Solent Local Skills Improvement Plan

Construction Sector | Deep Dive Evidence Report

FINAL REPORT

June 2025

1.0 Introduction

The Solent LSIP brings together employers, colleges, training providers and other stakeholders to set out the key changes needed to make skills training in the region more responsive to employers' needs. This 'deep dive' considers the demand and supply of skills needed to support a thriving construction sector in the Solent, now and in the future.

1.1 Introduction

This evidence report has been prepared by Lichfields on behalf of the Hampshire Chamber of Commerce ('CoC') to provide a focused 'deep dive' analysis of the Solent region's construction sector, paying particular attention to the current and future skills needed to support the sector's growth.

This report includes a detailed analysis of the demand and supply of skills needed to support a thriving construction sector, in addition to a review of existing training provision within the Solent.

Ultimately, this report seeks to identify and highlight the skills gaps within the construction sector and set out a series of recommendations designed to support the Hampshire CoC (designated as the region's employer representative body, or 'ERB' by the Department for Education, or the 'DfE'), local training providers and other stakeholders across the Solent shape the local skills agenda through the Solent Local Skills Improvement Plan ('LSIP') process.

1.2 Defining the construction sector

The construction sector is one of the key sectors for the UK economy and comprises a wide range of products, services and technologies. The sector supports an estimated 1.6 million jobs and incorporates different activities across a range of sub-sectors and related industries. For the purposes of this analysis, the definition of the sector incorporates traditional construction activities (including the erection of residential and commercial buildings), in addition to a range of activities as outlined overleaf.

Solent LSIP Overview

The Solent LSIP brings together employers, colleges, training providers, and other stakeholders to set out the key changes needed to make technical skills training in the region more responsive to employers' needs. The LSIP seeks to tackle skills deficits by building on existing and new levels of collaboration, establishing stronger relationships with businesses, and providing practical solutions which aim to transform the Solent's technical skills landscape.

The Solent LSIP identifies 6 key priorities to take forward. Designed to be cross-cutting and applicable to the full range of employment sectors in the Solent (incl. construction), these priorities seek to address a number of economy-wide challenges identified via engagement with stakeholders and local employers.

- Priority 1: Awareness and aspiration
- Priority 2: Navigating the skills ecosystem
- Priority 3: Proactive employer engagement
- Priority 4: A more agile ecosystem
- Priority 5: Pathways to skills
- Priority 6: Managing the skills transition

1.0 Introduction

The construction sector comprises a wide range of products, services and technologies, and incorporates activity related to the erection of housing and commercial buildings, infrastructure (including utilities), in addition to specialised and ancillary activities, and the manufacturing and supply of equipment.

While the contribution of each activity identified will vary (i.e. in terms of the economic value generated, level of employment supported and skills profile), this report seeks to include both core and ancillary activities to ensure that the full range of skills requirements are considered. By addressing the full spectrum of skills needs, the construction industry in the Solent will be better positioned to secure a skilled workforce that meets an evolving demand and be better position to retain talent and drive innovation. The list of activities in construction considered within this deep dive includes:

- Erection of housing & commercial buildings;
- Building of infrastructure;
- Specialised activities;
- Ancillary activities;
- Utilities, installation and finishing;
- Manufacturing and supply of equipment.

Wherever possible, this report seeks to present analysis at the activity/sub-sector level. However, due to data limitations, where this is not possible the analysis therefore refers to the construction sector as a whole.

Activity	Sub-sectors
Construction of housing and commercial buildings	• Construction of commercial buildings • Construction of domestic buildings
Construction of infrastructure	• Construction of roads and motorways • Construction of railways and underground railways • Construction of utility projects for fluids • Construction of utility projects for electricity and communications • Construction of water projects • Construction of other civil engineering projects
Specialised construction activities	• Roofing activities • Scaffold erection • Other specialised construction activities
Ancillary construction activities	• Demolition • Site preparation • Test drilling and boring • Development of building projects
Utilities, installation and finishing	• Electrical installation • Plumbing, heat and air-conditioning installation • Other construction installation • Plastering • Joinery installation • Floor and wall covering • Painting • Glazing • Other building completion and finishing
Manufacturing and supply of construction equipment	• Manufacture of bricks, tiles and construction products, in baked clay • Manufacture of concrete products for construction purposes • Manufacture of plaster products for construction purposes • Wholesale of mining, construction materials and sanitary equipment • Renting and leasing of construction and civil engineering machinery and equipment

1.0 Introduction

1.3 Structure of this report

The remainder of this construction deep dive is structured as follows:

- **Section 2.0** provides an overview of industry trends within the construction sector.
- **Section 3.0** provides an overview of the existing labour market across the Solent.
- **Section 4.0** reviews the skills demand position within Solent for jobs within the construction sector.
- **Section 5.0** assesses the skills supply position within the Solent taking account of provision within further education ('FE') and higher education ('HE') providers.
- **Section 6.0** considers the challenges and opportunities associated with skills development in the construction sector, focusing in particular on the insight generated as part of the Solent-wide engagement with employers in the construction sector.

2.0 Industry Trends

Valued at £388 billion, the UK construction sector is driven by residential activity, in addition to investment in manufacturing, a greater push for renewable energy projects, and investment in transport infrastructure. However, the sector faces significant labour shortages, driven in part by the impact of Brexit and Covid-19, exacerbated by an ageing workforce.

2.1 The UK construction sector

The UK construction sector measured approximately £388 billion in 2023, a significant proportion of which is attributable to residential construction which makes up around half of the UK's market. The sector is anticipated to grow by around 2% each year between 2025 and 2028, driven in part by investment in the manufacturing sector, coupled with a greater push in the delivery of renewable energy projects, and investment in transport infrastructure.

The UK Government's ambition to build 1.5 million new homes over the current Parliament will bolster the sector's output even further and maintain residential construction as a key sub-sector within the industry. However, the housing market is largely driven by changes in consumer demand, which at present time remains low due to inflation and high lending costs.

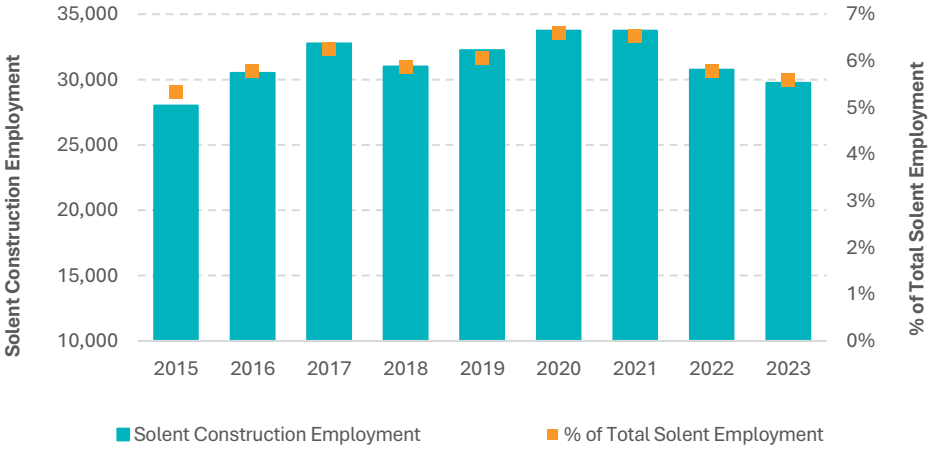
However, the industry continues to face supply chain issues in addition to labour shortages. Whilst not new to the industry, these challenges have been exacerbated by both Brexit and the Covid-19 pandemic. The aftermath of Brexit has played a pivotal role, as the industry – once reliant on foreign skilled labour from the European Union ('EU'), now faces a significant reduction in the potential pool of labour.

This shortage is further compounded by an ageing workforce, with a considerable proportion of construction workers approaching retirement age, and an insufficient number of younger workers stepping in to fill these roles.

As a result, construction workers now find their services and skills in high demand, often leading to higher payroll costs for employers.

