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MIGRATION AND CONSTRUCTION: The view from employers, recruiters and non-UK workers in 2019

Full Report – October 2019

Study prepared by IFF Research Ltd from a commission by CITB.

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Methodology

A variety of methodologies were used to ensure the study provides a robust evidence base for CITB, government and policy stakeholders. The methodology closely replicated that used for previous studies conducted by IFF for CITB in 2017 and 2018, and throughout the report we make comparisons with these earlier study, where relevant.

Broadly the research was divided into three separate phases:

- Phase 1: a review of current immigration policy, migration statistics and future EU-migration policy;

- Phase 2: qualitative research with a range of audiences, including employers, employment agencies, non-UK workers and industry stakeholders;

- Phase 3: quantitative research with employers, employment agencies and non-UK workers.

Phase 1: Policy Analysis/Review

This phase of the research was conducted by the Institute of Employment Research (IER) at the University of Warwick and City-REDI (Regional Economic Development Institute) at the University of Birmingham, and comprised several elements covering:

- A review of current UK immigration policy, including:

    - A review and synthesis of migration policy documents from the Home Office and the Migration Advisory Committee (MAC), setting out the current position (as at Spring 2019);

    - A review of commentaries on migration policy, with particular reference to the work of the Migration Observatory.

- A review of official migration statistics. This included reviewing published statistical data from the Office for National Statistics (ONS), including the Labour Force Survey (LFS).

- A review of potential future EU-migrant worker policy, including:

    - Recent debates and announcements regarding EU-migrant worker policy;

    - Assessing the implications of different options for controlling EU migrant workers.

Full findings from the Phase 1 policy analysis/review have been reported separately, and are available from CITB on request.

Phase 2: Qualitative interviews

In-depth, qualitative interviews (conducted face-to-face and by telephone) were carried out amongst four audiences (employers, recruitment agencies, non-UK workers and industry stakeholders) during April and May 2019 as detailed below.

Employers

Employers were recruited from the CITB Employer Panel study (a large-scale annual study conducted for CITB by IFF) and screened to ensure that they had at least 10 direct employees and either non-UK workers accounted for 10% of their workforce over the last 12 months or they had employed at least 20 non-UK workers over the last 12 months.

A total of 20 interviews were conducted, covering both the construction trades sector (16 interviews) and professional services employers (4). A spread of business sizes was covered: 7 were undertaken with employers with 10-49 employees, 10 with those employing 50-249 staff and 3 with large employers with more than 250 employees. A full summary is provided in Table 1.

Recruitment agencies

Sample for recruitment agencies was sourced through desk research, and screened to ensure that the firms placed individuals into the construction sector on a regular basis. Interviews were conducted with five recruitment agencies. All placed reasonable numbers in construction roles. Agencies interviewed covered a range of specialisms, placing workers into traditional construction as well as professional services roles. They recruited workers for all types of contracts, from short-term to permanent positions in the industry. The area that the agencies operated in varied between specific UK regions, national coverage and global.

Non-UK / migrant workers

Migrant workers were recruited from a sample of non-UK workers who completed the quantitative phase in 2018. Individuals were screened to check they had been employed or self-employed within the construction sector in the last 12 months and did not hold a UK passport and were not born in the UK.

A total of ten non-UK workers were interviewed. The length of time these workers had been in the UK ranged from 18 months to more than 20 years. Most were self-employed, but a few were directly employed.

Phase 3: Quantitative interviews

Quantitative survey work was undertaken with three different audiences – employers, non-UK workers and employment agencies. The methodological approach for each audience is detailed below.

Employers

Employers were sampled from the CITB Employer Panel supplemented with sample purchased from Market Location. The sample covered employers in Great Britain, and included those operating in professional services as well as traditional construction trades. Employment of non-UK workers was not part of the eligibility criteria for interview. However, to increase the chances of speaking to a sufficient number of employers with experiences of employing non-UK workers, only businesses with

5 or more direct employees across the UK were interviewed. Firms based in London and the South East were also oversampled. The final data was then weighted back to the overall construction employer population (of those with five plus staff) by size and region to ensure findings were representative.

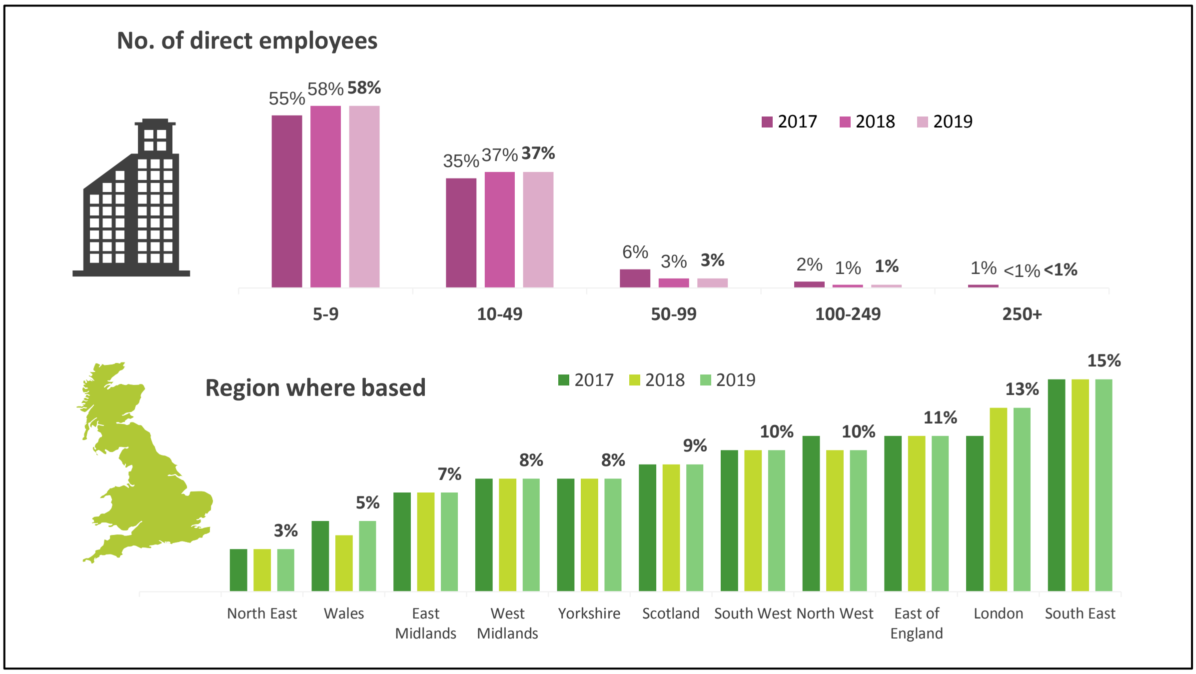
The mainstage fieldwork took place between May and June 2019, and a total of 400 telephone interviews were conducted with employers. Interviews took around 20 minutes to complete.

Table 1 shows the number of interviews conducted with various types of employer (and hence represents the base sizes on which results in the report are based), while Figure 1 shows the weighted profile of employers by size and geography.

Table 1 Profile of employers interviewed for the quantitative stage (unweighted)

	Number of interviews				Number of interviews		
	2017	2018	2019		2017	2018	2019
Direct				Construction	320	352	298
5-9	58	65	60	Professional Services	81	48	102
10-24	98	113	102				
25-49	72	92	89	**Region based in:**			
50-99	66	61	65	London/South East/Eastern	179	162	119
100-249	61	41	45	Midlands / South West	88	109	85
250+	46	28	39	North of England	79	87	77
				Scotland	38	109	80
				Wales	17	14	39
Total	401	400	400	Total	401	400	400

Figure 1: Weighted profile of employers



Employment agencies

Employment agency sample was free-found using web searches. Any that were contacted that said their organisation placed very few or no individuals into construction were excluded.

The mainstage fieldwork with employment agencies took place in May 2019, and a total 50 telephone interviews were conducted. Interviews took around 20 minutes to complete.

Non-UK workers

Due to there being no publicly available database of non-UK construction workers, this strand of the quantitative research was particularly challenging. Replicating the approach of the 2017 and 2018 studies, interviews were undertaken at large construction sites, and a total of 10 site visits took place in London and the South East from April to May 2019. Interviews were self-completed by workers using tablets.

A link to the survey was also forwarded to a number of employers interviewed for the qualitative stage, with a request to circulate the survey amongst their employees. A small number of responses were received through this route (fewer than 10), in addition to those completed on site.

A total of 251 responses were received from workers born outside the UK and without a UK passport or UK citizenship.

The survey script was translated into Polish, Romanian and Russian to encourage wider participation. In total, 133 interviews were completed in Romanian, 16 in Polish and 15 in Russian. Interviews took around 5 minutes to complete.

Given the sampling approach for non-UK workers, in particular that the coverage is just of those working at large construction sites (and with a London focus), results are not fully representative of all those working in the sector and hence results should be treated as indicative rather than fully representative of non-UK construction workers in general.

Reporting conventions

Throughout the report we use the terms ‘migrants’ and ‘non-UK workers’ interchangeably. By these terms we mean those born outside the UK and not holding a UK passport.

The current picture on the employment of non-UK workers in the UK Construction sector

This chapter summarises employment of non-UK workers within the UK construction sector, combining data from the desk research phase (primarily from the Labour Force Survey (LFS) and survey data. It looks at the proportion and profile of the workforce that are non-UK, and their working patterns. The LFS data presented is for 2018 (the latest data available at the time of the reporting), and comparisons are made with LFS data for 2017, and 2015 (the most up to date data available at the time of the 2018 and 2017 Migration studies). One complication with this year's study is that information on individual countries is no longer available from LFS 2018 data, hence in most situations where individual countries are referred to data from the 2017 LFS survey is used.

Key points:

- The construction workforce is still mainly British. The latest LFS data (for 2018) shows that the proportion of non-UK workers in the construction industry has decreased to 14% (down from 15% in 2017, representing a decrease in numerical terms of around 12,000 workers). Just under half the non-UK workers were born in EU Accession countries (45%, down from 51% in 2017). In London, it remains the case that around half the construction workforce is comprised of migrant workers (54%).

- The quantitative survey of employers found one in six (16%) were directly employing at least one non-UK worker at the time of the study, a decrease of 9 percentage points from the 25% found in the 2018 survey. (Note the survey of employers excludes very small employers with fewer than five direct employees).

- The data for individual countries is not available in the 2018 LFS data. However, in 2017 the number of Romanian construction workers in the UK rapidly increased since the previous survey in 2015 (from around 27,000 to just over 63,500), and in 2017 they had overtaken Polish workers as the largest national group working in the industry. Polish workers represented the second most populous group, and their numbers remained steady between 2015 and 2017 (at around 57,500). The number of Bulgarian workers significantly increased between 2015 and 2017 (almost doubling to just over 15,000 workers).

- Migrants often work as self-employed, based on entry routes and informal networks; they can move between projects with the ability to flex hours and earn more. Labour Force Survey data from 2018 recorded that 48.6% of non-UK born workers in construction were self-employed, compared with 39% of the UK born population. The proportion of migrant workers from the site-based survey reporting direct employment stayed roughly in line with the 2018 survey (30% in 2019 and 26% in 2018).

- The migrant workforce is somewhat younger than average, and this potentially masks the issue posed by an ageing UK construction workforce. The LFS for 2018 shows that while 32% of those working in construction that were UK born UK citizens were aged 50 plus, among the non-UK born workforce the comparative figure was just 23%.

- Non-UK workers cover a range of occupations including, architects, skilled trades, construction directors/managers/supervisors, machine operatives, engineers, quantity surveyors and support roles. The 2019 site-based survey found that fewer non-UK workers claimed to be general labourers than in 2018 (11% down from 20%).

