percentage of total (base = number of enrolments with known information)					
	London North	London West	London Central	London East	London South	Total
No. of institutions	5	6	9	11	7	38
Total no. of enrolments	2,569	3,909	4,391	8,009	2,716	21,594
Council funded	2,221	3,120	3,859	6,283	1,805	17,288
Gender						
Female	12%	3%	6%	4%	9%	6%
Male	88%	97%	94%	96%	91%	94%
Age						
Under 19	17%	19%	8%	20%	23%	17%
Over 19	83%	81%	92%	80%	77%	83%
Unknown	*	–	*	*	*	12
Ethnicity						
White	68%	63%	68%	75%	86%	71%
Asian	6%	8%	1%	5%	1%	4%
Black	18%	16%	22%	15%	8%	16%
Mixed/ Other	8%	14%	9%	5%	5%	8%
Unknown	437	287	474	837	371	2,406
Residence						
Within G. London	79%	95%	81%	85%	84%	85%
Outside G. London	21%	5%	19%	15%	16%	15%
Unknown	47	100	157	225	23	552
Student mode of attendance						
Full-time	34%	31%	40%	32%	27%	33%
Part-time	66%	69%	60%	68%	73%	67%
Sub-programme area						
Environmental technologies	8%	–	2%	2%	7%	3%
Construction crafts	34%	41%	21%	33%	22%	31%
Construction technology	7%	1%	1%	4%	5%	3%
Civil engineering	6%	–	–	2%	8%	2%
Mechanical services	25%	52%	71%	49%	49%	52%
Other construction	19%	6%	5%	10%	9%	9%
Qualification						
GCSE	–	–	–	–	–	–
GNVQ precursor	13%	3%	4%	6%	3%	6%
GNVQ/AVCE	8%	1%	–	2%	5%	2%
NVQ	34%	47%	22%	40%	32%	36%
Access to HE	–	–	–	–	–	–
HNC/HND	1%	–	–	–	–	–
Additional NVQ/GNVQ	–	–	–	1%	2%	1%
Other	44%	50%	74%	51%	58%	56%
Notional NVQ level of qualification						
Level 1 and entry	35%	22%	23%	25%	27%	26%
Level 2	26%	52%	29%	38%	48%	38%
Level 3	29%	11%	36%	25%	10%	24%
Level 4,5 and Higher	1%	2%	1%	3%	–	2%
Other	9%	12%	10%	8%	16%	10%
Non-council funded	348	789	532	1,726	911	4,306

Note: some groups may not sum to 100% due to rounding; * denotes less than 5 enrolments

Table A.4
Profile of FE flows:
Greater London
residents studying
construction outside
Greater London,
2000/01

Source: Individual Student Record (ISR) 22 (ISR 20 for Bolton College, Cambridge Regional College and Handsworth College)