To counter this, a number of construction roles have been added to the Shortage Occupation List ('SOL') by the Home Office, in a bid to increase recruitment, "*aid the delivery of key national infrastructure and stimulate growth for related industries*". This means that immigration and visa rules have been relaxed for a number of occupations such as bricklayers, masons, roofers, roof tilers and slaters, carpenters, joiners and plasterers.

Figure 2.1: Construction employment as a proportion of total employment (Solent) (2015-2023)



Source: ONS (2023), Business Register and Employment Survey

3.0 Labour Market Information

Within the Solent, the construction sector supports around 30,000 jobs across 7,800 businesses, and contributes an estimated £2.7 billion to the national economy. Despite a local 12% decline since 2020, the sector remains vital to the Solent economy with notable concentrations of employment in the New Forest, Eastleigh and Portsmouth.

Nationally, the construction sector supports an estimated 1.6 million jobs (equating to around 5.5% of total employment) across 339,000 businesses.

3.1 Local trends in construction

Across the Solent, the construction sector is estimated to support around just under 30,000 jobs (equating to 5.6% of total employment) across around 7,800 business. In general, the sector's make-up is in line with the national average (i.e. with 95.2% of businesses employing fewer than ten people). Employment data suggests that the number of construction jobs in the Solent peaked at around 34,000 jobs during 2020, after which it has declined by around 4,000 jobs as of 2023 (i.e. representing a decline of around 12%). In contrast, employment in construction nationally peaked at a little over 1.6 million jobs in 2022, having increased from around 1.5 million jobs in 2020 (i.e. representing an increase of +7.4%).

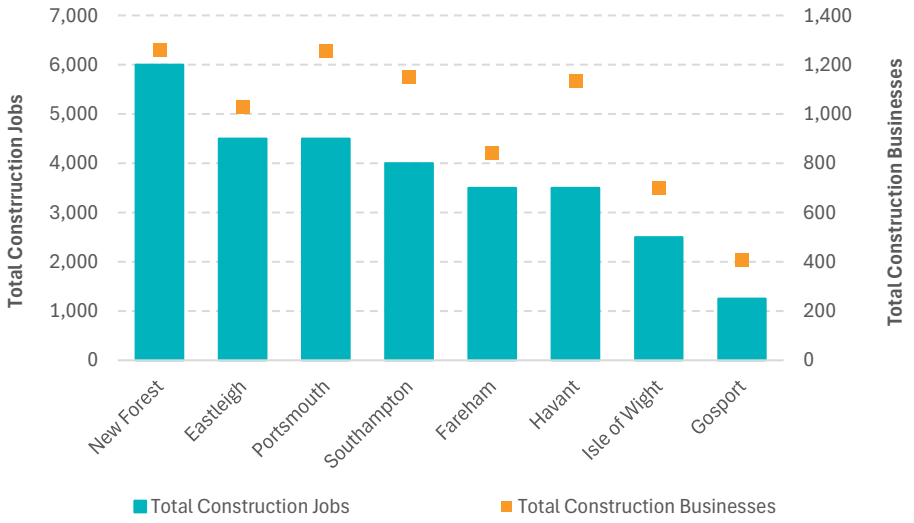
However, despite the decline in total employment, evidence suggests that the industry remains a key employment sector, based on high specialisation levels within the Solent region (i.e. with a location quotient, or 'LQ' of 1.02 relative to the national average). Location quotient is a measure of a sector's role within the local economy, where a LQ greater than 1.0 implies higher levels of specialisation.

Economic output benchmarks published by Experian indicate that in 2023, each job in construction generated an overall economic output of around £86,000 to the national economy (i.e. measured in terms of gross value added, or 'GVA'). On this basis, it is estimated that the sector in the Solent contributes an estimated £2.7 billion GVA to the region's economy each year.

Within the Solent, the New Forest is home to an estimated 6,000 jobs (equating to 20.2% of the region's employment in the sector), followed by Eastleigh and Portsmouth (both with 4,500 jobs, or 15.1%).

However, the demography of businesses varies slightly, with the data showing that the New Forest accommodates 1,260 businesses (i.e. equivalent to 16.2%), followed by Portsmouth (with 1,255 businesses, or 16.1%) and Southampton (with 1,150 businesses, or 14.8%). This analysis suggests that there is considerable variation within the Solent, with some areas (e.g. Portsmouth and Havant) having a higher proportion of smaller-sized businesses.

Figure 2.2: Total construction jobs and businesses across Solent local authorities (2023)



Source: ONS (2023), Business Register and Employment Survey & ONS (2023) UK Business Counts

4.0 The Demand for Skills (I)

Throughout 2023, construction saw around 7,3000 job postings, a 45% increase since 2018, despite a sharp decline in 2019 and 2021. However, job postings rebounded strongly from 2021 onwards, reflecting increased demand for replacement labour following the end of the Brexit transition period.

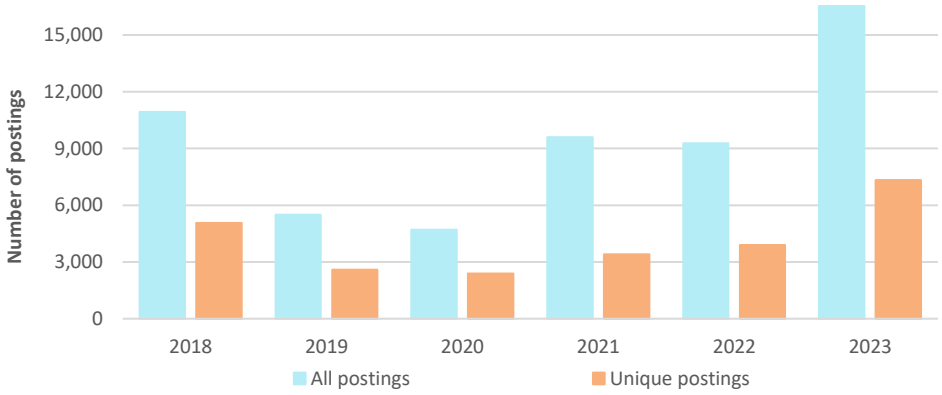
4.1 The changing demand for skills in construction

The demand for skills can be measured by considering job postings for roles employers in different sectors are seeking to recruit for. Using a 'best fit' approach for occupations in construction (as defined in the introduction section), it is estimated that throughout 2023 there were around 16,500 total postings for roles in construction, which is equivalent to 7,300 unique jobs. For the purposes of this analysis, only the measure of unique jobs postings is considered, as this excludes any duplication, and reflects more closely the sector's demand across the Solent.

Analysis of job postings data shows that relative to a 2018 starting point, the number of unique job postings has increased by an estimated 45% by 2023. However, this number declined in both 2019 and 2020, when the annual number of jobs postings fell to around 2,400 in 2020. This aligns with the overall trend across the wider Solent economy (i.e. total unique postings), where demand increased by an estimated 46% between 2018 and 2023. It should be noted that the decline in demand for roles in construction was much deeper than that experienced across the Solent.

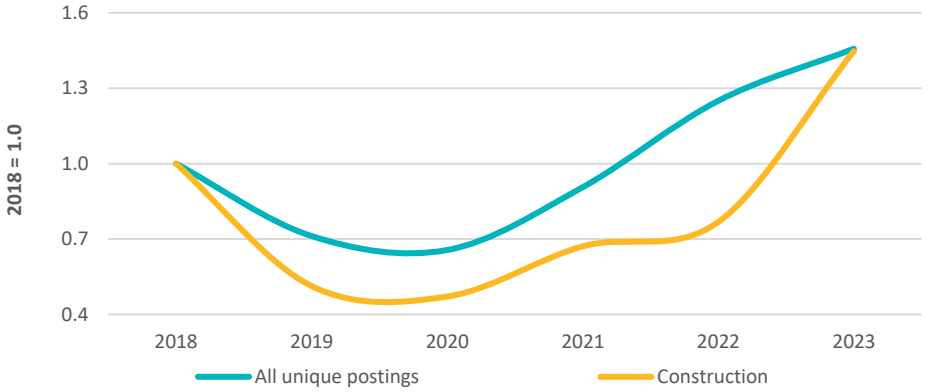
The increase in job postings from 2021 onwards coincides with the end of the Brexit transition period (which ended on 31 December 2020), an easing of measures to control the spread of Covid-19 for the construction industry, and improvements in macroeconomic conditions. The steeper increase in demand for roles in construction within the Solent reflects the general trend seen nationally, in the aftermath of Brexit. Anecdotally some employers we engaged with suggested that not all vacancies are advertised, with many being filled through word of mouth. This means that in real terms, the actual number of job postings is likely to be higher.