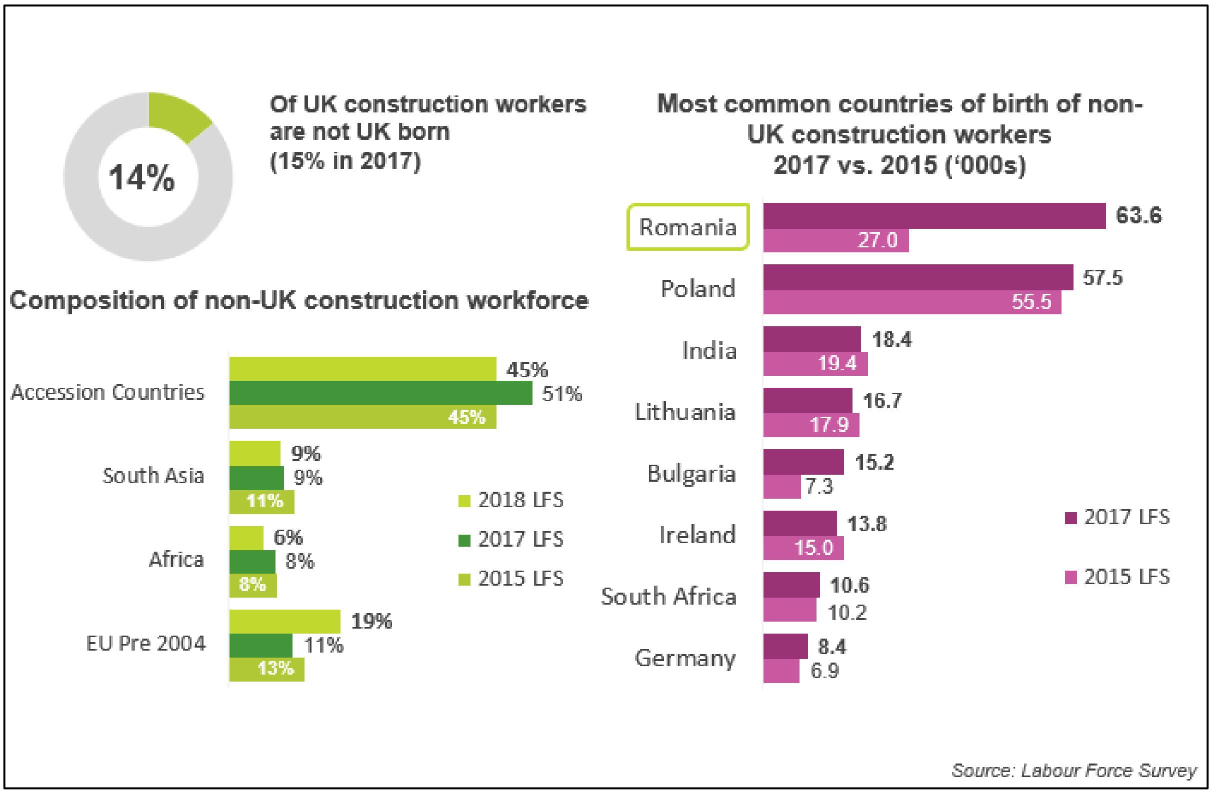
The incidence of non-UK workers in the UK construction sector

According to Labour Force Survey (LFS) data, 2.25 million people aged 16 to 64 worked in construction in 2018, the same as in 2017. 311,000 of these workers were born outside of the UK, a decrease from the 2017 LFS data, which recorded over a third of a million (333,700) non-UK born construction workers.

The proportion of the workforce comprised of non-UK workers has increased fairly consistently from the 8% recorded in 2007, though with a temporary fall in 2010, most likely in response to the recession, and a fall from 2017 to 2018 (14.5% to 13.8%).

Just under half (45%) of the non-UK construction workers (139,255) were born in EU Accession countries[1] (down from 51%, or 169,300 individuals, in 2017) representing 6.2% of the total construction workforce. LFS data showed that in 2017 the most common non-UK countries of birth of construction workers were Romania (63.6k), Poland (57.5k), India (18.4k), Lithuania (16.7k) and Bulgaria (15.2k). The LFS data does not have figures for every individual country in 2018, but does show that the number of workers from India fell to 15,000 and the number of Polish construction workers fell to 49,300.

Figure 2 The composition of the non-UK construction workforce in 2017 compared with 2015 by country (LFS data)

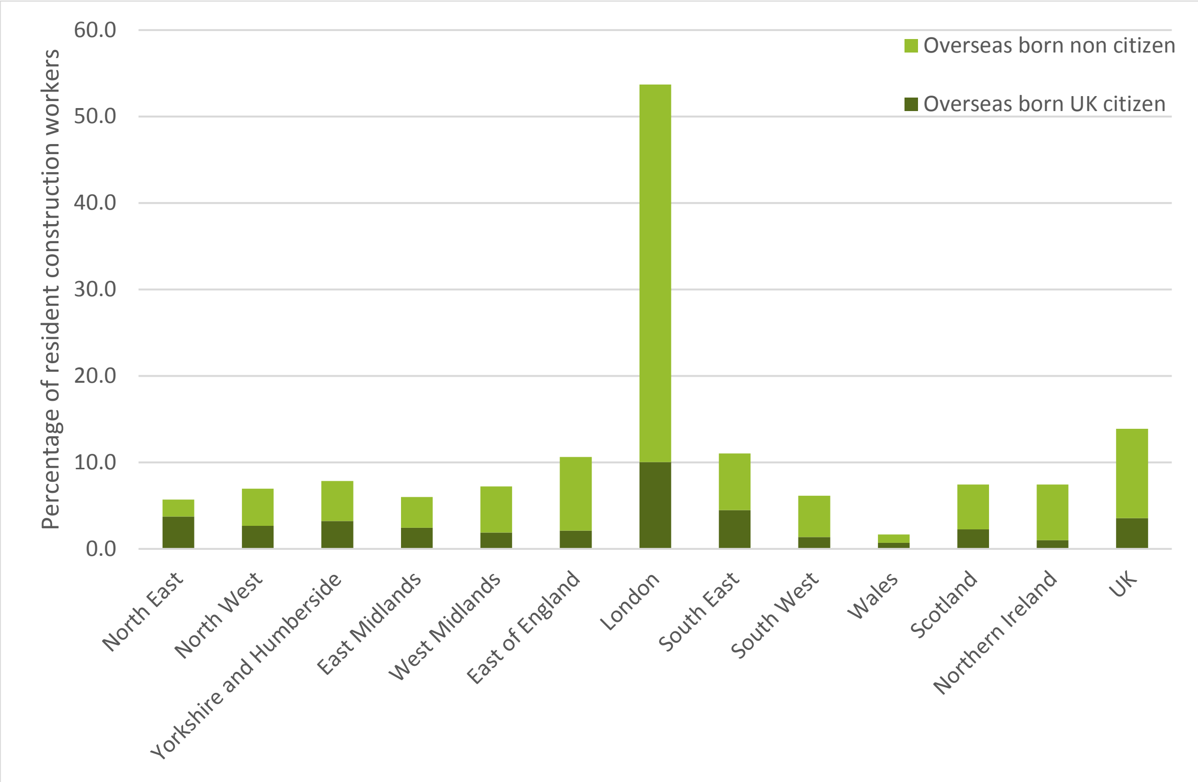


Source: Labour Force Survey

[1] The Accession countries are the 10 countries which joined the EU in 2004, Romania and Bulgaria (who joined in 2007) plus Croatia (who joined in 2013)

While across the UK the vast majority (86%) of the construction workforce were British, in London, over half the construction workforce (54%) were non-UK workers, a slight increase from 2017 (52%). The geographic distribution of the migrant workforce in 2018 remained broadly consistent with 2017.

Figure 3 Regional distribution of migrant construction workers within the UK, 2018 (LFS data)



By sub-sector, the migrant share of the workforce in 2017 was highest in “demolition”, “construction of residential and non-residential buildings”, “construction of railways & underground railways”, “construction of other civil engineering projects n.e.c” and “test drilling and boring” industry (each 15% to 25%).

Nearly two-fifths of migrants were in skilled construction and building trades occupations (37%, though down from 41% in 2015), similar to the percentage among UK-born workers (38%). The proportion of non-UK born workers has stayed roughly the same in most construction professions with only two professions differing by more than 1 percentage point from 2017: Corporate managers and directors increased from 8.8% in 2017 to 10.1% in 2018, whereas those working in skilled metal, electrical and electronic trades fell from 6.6% in 2017 to 4.6% in 2018.

As shown in Figure 4, the migrant workforce has a somewhat different age profile to their UK born counterparts. Almost four-fifths (78%) of construction workers born outside of the UK are concentrated in the 25-34 and 35-49-year-old age groups (32% and 46% respectively); comparatively only 57% of UK nationals working in construction fall in to these groups (23% and 34% respectively). UK nationals are more likely to be in the youngest or oldest age group than those working in construction born outside of the UK (12% compared to 5% in the 16-24 age group, and 32% compared to 17% in the 50-64 age group). Throughout the construction industry 31% of workers were aged 50+ while 10.5% were aged under 25, indicating the extent of the ageing workforce and the need for recruitment of young people.

In addition to the age profile of non-UK workers as based on LFS data, Figure 4 also shows the age profile of non-UK construction workers interviewed for this research, both in this wave and the previous two waves. Non-UK workers surveyed were largely site-based and concentrated in London: the profile is younger than that found in the LFS data (almost three-fifths were aged under 35), which may simply reflect a younger profile of the site-based workforce, as in 2017.

Figure 4 Summary comparison of age profile of non-UK vs. UK construction workers (LFS and survey data)

Age profile (LFS)

Age	UK born/UK citizen 2015	UK born/UK citizen 2017	UK born/ UK citizen 2018	Non-UK 2015	Non-UK 2017	Non-UK 2018
16-24	12%	12%	12%	7%	6%	5%
25-34	24%	23%	23%	41%	37%	32%
35-49	35%	34%	34%	43%	46%	46%
50+	30%	32%	32%	10%	11%	17%

Source: LFS data (2018; 2017; 2015)

Age profile (non-UK worker survey)

Age	Non-UK 2017	Non-UK 2018	Non-UK 2019
18-24	4%	9%	12%
25-34	45%	41%	47%
35-44	33%	30%	23%
45+	17%	17%	17%

Source: IFF Non-UK worker Survey (Base:2019: 251 2018: 244; 2017: 248)

The employer perspective

Overall, 36% of employers interviewed for the 2019 study (to qualify employers had to employ at least five people across the UK) employed non-UK workers (very similar to the 35% in 2018); 16% employed any directly (down from 25% in 2018), and 17% employed any indirectly either through using non-UK workers from employment agencies (6%), self-employed workers (9%), or labour-only sub-contractors (7%). The use of agency staff and self-employed workers has fallen slightly from the 2017 survey, but the use of labour-only sub-contractors has remained broadly constant (13%, 14%, and 9% respectively).

Table 1 Incidence of employing non-UK workers by employer size and sub-sector 2019

	5-9	10-99	100+	Construction	Professional Services	**All**
Base: all	*232*	*160*	*8*	*326*	*74*	***400***
	%	%	%	%	%	**%**
Any directly employed non-UK	5	29	80	10	43	16
Any non-UK indirectly employed	15	18	53	20	2	**17**

As shown on Table 2, the likelihood of employing non-UK workers was much higher among large firms. Professional services firms were more likely to have any non-UK workers directly employed (43%) than working on an indirect basis (2%), though this figure should be treated cautiously due to the low base of professional services firms that were interviewed (21), For construction firms the opposite was the case, with firms more likely to employ non-UK workers indirectly (20%) than directly (10%). This shows a slightly different picture to the 2018 survey when the balance of professional firms employing non-UK workers directly or indirectly was roughly even (22% and 25% respectively).

- Among employers with non-UK workers directly employed, 72% said all (56%) or most (16%) of these workers were from the EU (up from 63% in 2018). This is equivalent to 12% of all employers having non-UK workers directly employed that are all or mostly from the EU.
- Among employers with non-UK workers indirectly employed, half (49%) said all (41%) or most (8%) of these workers were from the EU (down from 58% in 2018). This is equivalent to 8% of all employers having non-UK workers indirectly employed where all or most are from the EU.