	percentage of total (base = number of enrolments with known information)						
	Sub programmes						
	Environmental technologies	Construction crafts	Construction technology	Civil engineering	Mechanical services	Other construction	Total
Total no. of enrolments	70	1,213	430	175	1,700	357	3,945
Council funded	52	1,017	419	148	1,229	164	3,029
Gender							
Female	29%	6%	1%	3%	–	16%	4%
Male	71%	94%	99%	97%	100%	84%	96%
Age							
Under 19	31%	20%	6%	1%	10%	21%	13%
Over 19	69%	80%	94%	99%	90%	79%	87%
Unknown	*	10	*	–	18	9	41
Ethnicity							
White	80%	92%	93%	63%	91%	91%	90%
Asian	2%	2%	3%	3%	3%	1%	2%
Black	13%	4%	2%	25%	4%	4%	5%
Mixed/Other	7%	3%	2%	10%	2%	3%	3%
Unknown	7	357	61	12	165	30	632
Region of institution							
East of England	4%	18%	78%	18%	15%	24%	25%
East Midlands	12%	–	4%	67%	1%	4%	5%
North East	–	–	–	–	–	–	–
North West	–	40%	–	2%	1%	1%	14%
South East	85%	41%	11%	7%	79%	57%	52%
South West	–	1%	6%	1%	1%	7%	2%
West Midlands	–	–	–	–	2%	5%	1%
Yorkshire and the Humber	–	–	–	5%	1%	2%	1%
Student mode of attendance							
Full-time	44%	25%	44%	80%	24%	36%	31%
Part-time	56%	75%	56%	20%	76%	64%	69%
Notional NVQ level of qualification							
1 and Entry	6%	50%	3%	–	10%	6%	22%
2	10%	33%	42%	24%	29%	1%	30%
3	46%	6%	48%	5%	49%	71%	34%
4, 5 and HE	4%	1%	4%	–	1%	2%	1%
Other	35%	10%	4%	72%	11%	20%	14%
Qualification							
GNVQ precursor	29%	–	–	5%	1%	61%	5%
GNVQ/ AVCE	13%	–	5%	–	–	–	1%
NVQ	17%	45%	45%	16%	14%	2%	28%
HNC/HND	–	–	–	–	–	–	–
Other	40%	55%	50%	80%	85%	37%	67%
Non-council funded	18	196	11	27	471	193	916

Note: some groups may not sum to 100% due to rounding
 * less than 5 enrolments

Table A.5
Profile of work-based learning flows:
Greater London residents studying construction outside Greater London, 2001/02

Source: Work-based learning Individualised Learner Record (ILR) 2001/02 periods 1-12

percentage of total (base = number of enrolments with known information)						
Largest occupations (78% of total outflows)						
	<i>Bricklayers, masons</i>	<i>Roofers, slaters, tilers, sheeters, cladders</i>	<i>Painters and decorators</i>	<i>Plumbers, heating ventilation engineers, related trades</i>	<i>Carpenters and joiners</i>	<i>Total outflows</i>
Total no. of enrolments	58	42	59	120	313	758
Gender						
Female	–	–	7%	–	–	1%
Male	100%	100%	93%	100%	100%	99%
Age						
15 to 18	52%	48%	42%	61%	62%	57%
19 to 35	48%	52%	58%	39%	38%	43%
Ethnicity						
White	97%	100%	92%	98%	96%	96%
Asian	2%	–	–	1%	–	1%
Black	2%	–	8%	–	2%	2%
Mixed/Other	–	–	–	2%	2%	1%
Region of institution						
East of England	90%	100%	88%	23%	83%	74%
East Midlands	–	–	–	3%	–	1%
North West	–	–	–	–	–	–
South East	10%	–	12%	73%	17%	24%
West Midlands	–	–	–	–	–	–
Yorkshire and the Humber	–	–	–	–	–	–
Level of NVQ						
1	–	–	–	–	–	–
2	57%	95%	54%	58%	62%	62%
3	43%	5%	46%	42%	38%	37%
4	–	–	–	–	–	–
Programme type						
AMA	43%	5%	46%	41%	38%	37%
FMA	57%	76%	51%	53%	62%	55%
NVQ	–	19%	3%	7%	–	8%

Note: some groups may not sum to 100% due to rounding

Appendix

2: Stakeholder interviews

Face-to-face

Education and training providers

Barry Marquiss
College of North West London
020 8208 5000

Andrews Brader
Head of School – Construction Crafts
Barking College
01708 770000

Charles O'Madden
Head of School for Construction Craft Studies
College of North East London
020 8442 3111

Stuart Nice
Curriculum Design Manager
Bexley College
01322 404000

Mick Lang
Curriculum Manager
Lewisham College
020 8692 0353

Tom Boyle
Head of School
Newham College of Further Education
020 8257 4000

Dave Lewin
Head of Department – Engineering and Construction
Croydon College
020 8686 5700