Figure 4.1: Total and unique construction job postings across the Solent (2018-2023)



Source: Lightcast (2023)

Figure 4.2: Total and construction jobs postings across the Solent (base year 2018)



Source: Lightcast (2023)

4.0 The Demand for Skills (II)

In 2023, the construction sector in the Solent saw high demand ranging from lower-skilled trades (such as labourers) to higher-skilled roles (such as mechanical engineers). However, between 2018 and 2023, overall demand was largely driven by a greater need for lower-skilled roles, whilst the demand for higher-skilled roles (such as civil and industrial engineers) declined.

4.2 Occupations sought

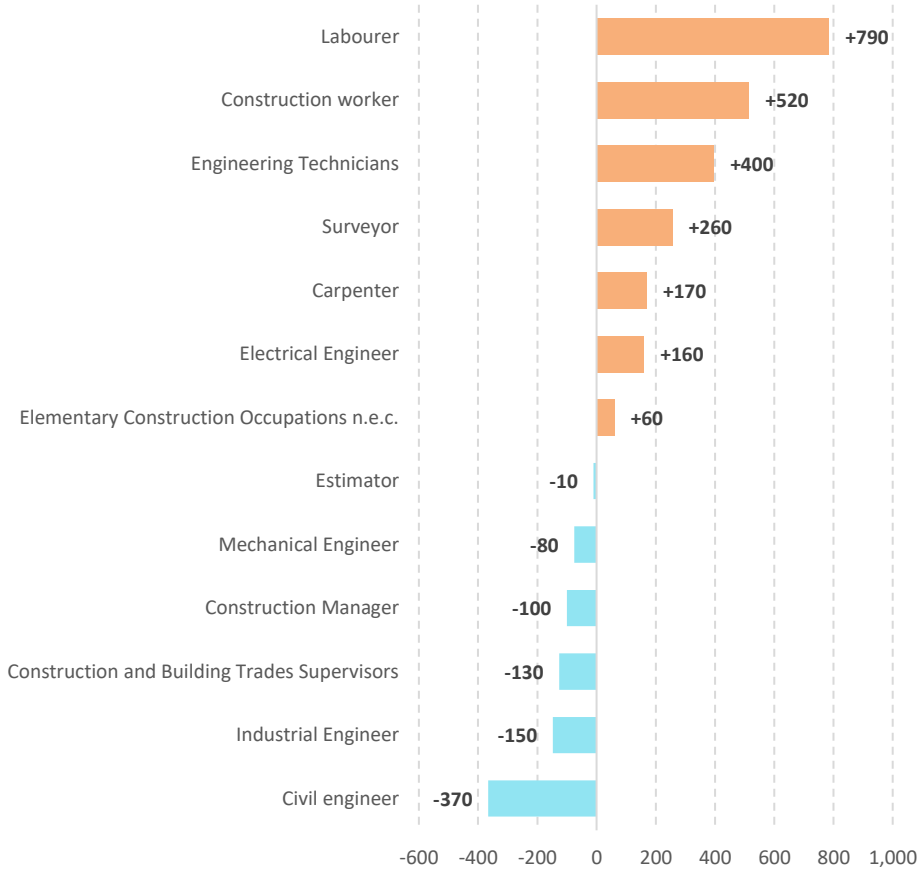
As outlined previously, the construction sector incorporates a wide range of activities across different sub-sectors. Drawing on demand data, the top five roles in construction (i.e. based on the definition outlined above) sought across the Solent during 2023 include:

- Labourer (1,480 job postings);
- Mechanical engineer (1,210 job postings);
- Engineering technicians (1,130 job postings);
- Construction workers (770 job postings); and
- Construction and building trades (730 job postings).

This shows that the demand for roles in construction is driven by a wide range of both lower-skilled trades (e.g. labourers), as well as higher-skilled roles (e.g. mechanical engineers).

However, a review of the change in demand for roles in the five years to 2023 suggests that this is primarily driven by an increased demand for mostly lower-skilled roles impacted by the UK's departure from the EU. This includes labourers (i.e. with an increase of 790 roles annually between 2018 and 2023), construction workers (+520 roles) and engineering technicians (+400 roles). In contrast, the demand for higher-skilled roles, such as civil engineering (with 370 fewer roles), industrial engineers (-150 roles) and construction and building trades supervisors (-130 roles) has, in general declined.

Figure 4.3 Change in construction occupation postings across the Solent (2018-2023)



Source: Lightcast (2023)

4.0 The Demand for Skills (III)

Within the Solent, Portsmouth and Southampton account for almost 60% of construction job postings, reflecting the higher demand for roles in urban centres. Meanwhile, Eastleigh and the New Forest saw an overall higher demand for lower-skilled and technical roles, highlight regional variations in skills requirements within the sector, and across the region.

4.3 Locational drivers of demand

Analysis of employment in the construction sector within the Solent indicates that the New Forest is home to an estimated 6,000 jobs (equating to 19.5% of the region's employment in the sector), followed by Eastleigh (with 5,000 jobs, or 16.3%) and Portsmouth (with 4,500 jobs, or 14.6%).

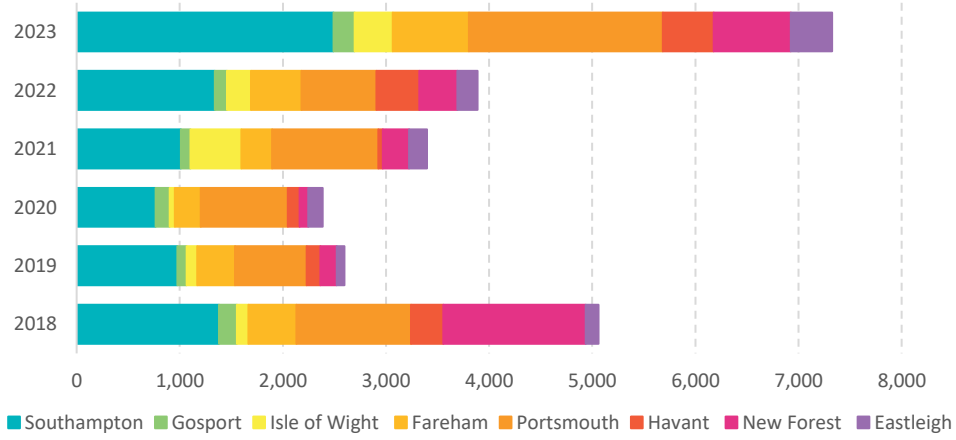
The analysis presented in Figure 4.4 shows that demand for construction roles fell by over 50% between 2018 and 2020 (i.e. from over 5,000 postings to around 2,400). Since 2020, the demand for roles in construction across the Solent has increased steadily, recovering to over 7,300 (unique) job postings in 2023.

With 34.0% and 25.7% of all job postings in 2023, Southampton and Portsmouth were the key locations of demand. This trend has persisted from 2019 onwards, although in 2018 Eastleigh represented the highest demand for roles in construction (i.e. alongside Southampton).

The analysis of demand data shows slight differences from the distribution of jobs in construction across the Solent, with Portsmouth and Southampton ranking as 3rd and 4th respectively within the Solent (i.e. behind the New Forest and Eastleigh in terms of total jobs in construction). However, job postings data aligns more closely with the number of businesses in construction within the Solent (i.e. with Portsmouth and Southampton ranking 2nd and 3rd respectively amongst local authority areas in 2023).