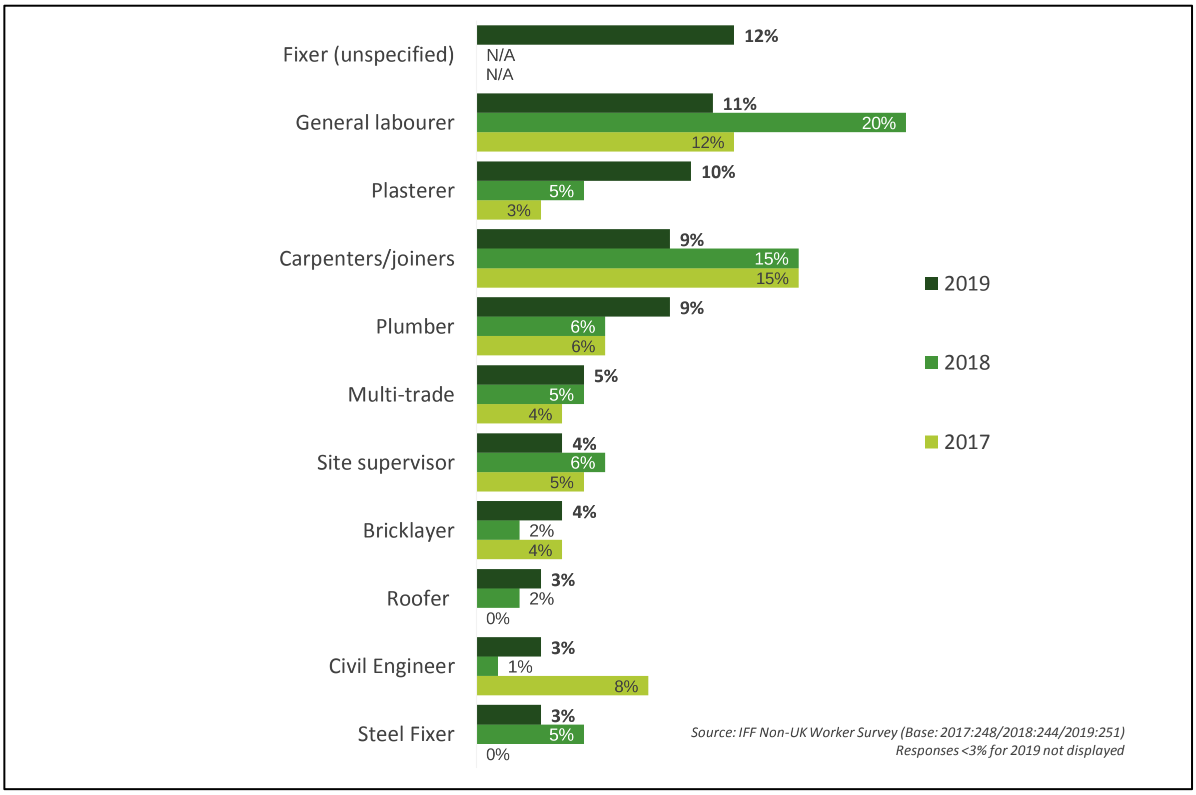
The non-UK worker perspective

The vast majority of the non-UK workers interviewed were interviewed at large construction sites in London and the South East. Of the 251 non-UK workers surveyed, over half (55%) came from Romania, an increase from 2018 (46%). The remainder came from a wide range of countries including Bulgaria (10%), Poland (7%), Moldova (6%) and Lithuania (4%). The majority (94%) were EU (non-UK) passport holders.

As in 2018, the non-UK workers interviewed operated across a range of roles, including general labourers, carpenters/joiners, plumbers and site supervisors. This year, one in eight (12%) site-based respondents reported their main occupation as being an unspecified fixer, an occupation that has not been prevalent in previous waves. The proportion that were employed as general labourers has decreased compared with 2018, from 20% to 11%. In contrast, more employers with any non-UK workers reported that any of these workers operated as general labourers (45% in 2019 compared with 40% in 2018).

Figure 6 shows a comparison of the main occupations that non-UK workers reported doing. The chart excludes the 9% of non-UK workers who selected “other” in the survey without providing sufficient detail to categorise their occupation, as well as 5% who reported not having one specific occupation, and the 4% who preferred not to answer. Other occupations that were mentioned by 2% or less of respondents included: painter / decorator; scaffolder; Electrician; project / construction manager; technician; architect; plant and machine operatives.

Figure 6 Occupations and roles of non-UK workers, 2019, 2018, & 2017



The non-UK workers interviewed in 2019 had moved to the UK more recently than those interviewed in 2018. For example, one in eight had lived in the UK for more than 10 years in 2019 (12%), half the 2017 level (23%).

In other respects, the profile of non-UK workers surveyed remained consistent with the 2018 findings. During their time in the UK, the vast majority (88%, in line with 85% last year) had only (51%) or mainly (37%) worked in construction jobs as opposed to other sectors. However, there was a decrease in the number of non-UK workers who had changed their occupation or role they had worked in 2019 (39% down from 52% in 2018).

Almost half (46%) of the non-UK workers interviewed said that their first ever construction job was in the UK, lower than in 2018 (56%).

Employment agencies

Employment agencies play a significant role in employment in the UK construction sector, and the findings show continued reliance on agencies for recruitment over the last 12 months:

- 6% of employers had non-UK staff working for them via an employment agency at the time of the survey (though this is lower than the 14% in 2018);
- One in five (20%) of the non-UK workers interviewed were working via an employment agency (up from 12% in 2018);
- A quarter of employers have employed staff (whether UK or not) via an employment agency in the last 12 months (23%), rising to 55% of firms with 100+ direct employees;

- Two in five (41%) non-UK workers interviewed had worked for an employment agency at some point whilst working in construction in the UK (lower than the 52% reported in 2018).

As in 2017 and 2018, 50 employment agencies were interviewed as part of the research. Most dealt with other sectors as well as construction, but a third specialised in construction placements (32%). Around four-fifths (82%) had placed non-UK workers into construction roles in the last 12 months (similar to the 86% in 2018): most of these had placed EU workers (80%) and just over half (56%) had placed workers from further afield in this time.

Three-quarters (74%) of agencies placed less than 50 individuals into construction per week, while 14% placed more than 50 per week in construction, with one agency stating they placed more than 500 per week (the remaining agencies were either unsure or chose not to answer the question). On average 44% of individuals placed into construction by agencies were from the EU (an increase from 33% in 2018); and 11% were from outside the EU (similar to the 9% in 2018).

The single most common role that agencies had placed non-UK workers into in the last 12 months remained general labouring positions (39%, consistent with the 34% in 2018); this was followed by a wide range of construction and professional services roles, including carpenters and joiners, engineers, quantity surveyors, engineering design or technical consultancy, electricians and project managers for construction.

Length of stay and pay

Working relationships

Taking into consideration potential visa restrictions which would place a limit on the amount of time workers from the EU are able to live and work in the UK in the construction sector, this year's survey explored the how long EU workers had worked and lived in the UK.

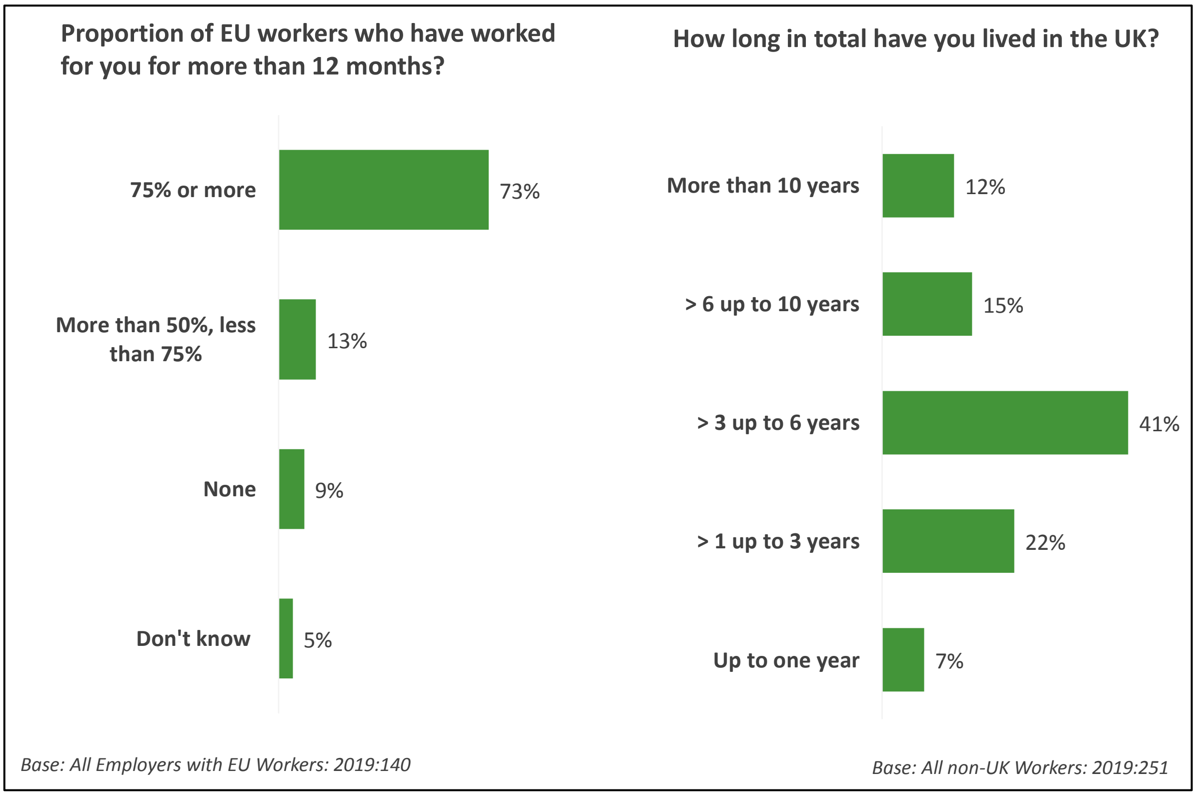
Employer perspective

Employers who currently employ EU workers were asked what proportion of those workers had worked for them for more than 12 months. The majority (73%) said that three-quarters or more of their EU workers had worked with them for more than 12 months, reflecting relatively long-term working relationships with this group of workers. Only 9% of employers employing EU workers indicated that none of these workers had been with them for more than 12 months.

Employers that expected skilled staff recruitment to become more difficult over the next 2-3 years were more likely (80%) to say that three-quarters or more of their EU workers had been working for them for more than 12 months than those that felt it would get easier to recruit skilled staff (63%). In addition, those employers who had provided Level 3+ training to any of their workers were more likely (81%) to say at least three-quarters of their EU workers had been employed for 12 months or more, compared with employers that had provided training that was below Level 3 (60%).

This suggests that developing and retaining a skilled workforce are key for those employers that have longer term working relationships with their employees from the EU, reinforcing the importance of EU workers to the sector.

Figure 2: Length of working relationship (employers) and length of stay (non-UK workers)



Nine in ten (92%) employers that employ EU workers said that it was *not* typical for there to have been breaks in the time these workers had worked for them. This provides further evidence that working relationships employers have with their EU employees are not usually ad hoc or temporary, but rather that these workers form an important part of the long-term workforce.

This perspective was evident too in the qualitative research, in which most employers said that the migrant workers they employed stayed with them for more than 12 months, often for several years. They noted that these workers built up their skills and had lives, friends and family in the UK.

"We've got at least 50 people who are with us for more than a year, have accounts, qualifications, families, are renting here."

