



# Construction Industry Brexit Manifesto

## WHY DOES CONSTRUCTION MATTER?

The construction industry should be viewed by the Government as a strategic industry, as without it Ministers will be unable to meet their ambitious plans for the delivery of new homes and infrastructure projects. Approximately 300,000 businesses operate within the construction industry – a sector that accounts for around 7% of GDP and employs three million people. Construction represents 10% of total UK employment and is a key driver of jobs and economic growth right across the UK. Therefore the skills requirements of our sector must be taken into account as the Government shapes its post-Brexit skills and immigration policies. This industry's skills needs range from site operatives to postgraduate scientists and the widest range of different specialisms and skills levels in between. Below are some recommendations to the Government and the industry regarding how we can help ensure we have a sufficient number of skilled construction workers now and in the longer term.



## WHAT CAN GOVERNMENT AND INDUSTRY DO TO BOOST CONSTRUCTION SKILLS?

### i. EXISTING WORKFORCE RETENTION

Labour Force Survey statistics show that 12.6% of construction workers were born outside the UK and 5.7% were born in EU accession countries (Eastern European countries that joined after 2004). We know that in London and the South East, the percentage of the workforce made up of EU nationals is considerably higher, and in London is closer to 50%. Given the severity of the skills shortages we already face, the retention of these workers is of critical concern to the construction industry.

#### Recommendations to the Government and industry

- 1) The Government should embark upon a communications campaign that makes clear to EU workers currently residing in the UK that they will have no serious impediments to gaining settled status.**
- 2) Industry bodies and construction employers should work with the Government to put this message across more clearly to their members and their existing EU-national employees.**
- 3) The Government should at the earliest possible opportunity state that the cut-off date, after which those arriving can no longer have expectation of guaranteed settled status, will be the later date of the UK's actual withdrawal from the EU, not the date on which Article 50 was triggered.**

## ii. DETERMINING THE INDUSTRY'S FUTURE NEEDS

The construction sector understands that the Government needs greater clarity from the industry regarding what its skills requirements are in terms of EU migrant labour. This requires a stronger evidence base, and a much clearer understanding of how migrant labour currently enters and exits the UK construction industry. The construction industry is keen to work together to develop a credible evidence base. CITB is engaging in extensive research to map future skills need by occupation, the extent to which this can be met from within the UK workforce and training capacity and the remaining ongoing requirement for migrant workers.

### Recommendations to the Government and industry

- 4) Industry bodies should continue to work with CITB to conduct a construction industry-wide census and other research that provides a clear evidence base regarding skills requirements and future training needs, now and in the longer term.



“The construction industry is keen to work together to develop a credible evidence base.”



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## iii. TRANSITION PERIOD AND RULES

The transitional arrangements suggested so far differ little from existing arrangements, in terms of freedom of entry and exit. Yet, this is about far more than ease of entry - the industry's need will only be met if the arrangements as a whole are attractive enough to continue to draw new workers to the UK. It is not obvious they will be. For one thing, for those entering the UK during the implementation period there appears to be little certainty that they will have the right to remain beyond those two years. Two years is not a long time to develop a new system of visas or other immigration routes to replace the existing free movement arrangements, and few believe the existing ‘Tier 2’ regime for non-EU immigration is fit for purpose or can easily be scaled up.

### Recommendations to the Government and industry

- 5) The Government should agree a transition period of at least two years as soon as possible.
- 6) The Government should introduce a transitional regime that involves a clear path to settled status for those arriving during this period to ensure that EU workers continue to be attracted to the UK to live and work. Industries with a current reliance on immigrant workers should not face a ‘cliff edge’ in terms of incoming migrant workers.



## iv. POST-TRANSITIONAL FRAMEWORK

The industry needs to step up and be much more ambitious in terms of its plans to recruit and train many more UK workers than it does currently. In the longer term, the construction industry needs to greatly reduce its reliance on migrant labour. However, it takes at least two to three years to train most on-site tradespeople and a minimum of seven years to train built environment professionals. As such, and given the extent of the current skills shortage and record high employment levels, in the short-to-medium term it will not be possible to recruit the people we need without ongoing access to significant levels of EU migrant labour.

### Recommendations to the Government and industry

- 7) The construction sector should agree what it can realistically achieve in terms of increased training and recruitment of homegrown workers over the next five years based on the industry-wide census.
- 8) Any future migration visa system should be based on key occupations that are in short supply rather than on arbitrary thresholds based on skill levels or income.
- 9) The Government should ensure that for those taking up these visas the terms of their stay in the UK are attractive enough and of sufficient length to ensure that such quotas can actually be met – this will likely mean a longer visa period than two years and include the possibility of settled status.
- 10) The Government should take into account the centrality of self-employment models within the construction industry and the importance of self-employment in allowing migrant workers to access the construction labour market (half of all EU workers are self-employed).
- 11) The Government should introduce a post-Brexit immigration system that takes into account that the vast majority of the construction workforce are employed by small and micro firms and that asking these firms to sponsor foreign workers, or engage with the current Tier 2 system for non-EU workers, is not realistic and will simply not work for this industry. It probably is not realistic for larger firms either given the extent of self-employment in the industry.
- 12) In order to create a more flexible regime that can work for industries like construction with a prevalence of small employees and self-employment, Government should ensure that registered employment agencies, or migrant workers themselves, are able to apply for occupation-based visas and the Government should allow and encourage the market to develop new intermediary mechanisms.



This joint Construction Industry Brexit Manifesto has the support of the major construction umbrella groups and federations in the sector, including:



The Construction Industry Training Board (CITB) does not take an opinion on or endorse the recommendations of this manifesto, but it will be working closely with the group of trade bodies who are signatories to this report to coordinate the evidence and the necessary response in terms of training and recruitment for that part of the construction industry that CITB covers.