With regard to specific roles, Portsmouth saw the highest percentage of job postings for professional roles (80.2%) such as architects, engineers and surveyors, followed by Southampton (67.6%) and Gosport (66.4%). For technical roles such as construction workers, labourers and other elementary occupations, Eastleigh saw the highest proportion (61.9%), followed by the New Forest (55.2%) and the Isle of Wight (44.8%). This indicates that there is a greater demand for higher skilled workers within the larger urban employment centres across the Solent.

Figure 4.4: Unique construction job postings by Solent local authority (2018-2023)



Source: Lightcast (2023)

4.0 The Demand for Skills – Employer perspectives

Stakeholder engagement highlights several challenges in recruiting skilled workers for construction, and identified shortages of people with technical, management and specialist roles, alongside rising salary pressures due to competition for labour. Looking ahead, the demand for skills is likely to be driven by a growing need for digital, green and automation-related skills, whilst the pool of labour is likely to remain a challenge for the construction sector in the Solent.

4.4 Employer engagement

In addition to reviewing demand data, this report also draws on analysis of engagement with employers and key stakeholders (e.g. training providers and public sector organisations) with an interest in construction, to gather additional insight into some of the challenges faced when recruiting and maintaining a skilled workforce.

It should be noted that this analysis is based on several forms of engagement (e.g. surveys, one-to-one discussions, workshops and online surveys) completed at different points-in-time and run by different organisations with interests in the skills agenda in the Solent. This includes evidence gathered when preparing the Solent LSIP (i.e. in 2023), in addition to round-table events undertaken towards the end of 2024.

Based on this engagement, a number of challenges experienced by employers when recruiting for roles in construction and built environment include:

- Finding candidates with the right specialist or technical skills (e.g. engineering and digital);
- Qualified and experienced candidates for technical and management-level roles
- Skilled labourers (i.e. with Level 2 / 3 qualifications) in site management, surveying and planning; and
- An overall shortage of people seeking jobs in construction, resulting in upward pressures on salaries (in addition to competition for labour from other sectors – e.g. delivery drivers).

4.5 Future demand

Via this engagement, this deep dive has also sought to examine how skills demand in construction (and the wider built environment) is likely to evolve over the coming years, especially to reflect the additional demand that comes with the Government's target to build 1.5 million homes by 2029. In line with the analysis of wider sector trends, employers and stakeholders in construction have identified a growing need for digital skills, in addition to "green" skills (such as green technologies, retrofitting, decarbonization and having a greater appreciation of changing regulations), in addition to skills related to mechanical engineering and automation in construction.

However, stakeholders also identified the risk that future demand (i.e. including the wider construction sector) could be impacted, and constrained by the lack of capacity within local authorities to process planning applications.

5.0 The Supply of Skills – Skills providers in the Solent

The Solent region hosts a wide range of further education and higher education institutions, alongside independent training providers and the South Coast Institute of Technology

5.1 Skills providers within the Solent

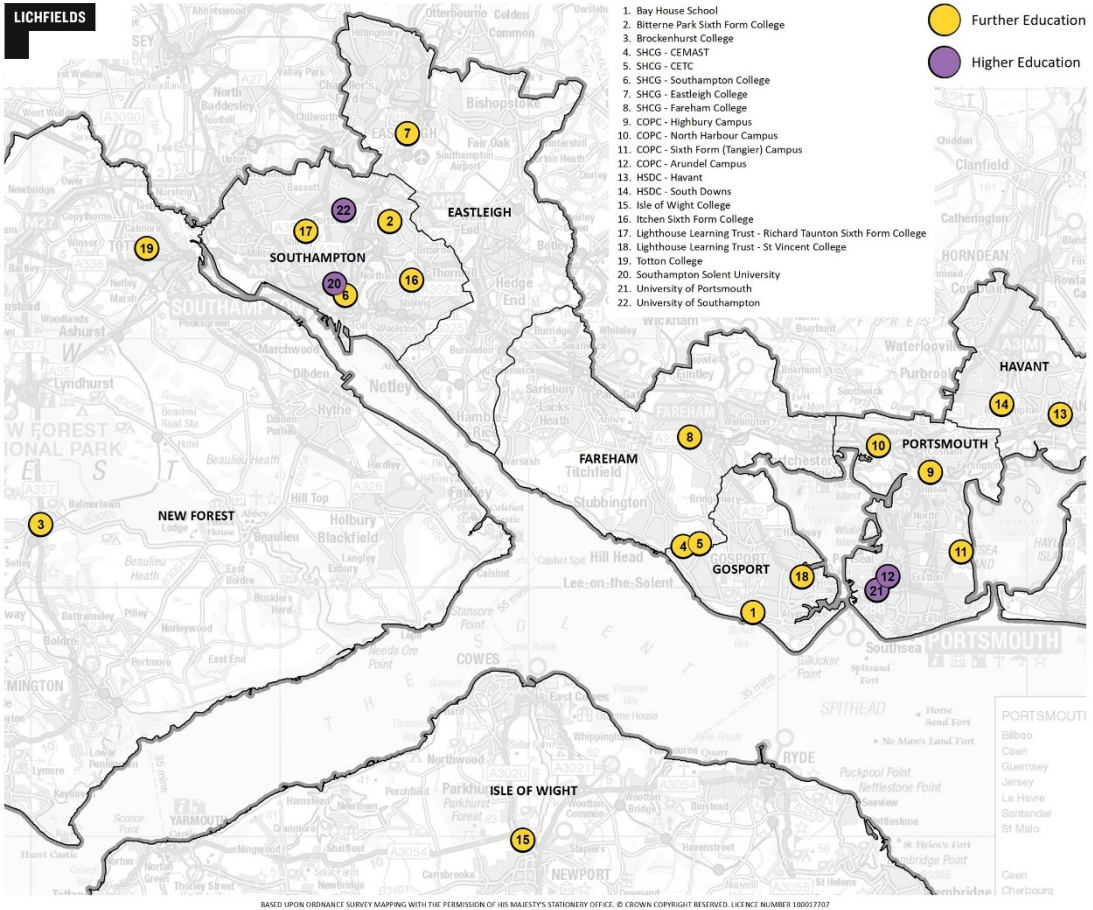
The Solent is home to several higher education ('HE') and further education ('FE') institutions, in addition to other independent training providers ('ITP'), offering qualifications, apprenticeships and other vocational training opportunities across a wide range of subject areas related to the construction sector.

FE providers offer a wide range of qualifications, including A-Levels, T-Levels, apprenticeships and other vocational/training opportunities aimed at preparing students for careers within the construction sector.

The Solent is also home to three HE institutions (i.e. University of Southampton, University of Portsmouth and Southampton Solent University) which together have over 60,000 students registered.

The Solent also benefits from the newly formed South Coast Institute of Technology ('IoT'). Backed by £13 million of funding from the Department for Education ('DfE'), the IoT is a collaboration of five FE colleges and two universities, working with well known employers to deliver industry-led courses aiming to meet skills gaps and support regional as well as national economic growth ambitions. The IoT welcomed its first cohort of students in September 2023, and largely focusses on maritime, engineering and digital sectors which are vital to the wider South Coast economy.

Figure 5.1: Higher and further education providers across the eight Solent local authorities



Source: Lichfields analysis

5.0 The Supply of Skills – Mapping provision in Construction (I)

Further Education and Higher Education providers in the Solent offer a wide range of pathways for learning in construction, including design, surveying and planning, onsite construction, and building services engineering.

5.2 Occupational maps for skills in construction

The Institute for Apprenticeships and Technical Education ('IfATE') works with employers to shape, and influence skills training in England. An arm's length body of the DfE, IfATE plays a key role in shaping the skills offer, whilst also ensuring that it reflects employers' needs for current and future skills needs in the sector.

The IfATE mapping identifies three key pathways related to skills in construction, which include:

1) Design, surveying and planning;
2) Onsite construction; and
3) Building services engineering.

Each of the three pathways incorporates a range of roles and occupations which can be classed as technical, higher-technical and professional occupations.