10-49, General builders, London

Non-UK worker perspective

Non-UK workers were asked how long in total they had lived in the UK. Nearly three-fifths had lived in the UK between 3 and 10 years (57%), and a further 12% had lived in the UK for more than 10 years. Those that had construction-related qualifications were significantly more likely (63%) to have been in the UK for more than 3 years s than those that had no construction qualifications (33%). Only 7% of non-UK workers said that they had lived in the UK for 'up to one year', rising to 16% of those who did not have construction qualifications.

This reflects the tendency for skilled non-UK workers to build careers in the UK, as well as for less skilled workers to upskill and train whilst working in construction in the UK, something which will be explored in more detail in the Training and Qualifications chapter of this report.

Overall, the findings reveal stability in terms of employment relationships with non-UK workers. This echoes the findings of the qualitative research, in which non-UK workers tended to focus on building long-term careers and lives in the UK.

If it's up to me I would like to stay, but it depends on a few things: if my girlfriend is allowed to stay, if my wages will stay the same, and if I'm allowed to travel and see my family.

Construction worker, aged 20 – 29, Romania

Income

Employer perspective

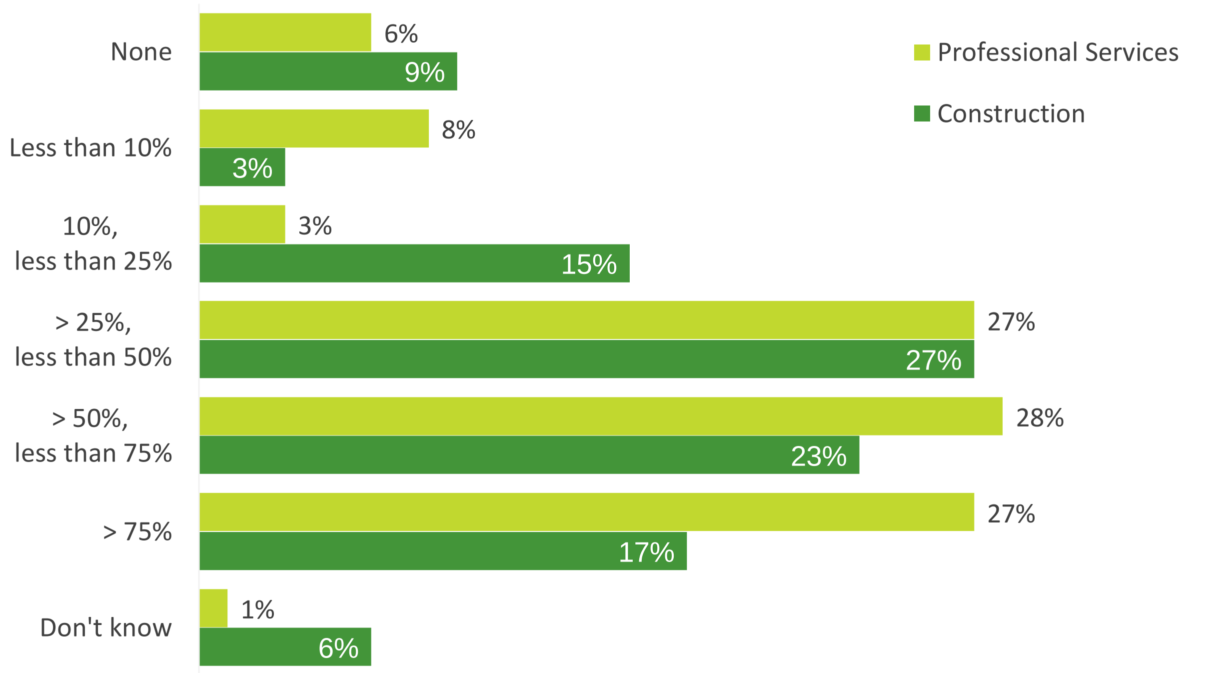
Employers were asked about the proportion of all their workers that earned £30,000 or more (including both UK and non-UK workers). This specific salary threshold was asked about in light of the minimum salary requirements that may be implemented if new visa regulations are introduced.

Over half (55%) of Professional Services employers said that most of their employees earned over £30,000 a year, higher than the proportion among Construction employers (40%). Relatively few employers said none of their staff earned over £30,000 a year (6% of Construction firms, 9% of those in Professional Services).

Interestingly, those employers that had *not* provided professional training were more likely (52%) than those that had provided Level 3+ training (40%) or training below Level 3 (30%) to say that more than half of their workers earned more than £30,000. In the context of a higher proportion of Professional Services firms reporting this, this could be due to Professional Services firms employing skilled workers who already hold qualifications (and therefore not needing to provide professional training), and those already skilled employees taking on roles which are more highly paid.

Ultimately, the findings suggest that a high-skilled visa with a minimum salary threshold of £30,000 is more suitable for those working in the Professional Services than for Construction employers.

Figure 3: Proportion of workers (UK and non-UK) earning £30,000+



Base: All Employers: 2019: 400

Agency perspective

Agencies that had placed any migrant workers in the last 12 months were asked what proportion of these workers were placed into roles with salaries higher than £30,000. Most workers placed by agencies were placed in positions with salaries lower than this; half (51%) said that only up to one fifth of workers placed earned more than £30,000.

Non-UK worker perspective

Non-UK workers were more likely than employers and employment agencies to say that they earned £30,000 or more a year; just over two-thirds (43%) said they earned this amount. Those employed directly (51%) and those who were self-employed or running their own firm (46%) were more likely than those employed through an employment agency (24%) to say that they earned over the £30k threshold.

Those non-UK workers with construction-related qualifications were also more likely (49%) than those without (22%) to say they earn more than £30,000. Those with qualifications of Level 3 or above are more likely (65%) than those with L2 or below (44%) to say that they earn more than this threshold. In the qualitative research, construction workers described working a large amount of overtime on top of their basic wage, typically working more than 40 hours per week in total, with pay at around £25,000 when overtime was excluded; those in lower qualified roles may have more ad hoc overtime work available to them which drives up their salaries than those in more skilled or professional occupations where hours are set.

Qualifications and training

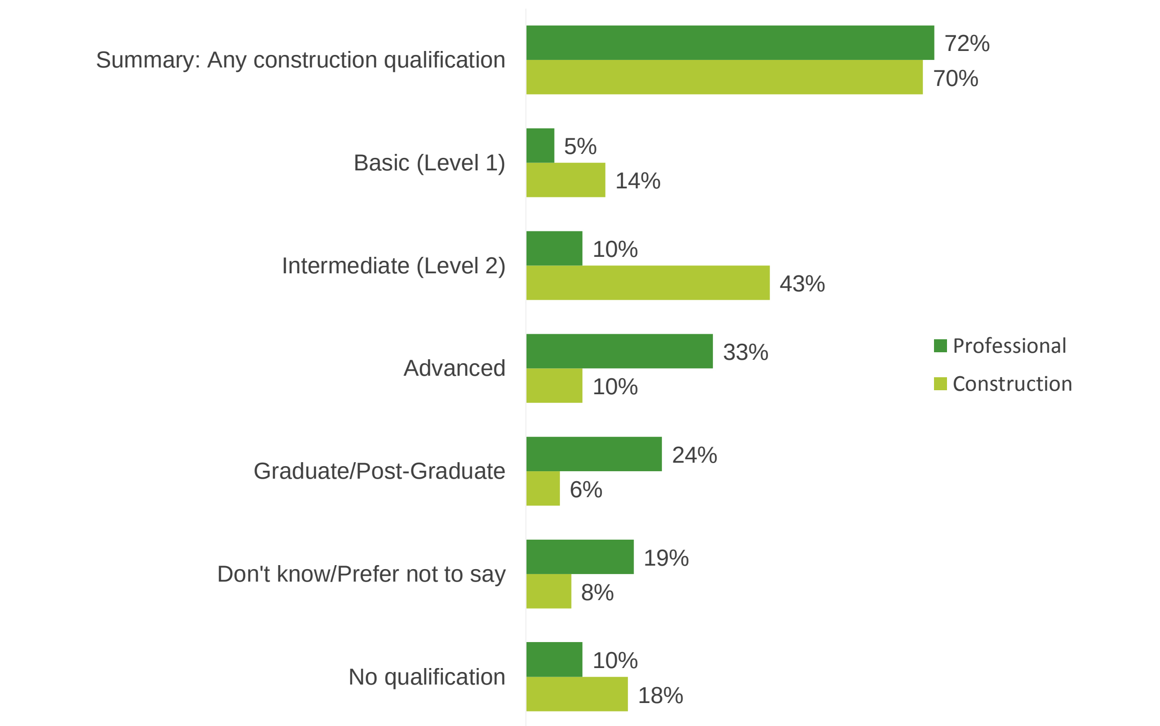
Qualification levels

In line with previous waves of the research, around three-quarters (73%) of non-UK workers surveyed said that they held a construction-related qualification.

Amongst Construction workers, the majority held qualifications at either Level 1 (14%) or Level 2 (43%); only 16% held higher qualification levels than this. Overall, those that had lived in the UK for less than 3 years were more likely than average to have Level 1 qualifications as their highest (21%) or no qualifications (34%).

In contrast, though there was a small base for Professional Services workers, the results suggest that they held higher levels of qualifications with 33% holding advanced qualifications and 24% holding Graduate/Postgraduate level qualifications.

Figure 4: Qualification levels held by non-UK workers



*Source: IFF Non-UK worker Survey (Base: 2019: 251; Construction: 185; Professional: 21) *CAUTION SMALL BASE*

Importance of qualifications

Those non-UK workers that had construction-related qualifications were asked whether their qualifications were essential to do their current construction role.

Nearly all of those with qualifications at Level 3 or above (89%) or with qualifications up to Level 2 (86%), said that these qualifications were essential for their current role. This suggests that there is not a pool of overqualified migrant workers currently working in the construction sector, but rather that migrant workers are working in roles that match the level of training they currently have attained.

Training received in the UK

Around two-thirds (65%) of those with construction-related qualifications had attained their highest construction-specific qualification in the UK. This suggests that most workers are not coming to the UK fully-qualified, rather they are building careers in the UK and developing their skills during their time working in the construction sector. This is reflected in the qualitative research, in which the majority of non-UK workers interviewed had gained their qualifications since coming to the UK.

This picture of long-term career development is reinforced by the fact that workers who were self-employed or running their own firm were significantly more likely (77%) to say that their highest construction-specific qualification was attained in the UK, suggesting that this group are making long-term plans and setting up businesses using the qualifications they have attained whilst working in the UK.

Non-UK workers were asked about the training they had received while working in construction in the UK.

- Nine in ten (92%) non-UK workers said that while working in construction in the UK they had received training in UK regulations for working on construction sites.

- Around three-quarters (73%) said that they had received training at Level 2 or below to develop their skills.

- Just under a third (29%) had received training at Level 3 or above to develop their skills. This was higher amongst those working in the Professional Services sector, two-thirds (62%) of whom had received this level of training.

Two-thirds (66%) of those non-UK workers in Construction roles who had received skills training in the UK, said this had influenced them to decide to stay in the UK for longer.

The qualitative element of the research found that non-UK workers were open to training and development, although were sometimes unclear on the steps involved. This suggests that employers might play a more active role in supporting their workers to upskill.

I would like to get more skills. Like I would like to get a Gold CSCS card. […] Need an NVQ level. I can't remember what level it is that you need [to be a] supervisor, [but it requires] a test and then a payment.

Construction worker, aged 30 – 39, Ireland

Around six in ten (58%) employers said that they had provided professional training for their construction workers in the past 12 months. This was higher amongst those with 100+ employees (80%), as well as those with multiple sites (71%). However, this does suggest that there is room for improvement given two-fifths had not provided professional training in the past 12 months.

In the qualitative research, some non-UK workers talked about their experiences of learning informally on the job, as opposed to receiving professional training. Although this was seen as a positive aspect of working in the UK amongst these workers, this informal training would not support workers to work in the UK if new visa restrictions were put in place.