John Taylor
College Director
Building Crafts College
020 8522 1705

Employers

Gerald Slack
Director
Taylor Woodrow Construction Division
020 8575 4608

George Cochran

Community Regeneration Executive
Chelsfield
020 7493 3977

Jean De'ath

HR Manager
Fitzpatrik Construction
01992 305302

Trina Hannam

Training Development Manager
Fitzpatrik Construction
01992 305302

Chris Scutt

Operations Director
Laing O'Rourke London and South East

Prue Jackson

Personnel Manager
Haden Young
01923 232959

John Baxter

Training Manager
Haden Young
01923 232959

Miriam Lewis

Training Manager
Carillion Construction
020 8903 3055

Samantha Risker

Project Manager
Cross Tunnel Rail Link ESF project
020 7504 2618

**Employers'
organisations**

Catherine Moss

Policy Development Manager
Construction Industry
Council – Lifelong Learning
020 7637 8692

David Cracknell

Director
Construction Industry
Council – Lifelong Learning
020 7637 8692

Patricia Ryan

Operations Manager
Construction Industry
Council – Lifelong Learning
020 7637 8692

Andrew Large

Director of External Affairs
Federation of Master Builders
020 7242 7583

Sectoral bodies

Peter Wilkins

Project Manager
Housing Forum
020 7691 0220

Adrian Terry

Project Manager
Rethinking Construction
020 7837 5702

Martin Arnott
Research Manager
Construction Industry Training Board
01485 577577

Government agencies

Fraser Liggett
Project Manager – Building London Creating Futures Economic Development Team
Southwark Council
020 7525 5531

**Careers and
JobCentre Plus**

Malini Jethwa
Paddington First / JobCentre Plus
020 7583 4503

David Isaac
Director
Local Staff Hire
Local Employment Training Solutions
020 8221 1066

Other stakeholders

Maggie Cramb
Refugee Council (previously Building Work for Women)
020 7820 3000

Phone

Sectoral bodies

Phil Page
Regional Strategy Advisor – Greater London
Construction Industry Training Board
01732 467300

Di Barber
Equal Opportunities
Construction Industry Training Board

**Government agencies
and unions**

Christina Montegue
Regional Strategy Advisor – South East
South East England Development Agency
02380 623804

Tom Kelly
Organiser for GMB with responsibility for construction
GMB
020 8202 5666

Jackie Connolly
Business Development Manager
Newham Council
020 8430 6851

Mark Billington

Head of Employment Initiatives
London Borough of Hammersmith & Fulham
020 8743 8625

Careers

Jamal Omar

Employment and Training Advisor
Capital Careers/Connexions (Camden, Westminster, Kensington and Chelsea)
020 7487 9316

Tanuja Saujani

Area Team Manager
Capital Careers/Connexions (Hammersmith and Fulham)
020 8741 2441

Daniel Anderson

Centre Manager
Connexions Prospects (Finchley)
020 8346 4509

Philip Fink

Lead Advisor
Connexions/Futures (Waltham Forest)
020 8521 9020

Christine Denny

Careers assistant Connexions (Edgware)
020 8381 0068

Maureen Hooley

Operations Manager
Connexions (Enfield)
020 8379 2583

Susan Reeve

Area manager
Future Careers (Redbridge)
020 8708 2718

Marian Holmwood

Employment advisor - Pathways project
Prospects Connexions (Bexley, Greenwich and Lewisham)
020 8298 1551

Chris Denyer

Operations Manager
Prospects Connexions (South London excluding Richmond)
020 8410 0363

Appendix

3: Key construction projects across the London LSCs

Experian Business Strategies holds an internal database of construction projects being undertaken in the UK. From this, we are able to highlight the main construction projects being undertaken in each LSC area (and sometimes surrounding areas). This database is built up from press reports and therefore captures the larger projects. These construction projects (as detailed below) are public, private, new build, refurbishment and infrastructure.