Drawing on the occupational maps for skills in construction, Figure 5.2 below identifies a total of 96 technical, higher-technical and professional-level (i.e. ranging from Level 2 and Level 7) qualifications across nine FE and HE providers as outlined in the following pages.

It should be noted that relative to the IfATE pathways, our research of qualifications across the Solent has identified strong alignment with the onsite construction, as well as design, surveying and planning skills.

However, our review of FE and HE providers in the Solent has identified weaker alignment with pathways related to building services engineering, with current provision focusing primarily on technical, and higher-technical qualifications (i.e. no professional-level qualifications).

The mapping exercise identified that 73% of provision in the Solent is focused on technical-level qualifications, with a further 9% focusing on higher-technical qualifications, and 18% in professional-level qualifications.

A detailed list of courses delivered by the different HE and FE providers within the Solent is included at Appendix 2. This analysis is not exhaustive and has not included ITPs within the Solent.

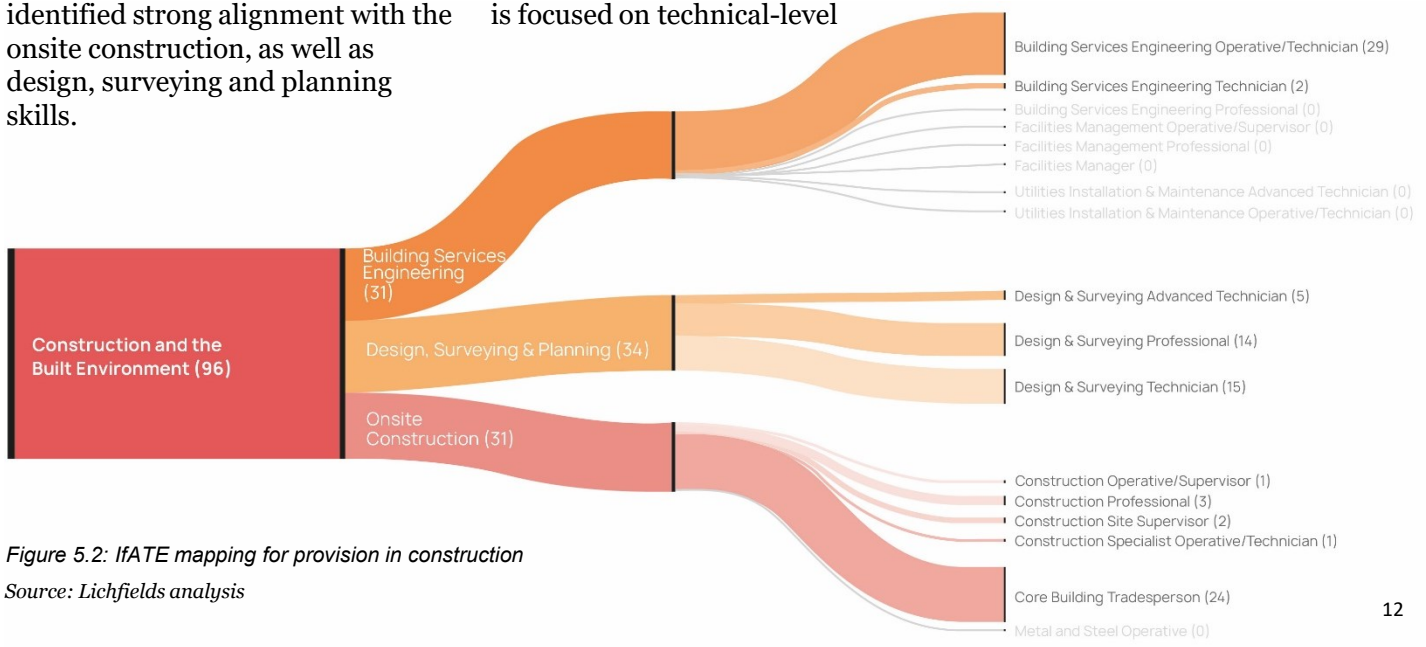


Figure 5.2: IfATE mapping for provision in construction

Source: Lichfields analysis

5.0 The Supply of Skills – Mapping provision in Construction (II)

A review of the different skills pathways offered by Further Education and Higher Education providers across the Solent has identified a total of 96 courses and/or qualifications across a wide range of subject areas related to the construction sector.

5.3 Further Education provision

Our review of FE provision for courses related to construction within the Solent has identified a total of 76 courses (i.e. ranging from Level 2 through to Level 5) across six FE providers (i.e. Brockenhurst College; the South Hampshire College Group, including the Civil Engineering Training Centre or 'CETC', the Centre of Excellence in Engineering, Manufacturing and Advanced Skills or 'CEMAST', Eastleigh College, Fareham College, and Southampton College; the City of Portsmouth College, Havant and South Downs College, Isle of Wight College, and Totton College).

Together, these cover a range of study areas across all IfATE pathways related to construction, as well as qualifications, such as T-Levels, apprenticeships, diplomas, higher national certificates ('HNC') and higher national diplomas ('HND'). It is noted that several providers offer courses in related / supply chain industries (e.g. carpentry) which are not included within the IfATE definition of the construction sector. A selection of courses on offer across the Solent includes:

- T-Level design, surveying and planning for construction (Level 2);
- Plumbing (building services) (Level 2);
- Civil engineering technician (Level 3);
- Painter and decorator apprenticeship (Level 3);
- Engineering surveyor (Level 4);
- HNCs in construction and electrical engineering (Level 4); and
- HND in general engineering (Level 5).

5.4 Higher Education provision

Analysis of HE provision in the Solent shows that there are currently 20 courses related to construction (and the built environment) and include both higher-technical qualifications (i.e. Level 4), as well as professional-level qualifications (i.e. Level 6 and above).

HE provision in the Solent covers IfATE pathways in onsite construction, as well as design, surveying and planning, but excludes qualifications in building services engineering. However, it should be noted that the mapping exercise has not considered general engineering degrees (due to their broad nature and applicability across a myriad of sectors).

HE qualifications currently on offer across the Solent include:

- HNC in civil engineering (Level 4);
- HNC in construction quantity surveying (Level 4);
- Civil engineering BEng (Level 6);
- Architectural design and technology BSc (Level 6);
- Quantity surveying BSc / MSc (Level 6 / Level 7);
- Energy and power systems management MSc (Level 7); and
- Architecture MA (Level 7).

5.0 The Supply of Skills – Learners in the Solent

In the 2023/24 academic year, the Solent had around 1,530 learners aged 16-19 in addition to a further 710 learners aged 19+ enrolled in courses related to construction. Additionally, around 2,000 apprenticeships in construction were recorded.

5.5 Further Education learners (16-19 and 19+)

Analysis of Individual Learner Record ('ILR') data shows that in the 2023/24 academic year there were 69,500 learners aged 16-19, in addition to a further 17,200 learners aged 19 and over across the Solent.

Using a best-fit definition of the construction sector (which in the case of ILR data includes construction, planning and the built environment), it is estimated that there are around 1,530 learners aged 16-19, in addition to a further 710 learners aged 19 and over. This means that during the 2023/24 academic year there were a total of 2,240 learners enrolled in FE courses related to construction, which is equivalent to 2.6% of total learners in the Solent.

Analysis of enrollment data shows that a little over half of learners aged 16-19 (i.e. 56%) are pursuing Level 1 courses, highlight the industry's focus on ensuring a robust skills foundation amongst its workforce. A further 35% of learners aged 16-19 are enrolled in Level 2 courses, showcasing their progression towards more advanced study, with a final 9% enrolled in Level 3 courses.

Information on course completions and retention rates outcomes are not available for subject areas, nor are these available for the Solent LSIP geography. However, Hampshire-wide evidence suggests that the area has an overall achievement rate of 84%, with a pass rate of 85.1% across all subjects, which represents a decline from the previous year (i.e. of 96.8% in both instances).

When considering adult (i.e. 19+) learners, the ILR data outlines several sector-specific outcomes, such as NVQ Diplomas in wood occupations and work supervision, in addition to trowel occupations and construction contracting operations.