One-third (33%) of employers had provided training to any of their workers (UK and non-UK) in the past 12 months for qualifications of Level 3 and above. This was, unsurprisingly, higher amongst Professional Services employers (47%) than Construction employers (29%). Additionally, this was higher amongst those with any direct non-UK workers (53%) than those with no non-UK workers (29%); this suggests that employers are focusing resource on developing their non-UK workers who may begin with qualifications lower than Level 3, further supporting the finding that non-UK workers tend to upskill whilst working in the UK, as opposed to coming to the UK highly/fully skilled.

The qualitative research highlighted the benefits employers feel come from providing training to their non-UK workers and developing their long-term workforce. Some felt it was beneficial to them regardless of the level a worker had attained when they first started work with them, in order to provide a continuous flow of workers at the lower levels that they could upskill as needed for higher level positions.

[It's] hugely [beneficial]… that is basically our principle, offering training progression and development, quality of delivery… it is our reputation. We are looking to deliver a quality product so that people come back […] you don't want to be worrying that people are not going to turn up or do a rubbish job it is just too important for us.

50-249, Shop fitters, UK-wide

Recognition of qualifications

In light of potential qualification level requirements that may be implemented as part of new visa restrictions, this year's survey explored the perceived levels of recognition and understanding of qualifications attained overseas.

Around half (51%) of employment agencies that had placed migrant workers in the last 12 months said that qualifications gained overseas are rarely or never recognised and accepted by UK employers. Additionally, three-quarters (76%) said they felt that it was difficult for employers to understand how overseas qualifications equate to UK qualifications. This was backed up by the qualitative interviews with employers, where many, either required relevant British qualifications, or judged workers on their merit when they arrived irrespective of their overseas qualifications.

I don't think it's equivalent. Not all the time. You have to get licences. E.g. for plant operators, we have qualified guys from Romania but we had to train them here to get the licence.

10-49, General builders, London

This suggests that there may be significant challenges for employers when ensuring potential workers meet skill level requirements. This is an area in which agencies and the CITB may play a role in supporting employers to understand and recognise qualifications held by non-UK workers.

Despite this, over half (55%) of non-UK workers felt that their employers had recognised and accepted their overseas qualifications. However, it should be noted that the non-UK workers interviewed were those currently working in the UK, not those considering working here or applying for roles. By default, a proportion of them would have had their qualifications recognised in order to attain their current role.

Reasons for using non-UK workers

Motivations for hiring non-UK workers

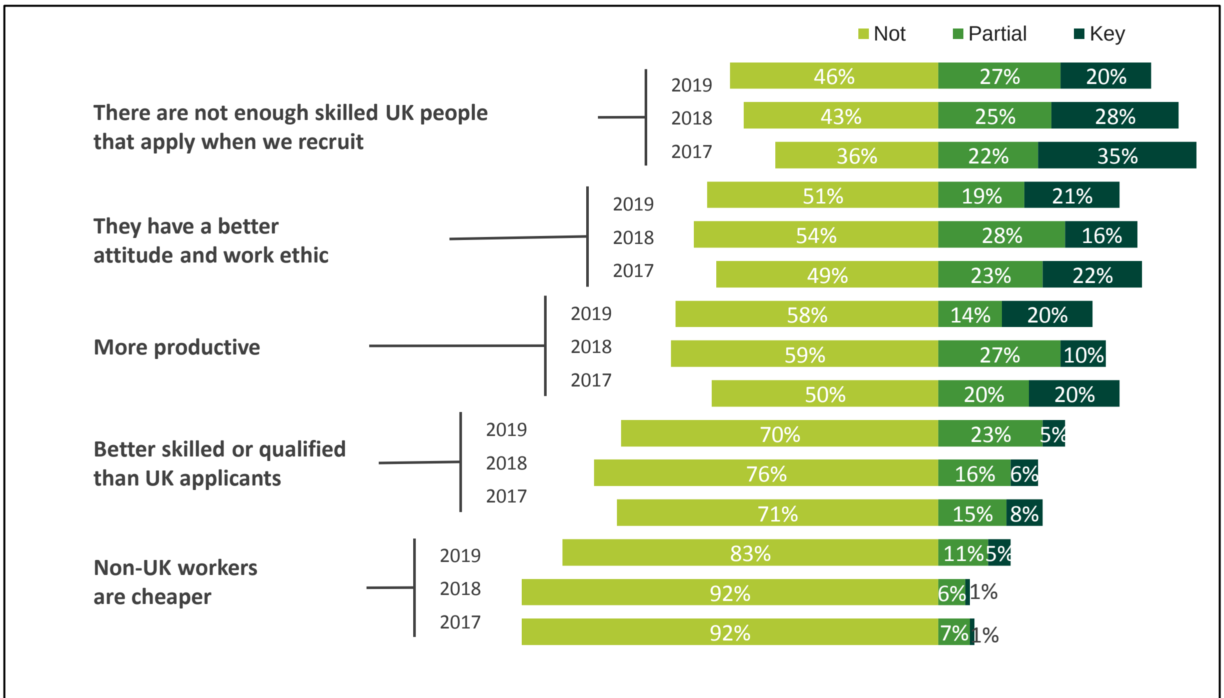
Three in ten employers (30%) employed non-UK workers directly or indirectly; fewer than in 2018 (37%). This decrease is reflected in the qualitative research, in which a similar proportion of employers indicated that their use of migrant workers had decreased in the last 12 months, often due to Brexit and the uncertainty around this, both for investors and non-UK workers.

We have been very quiet, particularly for the last six to eight months. We can't put our finger on the exact reason why, but if you go by the rumour, this Brexit is being blamed for it no doubt about that. Whether clients are a little bit uneasy trying to release their money…

50-249, Groundworks, Site Preparation, Landscaping, East of England

Employers' main reasons for using non-UK workers were in line with those given in 2018. Around half (47%) agreed that a lack of skilled UK applicants was at least a partial motivation (20% said this was key), two-fifths of those using non-UK workers were motivated by migrants having a better attitude and work ethic (40%) and a third their being more productive than UK workers in equivalent roles (34%). Employers were significantly more likely to say that non-UK workers were cheaper to employ than their UK counterparts in 2019 (16%) compared to 2018 (7%); however, it should be noted that this still remains the least common reason given by employers for recruiting non-UK workers. Aside from this, there have been no significant changes in these responses since the 2018 iteration of the research.

Figure 5: Employers' reasons for using non-UK workers (prompted)

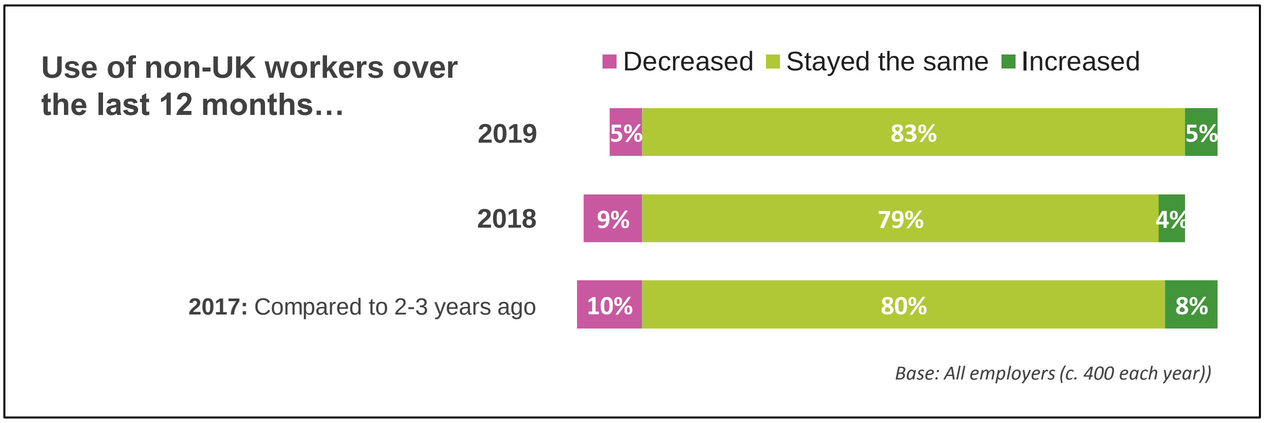


Base: All employers that have non-UK workers (2019: 191; 2018: 205; 2017: 216)

Recent trends in employer demand for non-UK workers

As in 2018, the vast majority of employers (83%) said that their use of non-UK workers had not changed in the last 12 months. Equal proportions (5% each) said that their use had decreased and increased.

Figure 6: Changes in the use of non-UK workers over the past 12 months



There were no significant differences by size or sub-sector.

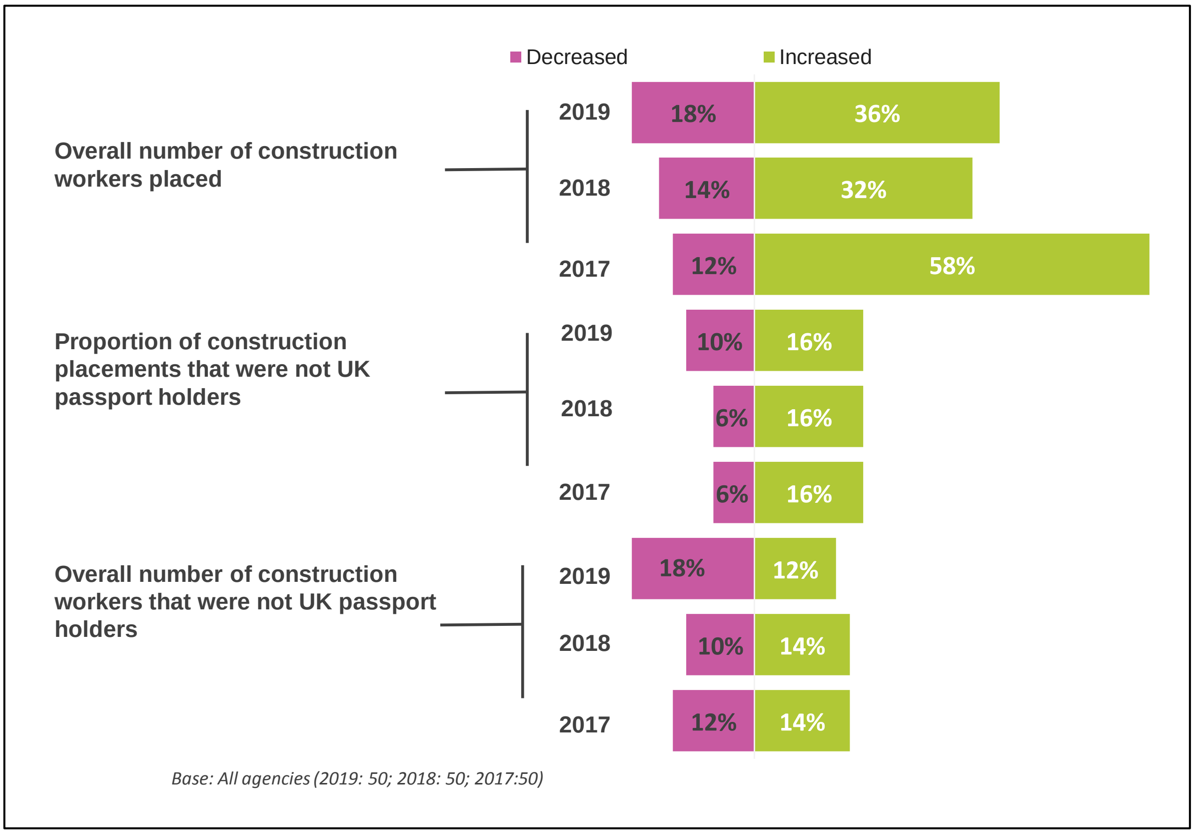
By geography, firms based in the South East were more likely (15%) to report an increase in the number of non-UK workers they use in the last 12 months, whilst employers in Scotland (11%) and the North West (10%) were more likely to report a decrease than those in other regions.

