



TRUSTMARK
Government Endorsed Quality

Skilled to Build:

Empowering the UK's
Repair, Maintenance and
Improvement sector
for a better future.





TrustMark commissioned research from Eureka! Research and Oxford Economics.

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Foreword

It's a commonly accepted fact that there is a shortage of skilled tradespeople in the UK, along with a gap in the skills required to take us forward in meeting the UK's Net Zero target. There has been a plethora of studies that prove that. So, when we commissioned this research we didn't want to add yet another report that would say the same thing, we wanted to do something different. Something that would add another dimension to the conversation.

We wanted to look at the Repair, Maintenance and Improvement (RMI) sector, specifically the small and micro businesses operating within the sector and the challenges they are facing around recruitment, training and funding and retention, both of people and knowledge.

We wanted to give them a voice. We asked Eureka! Research to speak to them on our behalf.

Making up over **90%** of the RMI sector, micro and small businesses are its lifeblood and their challenges are different in scale and complexity to larger businesses. They rarely have in-house professionals to cover elements such as HR and legal requirements or financial and business planning, making it difficult and costly to access and navigate potential talent pools, skills training and funding.

And there is definitely a desire to recruit new talent. With over **1,200** responses to our research, nearly half (**45%**) of the RMI businesses surveyed reported having at least one existing vacancy. For those businesses looking to expand, the average number of roles available rises to nearly five.

If we also consider the number of existing skilled tradespeople over the age of **55** in this sector who are looking to retire within the next three years - a large number of them having no succession plan - we estimate that **39,000** businesses are at risk of disappearing from the sector in the next **10 years**.

We asked Oxford Economics to carry out analysis on the potential economic impact of recruiting and they identified an additional **195,000** skilled roles could be fulfilled in the RMI sector. Their analysis shows that filling this gap would lead to the sector generating **£4.1 billion** in additional gross value added (GVA), equivalent to **4.3%** of the RMI sector's GVA.

Our research found a strong desire for growth within this sector but these businesses need support to help make that happen. Our report provides not only their view of the challenges they face along with what they need to overcome them, but recommendations for what and how that can be done. This sector needs to be prioritised and by working collaboratively across it, the wider industry, associated organisations and government, we can all help to achieve warmer, more comfortable and healthier homes for the UK.



Simon Ayers, MBE
CEO of TrustMark





Executive summary

TrustMark’s aim for this research was to identify the factors contributing to the skills gap in the UK construction and home repair, maintenance and improvement (RMI) sectors, and propose practical recommendations that policymakers and the industry can action to help close the gap.

The UK construction and RMI sectors face critical shortages of skilled workers, despite the government and the industry having implemented multiple initiatives to fund career pathways within these sectors. The gap is particularly acute in the skills needed when improving homes to make them energy efficient and to lower their carbon footprint. These skills are critical to help achieve the UK’s ambition for a net zero future and its plans for building more homes.

The RMI sector largely operates in home improvements which includes energy efficiency and low carbon interventions in and around homes and sits as a sub sector of the construction sector. There are approximately **280,000** RMI businesses in the UK, all of which are micro, small and medium enterprises.¹ There are **1.2 million** people employed in the UK RMI sector and the sector’s gross value added (GVA)² is **£96 billion** annually.³

In **October 2024**, TrustMark commissioned research from Eureka! Research to understand and evidence the operational challenges faced by small and micro businesses when accessing skills and to create actionable and comprehensive solutions to address the identified gaps. Oxford Economics has provided an economic analysis of the contribution of headroom vacancies if they were realised. Our research survey elicited **1,233** businesses responses (micro and small sized businesses) with an ‘on the ground’ perspective, providing robust evidence of the challenges and solutions required to help alleviate the skills gap.

¹ONS 2024, [Business Register and Employment Survey](#). The vast majority of these businesses (95%) employed fewer than 10 people and are thereby classified as micro businesses. Another 5% of RMI businesses are classified as small (10–49 employees), with <1% of businesses classified as medium-sized (50+ employees).

Key findings

The Big Picture: The labour challenge.