5.6 Apprenticeships

In total, ILR data shows that during 2023/24, there were over 16,300 people enrolled in apprenticeships across the Solent. Of these, just under 2,000 apprenticeships are in construction and the built environment.

Drawing on qualification levels, ILR data shows that around a third (i.e. 31%) are at intermediate level, with c. half (i.e. 53%) being at advanced level. The rest (i.e. 17%) are higher-level apprenticeships in construction and the built environment. The following is a selection of the most popular apprenticeships in construction across the Solent:

- Installation / maintenance electrician (with 610 apprentices);
- Carpentry and joinery (with 260 apprentices);
- Plumbing and domestic heating technician (with 200 apprentices);
- Chartered surveyor (with 130 apprentices);
- Bricklayer (with 70 apprentices); and
- Gas engineering (with 70 apprentices).

05. The Supply of Skills – Employer perspectives

Employers in the Solent typically invest between £500 and £1,000 per employee in annual skills training, but face significant barriers such as resource constraints, lack of mentors and limited engagement with education providers. Addressing future skills gaps will require stronger collaboration, whilst employers have highlighted the need for modular and online training, in addition to a greater focus on promoting career opportunities to learners of all ages.

Our engagement with employers an stakeholders with an interest in construction also provided an opportunity to investigate the skills challenges and trends influencing skills supply in the sector across the Solent

5.7 Employer engagement

Employers' approaches to skills development in construction (and the wider built environment) vary greatly, and incorporate apprenticeships, paid-for commercial training, funded courses, as well as peer learning/job shadowing, continued professional development ('CPD') and self-guided training. Employers estimated the value of annual investment in skills training and professional development to range between £500 and £1,000 per employee.

When asked to identify barriers to engaging with skills training and professional development, employers in construction identified challenges associated with time and resource constraints, in addition to internal capacity, i.e. being able to manage training and project delivery. This was especially pertinent to small and medium-sized enterprises ('SMEs') which make up the majority of businesses in construction within the Solent.

Other challenges identified include finding experienced mentors for students doing work experience, which is primarily the result of lower levels of engagement between industry and education providers. Other employers identified the lack of a national-level training provider in construction as a key challenge, whilst many highlighted challenges associated with funding for training.

To address these barriers, employers in construction have identified several potential approaches which could be adopted, which include greater engagement between employers and training providers (especially FE institutions), in addition to increased access to short/modular courses, an improved skills offer, and access to online training courses and qualification. In this regard, employers acknowledged the benefits of having increased engagement with FE providers, allowing for seamless integration into work life (e.g. via T-Levels and apprenticeships).

5.8 Tackling skills gaps and ensuring a talented future pipeline

Engagement with stakeholder has also identified potential skills gaps and challenges in construction. In addition to a shrinking labour pool and more competition for labour (i.e. both by other construction employers, in addition to employers in other sectors), stakeholders identified a growing need for digital and "green" skills, such as green technologies, retrofitting, decarbonisation and having a greater appreciation of changing regulations.

More broadly, stakeholders agreed that the construction sector should be better at promoting itself and highlighting the opportunities for career progression and growth.

6.0 Challenges and priorities for change

The construction sector in the Solent faces several challenges such as persistent labour shortages (exacerbated by competition and high employment costs), in addition to growing demand for technical and "green" skills. With a Government target to deliver 1.5 million homes, and construction activity on large-scale infrastructure projects getting under way, the demand for roles will continue to grow, highlighting the need to ensure current skills gaps are addressed.

6.1 Scale of opportunity in construction

The construction sector has remained relatively positive despite the general slowing down of the UK economy. Nonetheless, it has still faced a number of challenges that have tempered growth, including a weakening of demand for homes due to higher borrowing costs, supply chain issues and a constrained labour market.

The UK Government recognises the key role of the construction sector and is therefore seeking to free up construction to stimulate investment and promote wider growth. This includes an ambitious target to delivery 1.5 million homes by 2029. Currently, local authority areas within the Solent have a collective annual delivery target of over 7,850 new homes. However, data for the past three years (i.e. from 2021/22 to 2023/24) suggests that collectively all local authorities within the Solent have built on average 2,260 dwellings per annum (i.e. 28.8% of target), highlighting the need for accelerated delivery. The Government's ambition to cut planning red tap and accelerate infrastructure developments (as outlined within the latest (i.e. December 2024) National Planning Policy Framework ('NPPF') is likely to boost demand for construction workers locally.

However, the delivery of large infrastructure projects across the wider South East (e.g. potential new runways and associated development at Heathrow, Gatwick and Luton airports, in addition to ongoing construction on High Speed 2, and the proposed construction of a new nuclear reactor at Sizewell) will create significant demand for labour. As such, these project may exacerbate existing shortages, and impact delivery of other projects (incl. housing) of new homes in the Solent.

Changes to the way homes are built (such as modular construction and off-site manufacturing – collectively referred to as modern methods of construction, or 'MMC') have potential to not only increase delivery, but also alter the types of skills needed across the construction sector (such as skills in manufacturing and installation of different components).

Employment forecasts (from Experian) suggest that the construction sector is anticipated to grow by around 700 jobs (i.e. + 6.3%) over the next 15-years. However, it should be noted that this is unlikely to fully account for the Government's ambition to stimulate housing delivery. On this basis, actual demand is expected to be higher, highlighting the need to ensure that skills gaps and challenges are identified early.

6.2 Skills gaps and challenges

Drawing on the analysis and employer engagement presented in this report, it is anticipated that employers in construction across the Solent could face a number of challenges which may impact their ability to balance the demand for skills with growth ambitions.

- **Skilled labourers –** our engagement has identified shortages across a number of key roles in construction, including skilled labourers with Level 2 / Level 3 qualifications in stie management, in addition to people with experience across a range of specialist skills.
- **Competition for labour** – in addition to the above shortages, stakeholders have also highlighted an overall challenge related to an overall of shortage of people looking for jobs in construction. Employers suggested that often times, they find they are competing for labour not only against other employers in construction, but other sectors more broadly (especially logistics).

6.0 Challenges and priorities for change – Recommendations

Drawing on the analysis undertaken, and engagement with employers in construction and other relevant stakeholders, this deep dive outlines several priorities for change the Solent LSIP and delivery partners can implement to better balance the demand and supply of skills needed to support a thriving construction sector in the Solent, now and in the future.

The above challenge is likely to be exacerbated as demand for labour increases as construction on large-scale infrastructure projects gets underway.

- **Employment costs** – in addition to raising challenges related to the size of the labour market, competition for labour is also having an impact on salaries, impacting SMEs' ability to compete for labour against larger projects.
- **Skills development** – construction is often perceived as being low skilled. However, as outlined throughout entry-level roles also require some basic qualifications. As such, as the sector evolves and MMCs are implemented more widely, the demand for skills will grow and broaden.

Green skills – linked to the above, the UK's transition to net zero will create opportunities, as well as greater demand for green skills in construction. This will include skills related to delivering renewable energy projects, "green" construction methods, and retrofit skills to improve the overall energy efficiency of buildings.

6.3 Recommendations for change

A series of actions and recommendations are set out below that partners from across the Solent can implement to address the challenges identified and build a future workforce with the skills needed to support a thriving construction sector in the Solent, now and in the future.

Recommendation	Challenges this addresses
Promote greater engagement between schools, learning providers and employers in construction to raise awareness about the construction sector, by showcasing the different roles and career pathways in construction.	• Raise awareness about the sector, with a view to increasing the size of the labour market.
Work with learning providers and key stakeholders from across the Solent (including from the construction sector) to develop and promote resources and CPD opportunities for employees in the sector.	• Update knowledge about the sector, and challenge misperceptions that the sector is low skilled, and offers no progression and/or career development. • Address challenges related to skills shortages.
Work to increase provision of higher-level vocational courses and qualifications in construction and related fields (such as facilities management, building services, engineering and utilities installation/management). Some courses are currently provided, however these are primarily based at CEMAST, and could be extended more widely across the wider Solent.	• Increase coverage of training provision in sector-specific fields, more widely across the Solent.
Place greater emphasis on training and CPD opportunities to drive delivery of "green" skills in addition to MMC skills to help modernise the sector and respond to an ever-growing demand for net zero solutions and improved energy efficiency.	• Help modernise the construction sector, by improving preparedness and growing resilience of the construction sector. • Stakeholders identified the potential for several skills shortages in the future (incl. skills related to green technologies, decarbonisation and automation).