Increased use of non-UK workers tended to be a result of a high number of non-UK applicants (59%). There was an increase in the proportion reporting that there had been an increase due to a lack of UK workers wanting to work in construction (30% up from 5% in 2018), however, these figures should be treated with caution due to a low base size of 25.

Decreased use tended to result from fewer non-UK applicants (29%), staff moving back to their native country (27%) and the company reducing in size (19%).

Employment agencies reported a similar pattern regarding the placement of non-UK workers as employers. Most felt that the number or the proportion of all placements that were of non-UK workers had not changed over the last 12 months. On both measures slightly more agencies reported increases than decreases (see Figure 7). There are no significant differences in these results compared with those from 2018.

Figure 7: Changes in construction placements from agencies in the last 12 months



Employers' dependence on non-UK workers

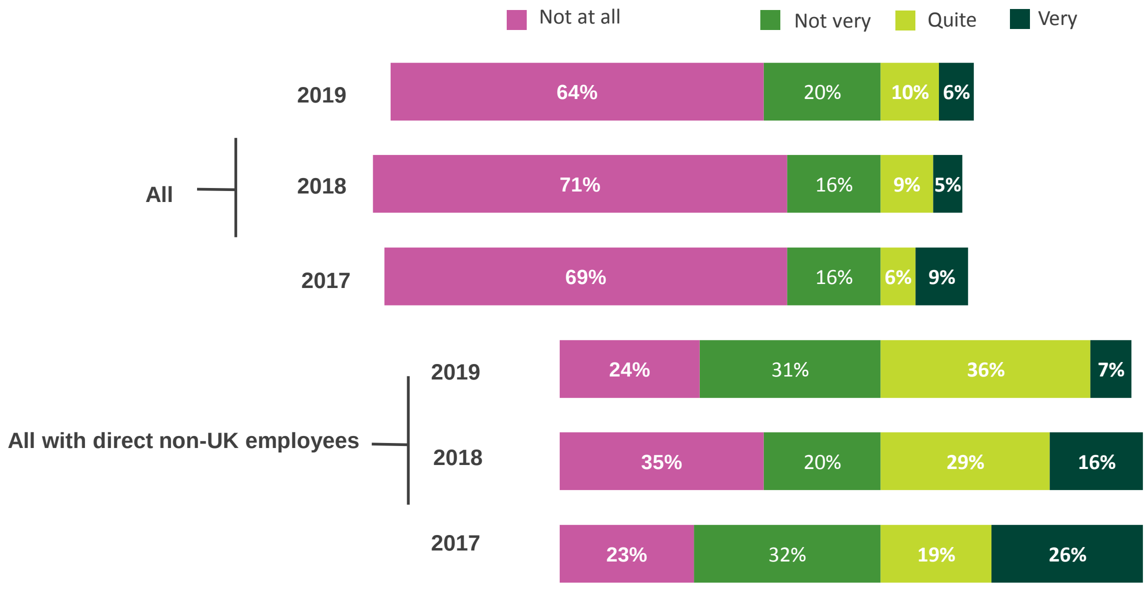
One-sixth of employers said that they were very or quite dependent on non-UK workers (15%), in line with 2018 (13%), and 2015 (15%). Among those directly employing any migrant workers, this rose to slightly over one-third (37%), the same as in 2018 (34%). One in ten of these employers said they were very dependent on these workers (10%).

In line with 2018, the majority of employers said that they were not dependent on non-UK workers; however, the proportion of employers saying they were *not at all* dependent has decreased compared to 2018 (64% compared to 71%). Overall, this suggests that there may be a slowly increasing awareness of the level of dependence on non-UK workers.

This is reflected among those directly employing migrant workers, amongst whom the proportion saying they are *not at all* dependent has also decreased, falling to a quarter (24%) compared to around a third (35%) in 2018.

Whilst a greater proportion of employers stated that they were dependant on migrant workers to at least *some degree* than was found last year (36% in 2019 compared to 30% in 2018), amongst those that directly employ non-UK workers, there has been a shift in the extent to which employers view themselves as dependant on these workers. In 2017, a quarter (26%) of this group viewed their company as 'very' dependant; this has decreased steadily to 16% in 2018 and now 7% in 2019, which could reflect either potential changes made by businesses to become less reliant on this labour pool, or a shift in attitude towards migrant workers.

Figure 8: Employer dependence on non-UK workers



Base: All employers (2019: 400; 2018: 400; 2017: 401); All employers with any direct non-UK workforce (2019: 153; 2018: 205; 2017: 180)

Proposed visa restrictions

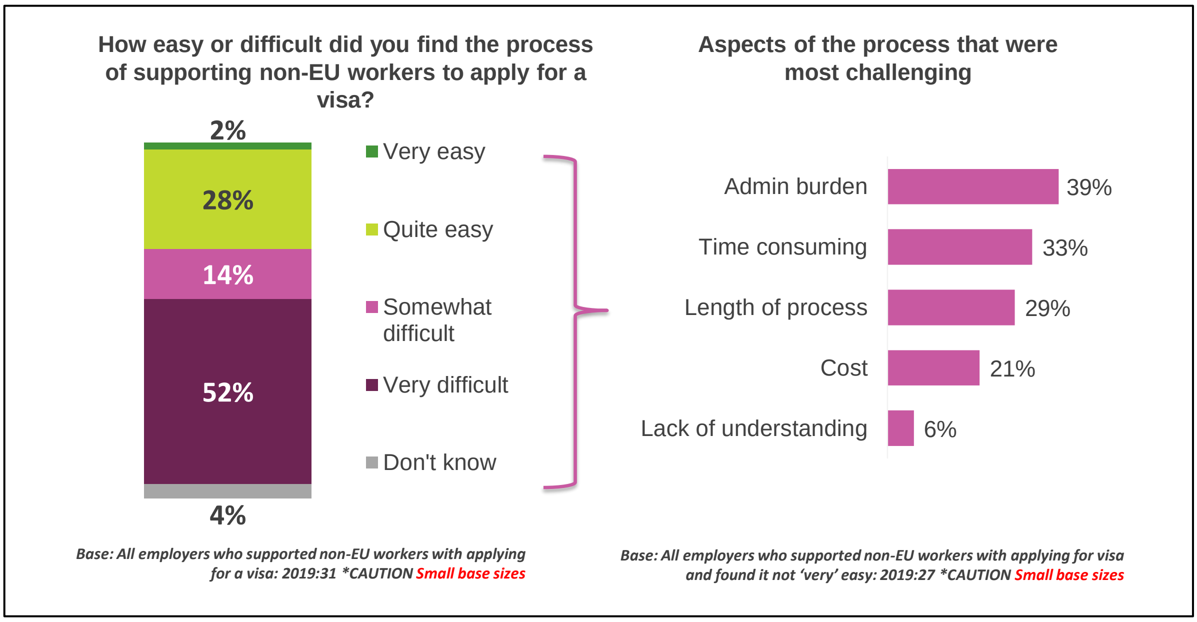
This chapter presents the views of employers, recruitment agencies and migrant workers regarding two proposed visa routes by which migrant workers may come to the UK following Brexit. For context, we firstly explore employers' current levels of familiarity with employing workers who may require a visa to work in the UK. We then consider responses to two proposed visas, drawing on scenarios outlined in the Government's December 2018 white paper "The UK's future skills-based immigration system".[2]

Familiarity with visas

Only 3% of employers had, in the last two years, supported a worker from outside of the EU to apply for a visa to enable them to work in the UK, rising to (19%) amongst employers with over 100 employees, and to 12% among Professional Services employers (12% vs 1% of Construction firms).

Of those who had assisted a non-EU worker with a visa application in the last two years, two-thirds (66%) found the process somewhat (14%) or very difficult (52%). Issues mentioned by employers who did not find the process very easy included the administrative burden of compiling the documentation that was required (39%), finding the process both time consuming (33%) and lengthy (29%), in addition to costs they incurred (21%).

Figure 9 Difficulties experienced by employers when supporting non-EU workers to obtain visas



Concerns about difficulties that might be faced by businesses employing workers who require visas were echoed in the qualitative research, with employers who had not supported any workers through this process divided in their opinions regarding whether they would be willing to do so. Most felt that it would be 'too much hassle' and were put off by the perceived amount of paperwork that would be involved.

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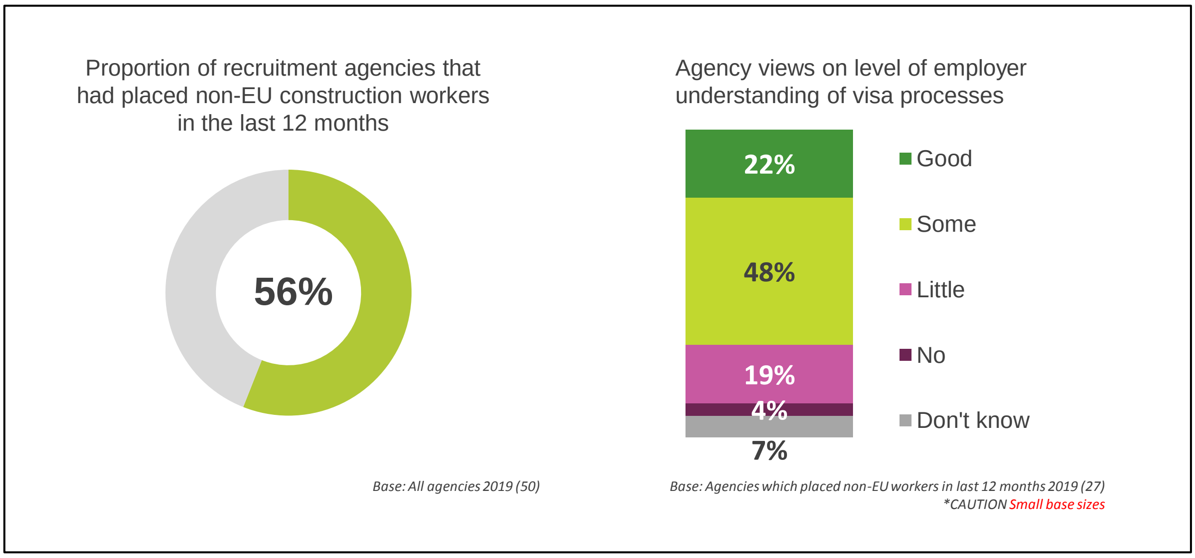
[2] https://www.gov.uk/government/publications/the-uks-future-skills-based-immigration-system

Without knowing how difficult it is, I just assume it's going to be a bit of a chore, we don't want to do that…

10-49, Engineering, UK-wide

Recruitment agencies were slightly more positive about employer understanding of the process. Over half (56%) of agencies had placed at least one non-EU construction worker in the previous 12 months: of these, most felt employers had a good (22%) or some (48%) level of understanding of the process of obtaining visas for non-EU workers.

Figure107 Recruitment agency placement of non-EU workers



Most agencies (63%) said they did not offer any support to employers with regards to securing visas for non-EU workers. A third (33%) did offer some type of assistance, such as help to complete paperwork or documentation, advice on suitable visas, guidance or information on how to apply, or referrals to other immigration support services.[3]

In the qualitative research, employment agencies voiced concerns about the complexity of the current visa processes, and expressed doubts about whether smaller employers, in particular, would be equipped to cope with this additional burden.

It changes far too regularly, and the language employed by the Home Office is not particularly easy to understand. [Then] doing an extensive search and proving that the fact that there isn't somebody that already exists that could do that job in the UK, and the levels of evidence you need to produce to get a non-EU visa granted [are all barriers to engagement].

Recruitment agency

Visa proposals and the white paper

Employers, recruitment agencies and migrant workers currently resident in the UK were presented with two potential routes for foreign workers to come to the UK after the UK leaves the EU. The suggested visa routes were based on those proposed in the Government's December 2018 white

[3] Percentages not reported due to small base size (9 agencies offered any visa assistance)

paper, ‘The UK’s future skills-based immigration system’, covering an entry route for low skilled workers to come to the UK for up to 12 months, and a route for higher skilled migrant workers.