London West LSC

- A £200m council house renovation deal in Hounslow for Hounslow Homes (the London Borough of Hounslow's ALMO), which involves upgrading 10,000 out of 16,000 local authority homes is currently in the bidding phase. The work includes general structural repairs, doors and windows, kitchens and bathrooms. Site work will begin in May 2003 and will span nine years
- The London Borough of Brent is modernising its housing stock, using a £90m budget to tackle houses at various sites throughout the borough. The work will be carried out over four years and will be divided into three or four contracts. Work began in late 2002
- Bouygues has won a £67m contract to build an emergency care unit at the Central Middlesex Hospital. The Brent Emergency Care and Diagnostics Unit will replace the existing unit and provide a new accident and emergency ward with space for 214 patients, three operating theatres and units for seven specialist medical teams. It is hoped that with work scheduled to start in July 2003 for completion in December 2005, the firm will then maintain the hospital for 30 years after completion
- Work on building a rail depot in Wembley for Chiltern Railways is currently underway. The depot is due to open in 2005
- Regeneration of White City, including shopping and leisure complex, new broadcasting centre and office complex
- Serco Defence have commissioned the development of the MoD's Northwood headquarters in North-West London. The cost of capital works on the scheme, which involves a mix of refurbishment and new build, is around £45m

London North LSC

- A £80m privately-financed schools project for the London Borough of Waltham Forest, where the aim is for the schools to be fully refurbished or new ones built. Work is expected to start early 2004

London East LSC

- Bovis Lend Lease is to undertake a PFI schools project in SE London. The project is to redevelop two schools for Bexley Borough Council. Bexleyheath and Welling secondary schools will be extensively rebuilt. Work was scheduled to start in summer 2003, the first stage to be completed by September 2004

- A project for 750 new homes in the London Borough of Hackney, involving the Haggerston West and Kingsland estates, is currently at the bidding stage
- A contract for a PFI housing scheme for Newham Borough Council was scheduled to start in August 2003. The project involves an overhaul of 1,240 homes in Forest Gate
- Hackney Borough Council has approved contractors Connaught and Apollo to carry out the first third of its programme to bring up to standard 19,500 home among the authority's 27,000 strong stock by 2010. They will upgrade the windows and roofs of 6,700 council properties over 18 months.
- Laing, Mowlem and Skanska have returned tenders to build a £55m hotel and apartment block on a London Docklands site originally earmarked for a new world trade centre. Work on the two year project was scheduled to start in September 2003
- The refurbishment of housing stock of Lewisham Borough Council, in the Brockley area was scheduled to start in October 2003

London South LSC

- Costain is the preferred bidder for a deal to construct an 80-bed general surgery ward and a 20-bed gynaecology unit for Kingston Hospitals NHS Trust (for Kingston Hospital)

London Central LSC

- A £30m contract has been issued for concrete works on Arsenal Football Club's new stadium. The main concrete works started in April and will finish in 15 months. The stadium is due to open in 2005
- Kajima have won a deal to redevelop the Haverstock School, for Camden Council. The work was scheduled to begin in summer 2003 and last two years so the school can open in September 2005. The school will accommodate 1,200 pupils, and the project includes teaching rooms, offices and playing fields, together with a 25-year operate and maintain concession
- HBG, Costain and Allenbuild are all pricing the scheme to convert the former Royal Medical College at Millbank into a new campus for the Chelsea College for Art and Design, which includes refurbishing and constructing additional studios and workshops. The project will last for 12 months and started in July 2003
- A three year scheme for tunnelling at King's Cross Station began in October 2003. Civil engineering works will include the construction of new underground passenger access tunnels to King's Cross, St Pancras and the nearby Thames link station, using the New Austrian Tunnelling Method. The works will also feature new over-bridges, escalator shafts and machine rooms
- The group United House, Rydon, Hyde Housing Association and Bank of Scotland are favourite for Islington Council's deal in North London. The scheme includes street maintenance of 1,000 street properties, 1,900 council homes and 500 leasehold homes. Work on the site will begin this year with the concession running for 30 years

Notes

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**CITB
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