Appendix 1 – Detailed SIC code definition of construction (I)

Activity	Sub-sector	SIC code
Construction of housing and commercial buildings	Construction of commercial buildings	41201
	Construction of domestic buildings	41202
Construction of infrastructure	Construction of roads and motorways	42110
	Construction of railways and underground railways	42120
	Construction of utility projects for fluids	42130
	Construction of utility projects for electricity and communications	42210
	Construction of water projects	42220
	Construction of other civil engineering projects	42910
Specialised construction activities	Roofing activities	42990
	Scaffold erection	23320
	Other specialised construction activities	23610
Ancillary construction activities	Demolition	23620
	Site preparation	46630
	Test drilling and boring	46730
	Development of building projects	77320

Appendix 1 – Detailed SIC code definition of construction (II)

Activity	Sub-sector	SIC code
Utilities, installation and finishing	Electrical installation	43210
	Plumbing, heat and air-conditioning installation	43220
	Other construction installation	43290
	Plastering	43310
	Joinery installation	43320
	Floor and wall covering	43330
	Painting	43341
	Glazing	43342
	Other building completion and finishing	43390
Manufacturing and supply of construction equipment	Manufacturing of bricks, tiles and construction products, in baked clay	43910
	Manufacture of concrete products for construction purposes	43991
	Manufacture of plaster products for construction purposes	43999
	Wholesale of mining, construction materials and sanitary equipment	43210
	Renting and leasing of construction and civil engineering machinery and equipment.	43220

Appendix 2 – FE & HE provision mapped *vs* IfATE occupation maps (I)

Sub-sector	Role	Level	Course	Provider
Building services engineering	Building services engineering operative or technician	Technical occupations	Building Services Engineering Installer (Level 2)	SHCG - Southampton College
		Technical occupations	Building Services Engineering Craftsperson (Level 3)	SHCG - Southampton College
		Technical occupations	Engineering Technologies (Level 2)	SHCG - Southampton College
		Technical occupations	Gas Engineering Operative (Level 3)	SHCG - Eastleigh College
		Technical occupations	Plumbing (Building Services) (Level 2)	SHCG - Eastleigh College
		Technical occupations	Plumbing (Building Services) (Level 2)	SHCG - Fareham College
		Technical occupations	Diploma in Refrigeration and Air Conditioning (Level 2)	SHCG - Eastleigh College
		Technical occupations	Electrical Installation (Building Services) (Level 2)	SHCG - Eastleigh College
		Technical occupations	Installation & Maintenance Electrician Apprenticeship (Level 3)	SHCG o Eastleigh College
		Technical occupations	Installation & Maintenance Electrician Apprenticeship (Level 3)	SHCG - Fareham College
		Technical occupations	Electrical Installation (Building Services) (Level 2)	SHCG - Fareham College
		Technical occupations	Plumbing and Domestic Heating Technician (Level 3)	SHCG - Fareham College
		Technical occupations	Plumbing and Domestic Heating Technician (Level 3)	SHCG - Eastleigh College
		Technical occupations	Maintenance & Operations Engineering Technician (Level 3)	SHCG – CEMAST
		Technical occupations	Property Maintenance Operative Apprenticeship (Level 2)	City of Portsmouth College
		Technical occupations	Electrical Installation (Level 2)	City of Portsmouth College
		Technical occupations	Electrotechnical Engineering (Level 3)	City of Portsmouth College
		Technical occupations	Electrical Installation/Maintenance (Level 3)	City of Portsmouth College
		Technical occupations	Plumbing Diploma (Level 2)	City of Portsmouth College
		Technical occupations	Building Services Engineering for Construction – Plumbing and Heating (Level 3)	City of Portsmouth College
		Technical occupations	Gas Engineering Apprenticeship (Level 3)	City of Portsmouth College
		Technical occupations	Plumbing and Domestic Heating (Level 3)	City of Portsmouth College
		Technical occupations	Refrigeration, Air Conditioning and Heat Pump Engineering Technician (Level 3)	City of Portsmouth College
		Technical occupations	Electrical Installation Level 2	Isle of Wight College
		Technical occupations	Building Services (Electrotechnical Engineer) Level 3	Isle of Wight College
		Technical occupations	Building Services (Gas Engineer) T Level Level 3	Isle of Wight College
		Technical occupations	Plumbing Studies Level 2	Isle of Wight College
		Technical occupations	Plumbing Studies Level 3	Isle of Wight College
		Technical occupations	Plumbing And Domestic Heating Technician Apprenticeship Level 3	Isle of Wight College
	Building services engineering professional	Professional occupations		
	Building services engineering technician	Higher technical occupations	HNC in Electrical Engineering (Level 4)	SHCG – CEMAST
		Higher technical occupations	HND in General Engineering (Level 5)	SHCG - CEMAST

Appendix 2 – FE & HE provision mapped *vs* IfATE occupation maps (II)

Sub-sector	Role	Level	Course	Provider
Building services engineering	Facilities management operative or supervisor	Technical occupations	n/a	n/a
	Facilities management professional	Professional occupations	n/a	n/a
	Facilities manager	Higher technical occupations	n/a	n/a
	Utilities installation and maintenance advanced technician	Higher technical occupations	n/a	n/a
		Technical occupations	n/a	n/a
Design, surveying & planning	Design and surveying advanced technician	Higher technical occupations	Engineer Surveyor (Level 4)	SHCG – CEMAST
		Higher technical occupations	HNC Civil Engineering (Level 4)	Southampton Solent University
		Higher technical occupations	HNC Construction Quantity Surveying (Level 4)	Southampton Solent University
		Higher technical occupations	Engineering - Mechanical Level 4	Isle of Wight College
		Higher technical occupations	Engineering - Electronics Level 4	Isle of Wight College
	Design and surveying professional	Professional occupations	Civil Engineering BEng (Level 6)	University of Southampton
		Professional occupations	Civil Engineering MEng (Level 7)	University of Southampton
		Professional occupations	Architectural Design and Technology BSc (Level 6)	Southampton Solent University
		Professional occupations	Construction Quantity Surveying BSc (Level 6)	Southampton Solent University
		Professional occupations	Quantity Surveying BSc (Level 6)	Southampton Solent University
		Professional occupations	Architecture BA (Level 6)	University of Portsmouth
		Professional occupations	Architecture MA (Level 7)	University of Portsmouth
		Professional occupations	Building Surveying BSc (Level 6)	University of Portsmouth
		Professional occupations	Chartered Surveyor Degree Apprenticeship Bsc (Level 6)	University of Portsmouth
		Professional occupations	Civil Engineering BEng/MEng (Level 6/7)	University of Portsmouth
		Professional occupations	Energy and Power Systems Management MSc (Level 7)	University of Portsmouth
		Professional occupations	Engineering Management MSc (Level 7)	University of Portsmouth
		Professional occupations	Professional Engineering BEng (Level 6)	University of Portsmouth
		Professional occupations	Quantity Surveying BSc/MSc (Level 6/7)	University of Portsmouth