The visa scenarios described to employers and non-UK workers were as follows:

Low Skilled Visa
When the UK leaves the EU, workers with no qualifications, or with qualifications up to and including UK Level 2 (for example, GCSEs or overseas equivalents, Green, Red or Blue CSCS Cards) will be able to live and work in the UK for 12 months provided they leave the UK for at least another 12 months once their visa expires.

High Skilled Visa
When the UK leaves the EU, workers with qualifications of at least UK Level 3 or higher (e.g. Degrees, NVQ Level 3, A levels or Advanced Apprenticeships, or Gold CSCS Cards) will be able to apply to live and work in the UK if they will be directly employed and earning £30,000 per year or more.

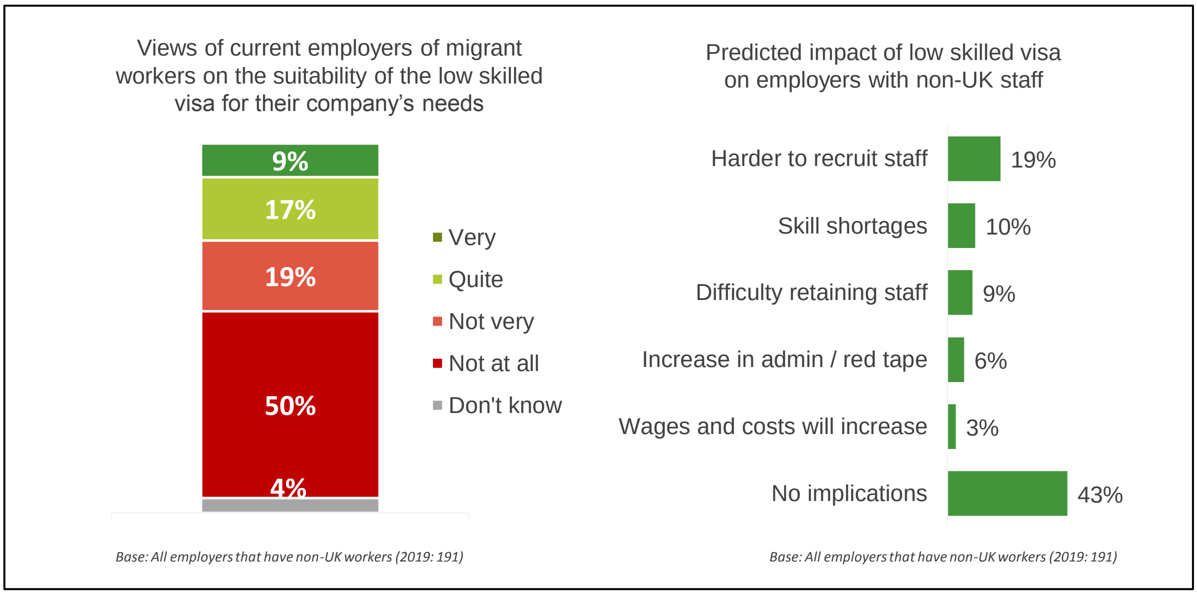
Employers and migrant workers were asked about their views on each visa in turn, whereas recruitment agencies were presented with both visas and their views were sought on the combination of the proposals.

Low skilled visa

A large majority of employers of migrant workers (70%) felt that the low skilled visa, as described, would not be suitable for their company’s needs, with half (50%) considering this visa to be ‘not at all’ suitable. As shown below, only a quarter (26%) did think the visa was appropriate, suggesting substantial levels of concern amongst employers about the prospect of the introduction of this visa.

Responses were similarly negative from employers that do not currently employ any non-UK workers, with 88% of this group considering the low skilled worker visa unsuitable for their company’s needs, although this may also reflect the make-up of their present workforce, as they are not currently reliant on migrant workers, therefore the visa is not applicable to their needs.

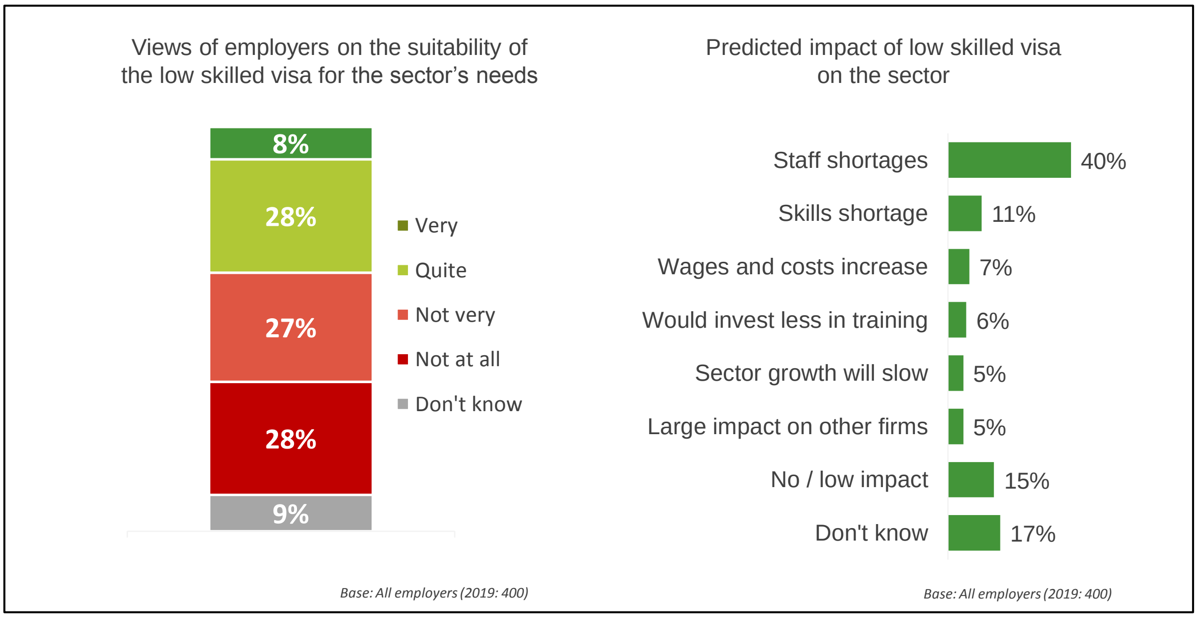
Figure 11 Employers of non-UK workers views on the low skilled worker visa



The primary concern held by employers of non-UK workers about this potential new visa centred around increased difficulties in recruiting staff (19%) and similarly, the prospect of skills shortages (10%). Some employers also predicted increased difficulty retaining staff (9%), more red-tape or admin to process (6%) or increases in costs or wages (3%). A relatively large proportion (43%) of employers with non-UK workers predicted no impact for their firm from the introduction of the low skilled worker visa.

Employers were also asked their views on the suitability of the low skilled worker visa for the wider construction and built environment sector. Just over a third (36%) of employers considered the visa very (8%) or quite suitable (28%) for the sector, however most (54%) were doubtful about how appropriate this visa would be (and around one in ten were unsure). Those who currently employ any non-UK workers were less likely to be positive about the suitability of the low skilled visa proposals (29%) than those who do not employ non-UK workers (39%).

Figure 12 Views of all employers on impact of the low skilled visa on the construction sector



When asked to consider the impacts this visa may have on the wider sector, a large proportion of employers were concerned about staff shortages (40%) or skills shortages (11%). Those who currently employ non-UK workers were particularly likely to be concerned about the skills aspect (17% compared with 8% of those without non-UK workers), and more voiced concerns about overall sector growth (5% overall; 12% among employers of migrant workers compared with 2% of those that do no employ migrants).

Small numbers of employers did mention possible positive impacts from the introduction of the low skilled worker visa with the most frequently mentioned being "more jobs for UK workers" (3%).

When this visa was explored in the qualitative interviews with employers, similar themes of concerns around staff or skills shortages emerged, with the length of the visa (12 months) proving to be particularly problematic for employers, as they would not consider it worthwhile to invest in training an employee who was limited to working in the UK for this duration in one stretch of time.

If that was in place, I would not be interested in employing anyone for one year because the amount of time and effort you put in training somebody up, and they reach the standard you want, the year's nearly up and they're going to leave, I'd rather not go through that stress. So, for us, we wouldn't even entertain that application, we'd rather just stick with the team we have.

10-49, General builders, UK-wide

Employers also felt that workers trained to Level 2 should not fall within the classification of a 'low skilled' visa, as these workers do have specific a specific skillset that employers are reliant upon.

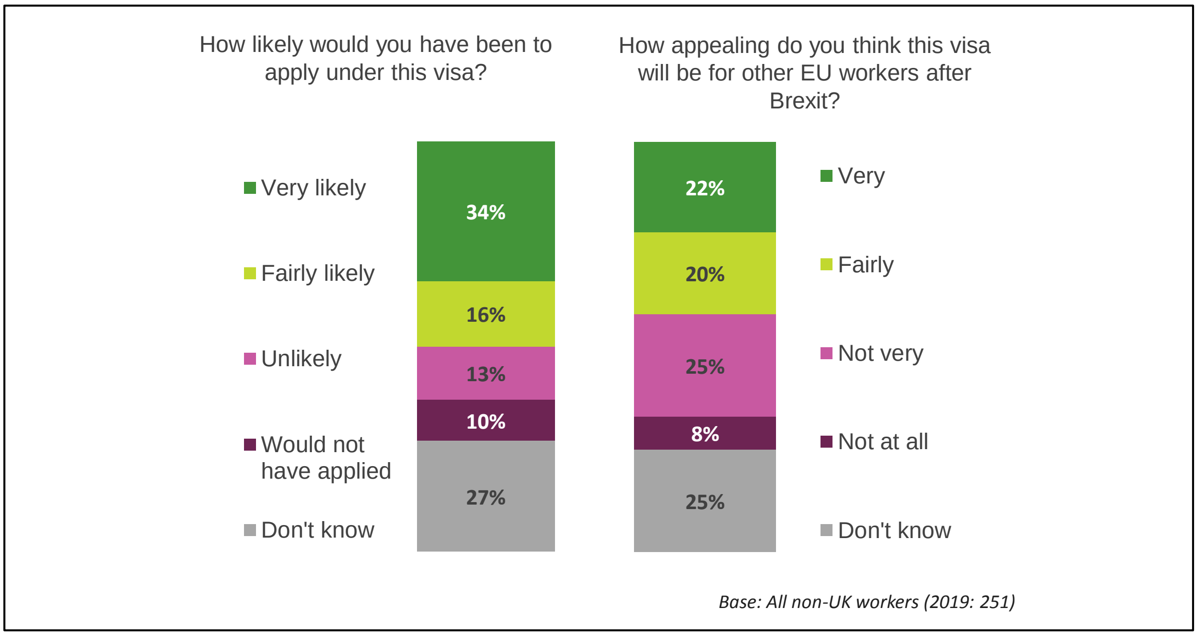
If you are classing a Level 2 as low skilled, that is all our key tradesmen, they are all Level 2 and that will be no different across the whole of the construction industry … a Level 2 will get what they call a competent card to get access to work on most of the sites … a strong possibility [of skills shortages as a result] … the potential impact is quite worrying to be honest.

50-249, Groundworks, Site Preparation, Landscaping, East of England

Non-UK workers were asked to consider retrospectively, how likely they would have been to come to the UK, had this visa been in place when they originally moved. Although half (50%) of workers felt the would have still been likely to come, almost a quarter (23%) felt they would have been unlikely to apply, or would definitely not have applied, alongside a similar proportion who were unsure about what action they would have taken (27%).

More generally, only two in five (42%) migrant workers thought that this visa would be appealing to other EU workers considering moving to the UK after Brexit, with a third of the opinion that it would be not very (25%) or not at all appealing (8%).

Figure 13 Non-UK worker views on the low skilled visa



During the qualitative interviews many migrant workers themselves agreed that they could not see how prospective migrants would see this visa option as appealing, particularly for individuals with family commitments:

You want to plan your life and work, [if] after 12 months you need to go to another country – not good. For me family is main reason for this life - I need a plan to stay in one place.