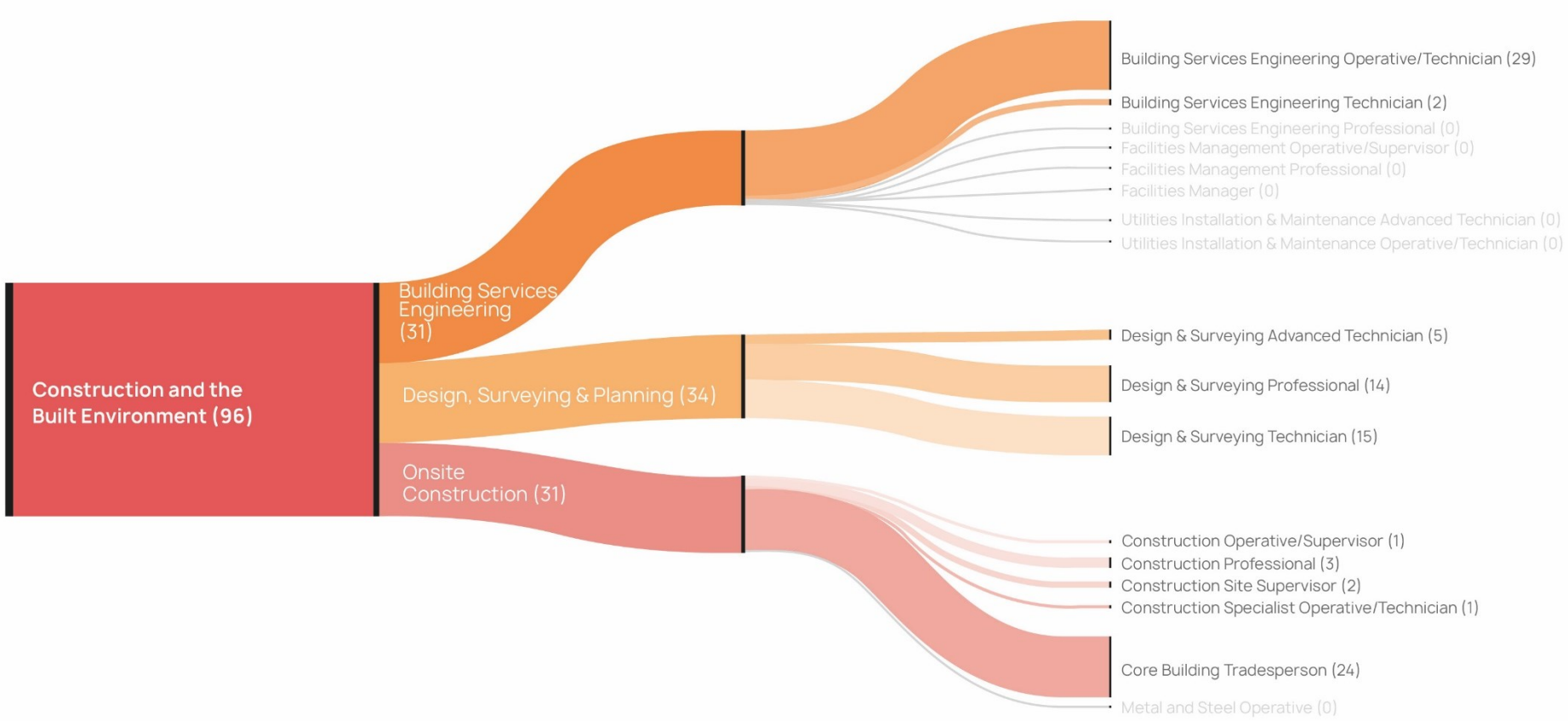
Appendix 2 – FE & HE provision mapped *vs* IfATE occupation maps (III)

Sub-sector	Role	Level	Course	Provider
Design, surveying & planning	Design and surveying technician	Technical occupations	T Level Design, Surveying & Planning for Construction (Level 3)	SHCG - Eastleigh College
		Technical occupations	T Level Design, Surveying & Planning for Construction (Level 3)	SHCG - CETC
		Technical occupations	T Level Design & Development for Engineering & Manufacturing	SHCG – CEMAST
		Technical occupations	Civil Engineering Technician (Level 3)	SHCG - CETC
		Technical occupations	Engineering & Manufacturing (Level 2)	City of Portsmouth College
		Technical occupations	Engineering Diploma (Level 2)	City of Portsmouth College
		Technical occupations	Design and Development for Engineering and Manufacturing (Level 3)	City of Portsmouth College
		Technical occupations	Engineering (Level 3)	City of Portsmouth College
		Technical occupations	Construction & The Built Environment (Level 3)	Havant and South Downs College
		Technical occupations	Design, Planning & Surveying for Construction T-Level (Level 3)	Havant and South Downs College
		Technical occupations	Engineering Operations Level 2	Isle of Wight College
		Technical occupations	Design And Development For Engineering And Manufacturing Level 3	Isle of Wight College
		Technical occupations	Engineering Technician Apprenticeship Level 3	Isle of Wight College
		Technical occupations	Engineering Level 3 Extended Diploma	Brockenhurst College
		Technical occupations	Engineering Level 2 Technical Diploma	Brockenhurst College
Onsite construction	Construction operative or supervisor	Technical occupations	Highways Maintenance Skilled Operative (Level 2)	SHCG - CETC
	Construction professional	Professional occupations	Construction Management BSc (Level 6)	Southampton Solent University
		Professional occupations	Construction Management BSc/MSc (Level 6/7)	University of Portsmouth
		Professional occupations	Project Management for Construction MSc (Level 7)	University of Portsmouth
	Construction site supervisor	Higher technical occupations	HNC in Construction (Level 4)	SHCG - Eastleigh College
	Construction site supervisor	Higher technical occupations	HNC in Construction (Level 4)	University of Portsmouth
	Construction specialist operative or technician	Technical occupations	Groundworker Apprenticeship (Level 2)	SHCG - CETC
	Core building tradesperson	Technical occupations	Painter and Decorator Apprenticeship (Level 2)	SHCG - Southampton College
		Technical occupations	Craft Carpentry & Joinery (Level 3)	SHCG - Eastleigh College
		Technical occupations	Craft Carpentry & Joinery (Level 3)	SHCG - Fareham College
		Technical occupations	Bricklayer Apprenticeship (Level 2)	SHCG - Eastleigh College
		Technical occupations	Bricklayer Apprenticeship (Level 2)	SHCG - Fareham College
		Technical occupations	Carpentry & Joinery Apprenticeship (Level 2)	SHCG - Eastleigh College

Appendix 2 – FE & HE provision mapped *vs* IfATE occupation maps (IV)

Sub-sector	Role	Level	Course	Provider
Onsite construction	Core building tradesperson	Technical occupations	Carpentry & Joinery Apprenticeship (Level 2)	SHCG - Fareham College
		Technical occupations	Brickwork Diploma (Level 2)	City of Portsmouth College
		Technical occupations	Bricklaying Apprenticeship (Level 2)	City of Portsmouth College
		Technical occupations	Carpentry & Joinery Diploma (Level 2)	City of Portsmouth College
		Technical occupations	Carpentry & Joinery Apprenticeship (Level 2)	City of Portsmouth College
		Technical occupations	Carpentry & Joinery Apprenticeship (Level 3)	City of Portsmouth College
		Technical occupations	Painting & Decorating (Level 2)	City of Portsmouth College
		Technical occupations	Plastering Diploma (Level 2)	City of Portsmouth College
		Technical occupations	Dry Lining Diploma (Level 2)	City of Portsmouth College
		Technical occupations	Plastering Apprenticeship (Level 2)	City of Portsmouth College
		Technical occupations	Interior Systems Installer Apprenticeship (Level 2)	City of Portsmouth College
		Technical occupations	Brickwork Level 3	Isle of Wight College
		Technical occupations	Bricklayer Apprenticeship Level 2	Isle of Wight College
		Technical occupations	Carpentry And Joinery Apprenticeship Level 2	Isle of Wight College
		Technical occupations	Site Carpentry Level 2	Isle of Wight College
		Technical occupations	Painting And Decorating Level 2	Isle of Wight College
		Technical occupations	Painter And Decorator Apprenticeship Level 2	Isle of Wight College
		Technical occupations	Construction Basic Skills (Multi-trades) Futures Level 2	Totton College
	Metal and steel operative	Technical occupations	n/a	n/a

Appendix 2 – FE & HE provision mapped *vs* IfATE occupation maps (V)



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