Construction worker, aged 30 – 39, Ukraine

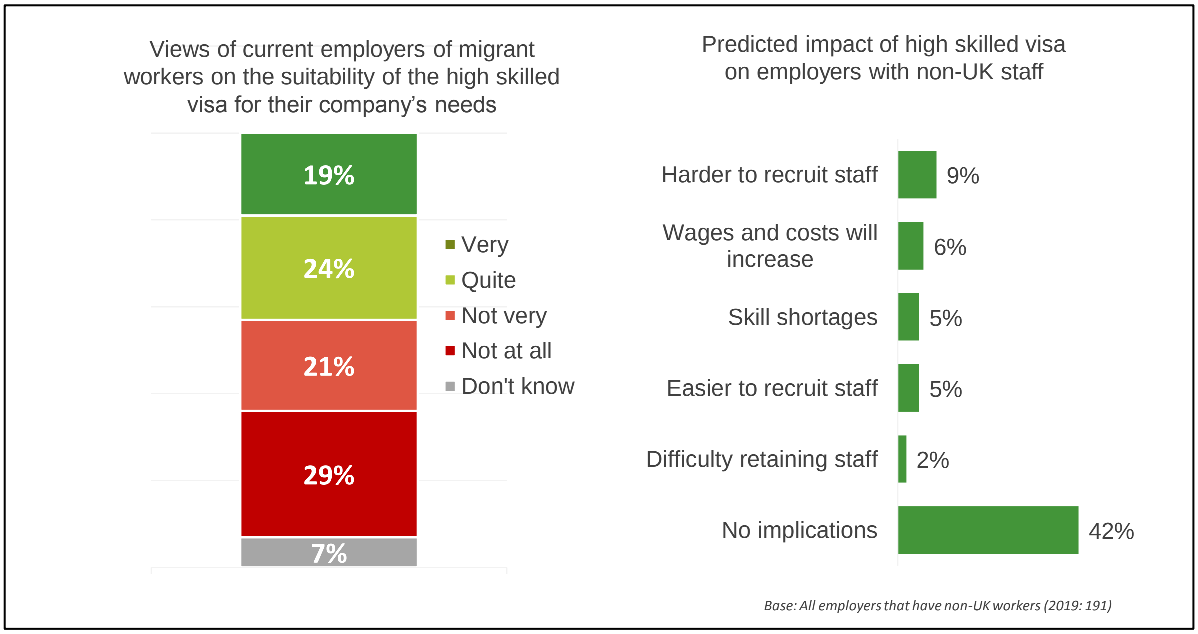
High skilled visa

Employers were more divided in their views of about the high skilled worker visa. Half (50%) of employers of non-UK workers felt that the high skilled visa, as proposed, would be unsuitable for their company's needs, although 43% did consider it quite (24%) or very (19%) suitable.

Professional Services employers, regardless of whether they employed non-UK workers at the point of interview, were considerably more likely to view the high skilled worker visa as being suitable for their company; 56% considered it very or quite suitable compared with 29% of construction employers.

Although the majority of employers of non-UK workers either anticipated no implications from the introduction of this visa (42%), or thought that the visa would be very suitable (19%), doubts were once again raised by smaller proportions of employers about their future ability to recruit staff (9%), wage or cost increases (6%) and skill shortages (5%). Multiple other possible impacts were mentioned by smaller numbers of employers such as difficulties retaining staff (3%), needing to do more staff training (2%) and delays on projects (1%).

Figure 14 Employers of non-UK workers views on the high skilled worker visa



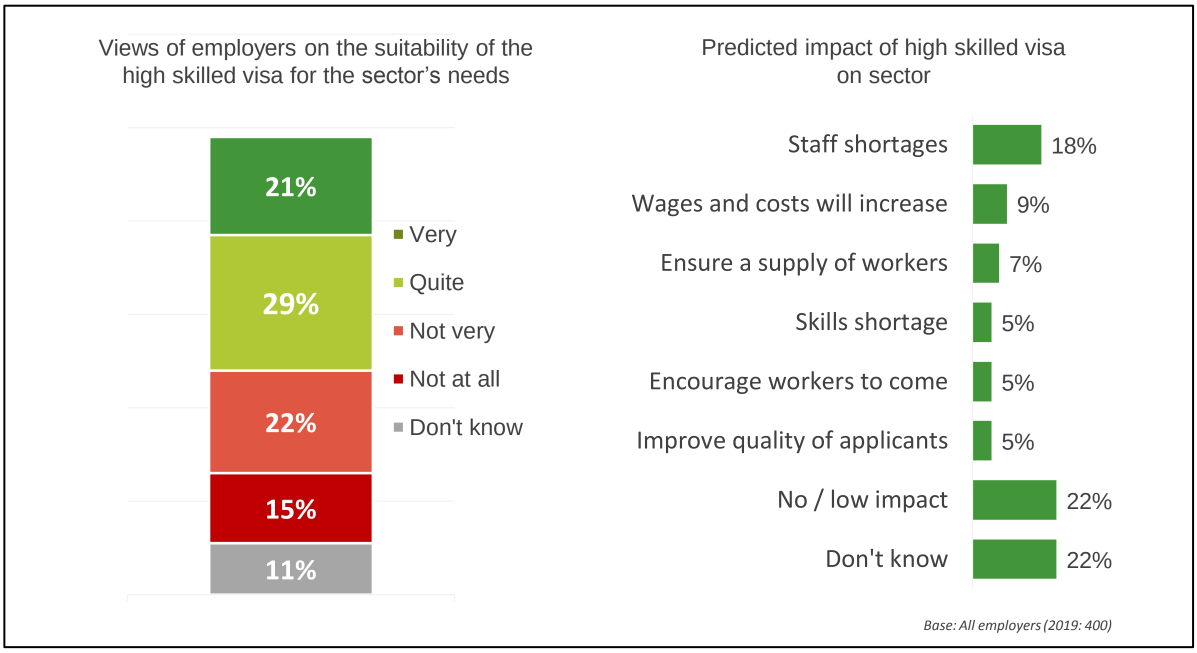
Larger employers (those with 100+ staff) were more likely than other employers to have concerns about staff recruitment becoming more difficult under this high skilled worker visa (20% compared with 8% of those with 10-99 employees).

Employers were slightly more positive about the suitability of the visa for the whole sector, as opposed to their own individual company. Half (50%) considered the visa very (21%) or quite (29%) suitable for the wider sector, although relatively few large firms with 100+ staff considered it 'very' suitable (8%).

One in five (22%) employers did not think that the introduction of the high skilled worker visa would have any impact on the sector, with this view more common amongst those who do not currently employ any migrant workers (26%) compared with those that do (14%).

Views on the potential impact of the introduction of this visa were mixed, ranging from 18% who predicted staff shortages or problems recruiting, to 7% who thought positively that the visa would ensure a consistent supply of workers. Similarly, 5% anticipated skills shortages, whilst an equal proportion thought that the visa would improve the quality of the pool of workers available to recruit from (5%). Concerns about increases in costs and wages were expressed by 9% of employers.

Figure 15 Views of all employers on impact of the high skilled visa on the construction sector



A substantial proportion of employers did not feel they were able to predict how this visa might impact the sector (22%). This was reflected in the qualitative research, as some employers felt they needed to better understand how the application process for this visa would be implemented before they could fully anticipate the results.

Other concerns raised about this visa included predicted impacts on longer term workload planning (3%) or inability to delivery projects on time (2%), whilst other positive impacts mentioned included increased availability of jobs for UK workers (1%) and an increase in companies providing training (1%).

From the qualitative research, specific areas of doubt about the high skilled worker visa included the suitability of the £30k minimum salary threshold, both in terms of specific jobs and the types of companies able to offer salaries of this level:

Bigger contractors would embrace it as they'll be able to sponsor that type of funding. Foreman, site managers and construction managers would be working in and around Europe for these big companies and they would've got them trained, I would imagine. On the higher end skilled for bigger companies. Lower, our end, our workforce, won't come because they can't afford it.

10-49, General Builders, South of England

It would have a cost impact because usually we start people on a slightly lower figure than that and we'd have to just jump straight in with a figure that would not be agreeable to us.

10-49, Engineers (for building/infrastructure projects), UK-wide

As shown in figure 16, a majority of the non-UK workers qualified to at least Level 3 felt that they would still have been likely to apply to come to the UK under the high skilled worker visa (44% very likely, 19% fairly), however, a quarter (26%) expressed doubts about what they may have done under these circumstances. All non-UK workers were asked how appealing they felt the high skilled visa would be to other migrant workers considering coming to the UK after Brexit; half (50%) felt it would be appealing, with three in ten (29%) thinking it would not be appealing.

During the qualitative interviews some employers and migrants questioned the future appeal of the UK to those coming from the EU, given that there are other EU countries worker could migrate more easily to:

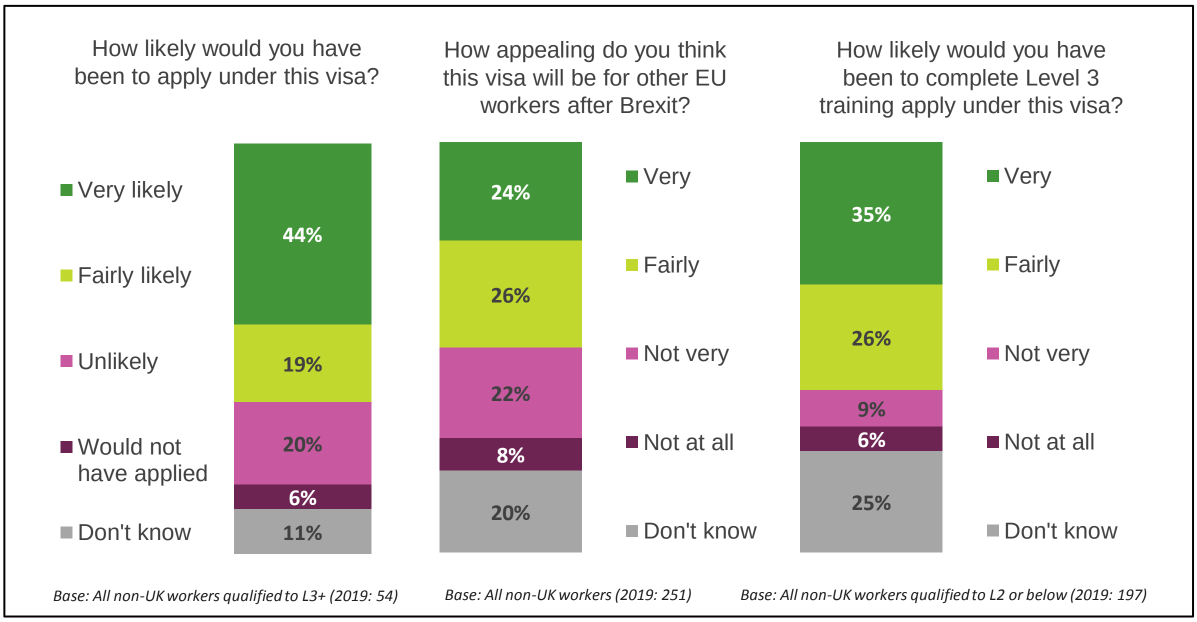
Even if you're skilled, why apply to come to the UK, why not just go to Germany and France.

10-49, General Builders, UK-wide

I personally wouldn't want to come to the UK if it was that difficult, unless there was a really good deal […] I wouldn't come over at my age now for a short period of time without knowing I could stay.

Professional services worker, aged 20 – 29, Italy

Figure 16 Non-UK worker views about the high skilled worker visa



Echoing views expressed by non-UK workers in the qualitative research, migrant workers not qualified to Level 3 showed considerable levels of willingness to undertake additional training to become eligible for this visa; three-fifths (61%) were said they would be 'very' or 'fairly' likely to do so.