There is a strong desire to recruit with nearly half (**45%**) of RMI businesses surveyed reporting they have at least one vacancy. Vacancies increase by size of firm with micro businesses having an average of one vacancy, while small firms have an average of **3.2**. For businesses who have an appetite for increased labour, the average number of vacancies is **4.9**.

A key tactic for businesses to manage skills shortages is to take on less work, cited by **52%** of respondents. A higher proportion of micro businesses and sole traders (**56%** and **51%** respectively) report doing this compared to small firms (**45%**). Forgoing work because of a reduced workforce is diminishing these sectors potential contributions to overall UK GDP.

The second most cited response to fulfilling vacancies is to rely on sub-contractors (**37%**). However, over half (**56%**) of businesses agree that getting reliable sub-contractors is becoming challenging.

Figure 1: Implications of having vacancies amongst the RMI firms surveyed

Take on less work	Makes business inefficient	Use sub-contractors
52%	34%	37%

Source: Eureka! Research

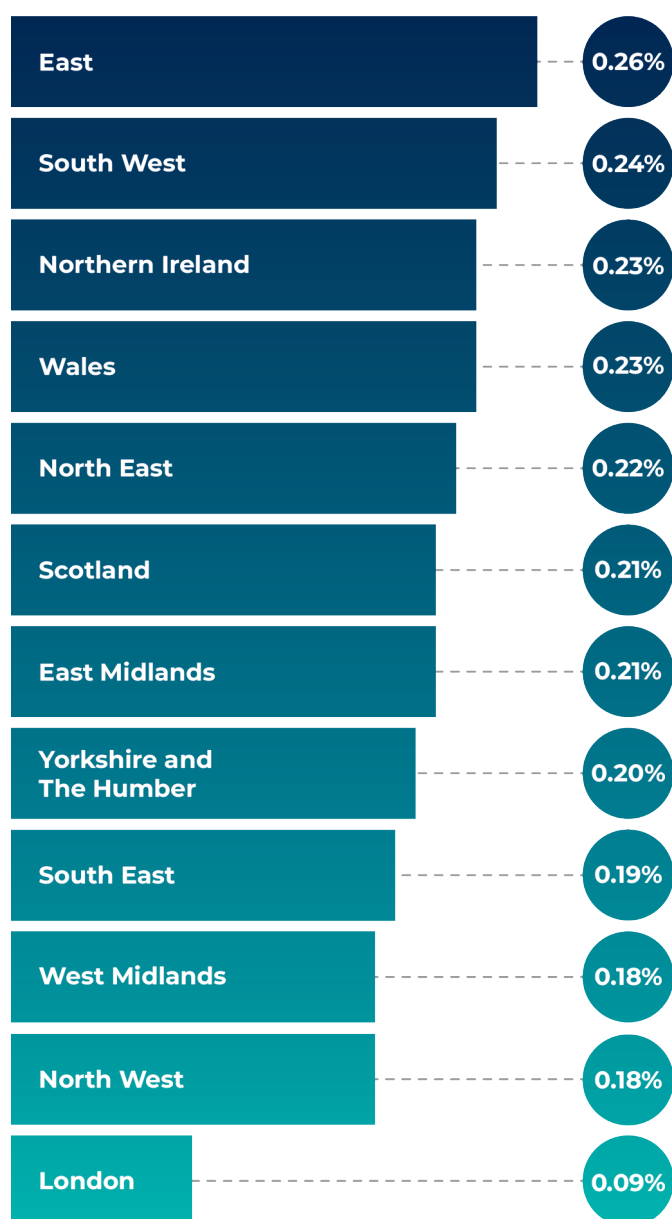
²Gross value added (GVA) is the value generated by any firm that produces goods and services. It is easiest thought of as the value they sell their output for minus the cost of bought-in inputs of goods and services used up in the production of the firm’s output. The sum of GVA of all industries plus taxes on products minus subsidies on products gives Gross Domestic Product (GDP). GDP is the main metric used to measure the size of an economy and is used to judge the rate of the growth of the economy and when it enters a recession.

³ONS 2024, [Business Register and Employment Survey](#).

The growth opportunity and additional GVA that could be created in the construction and RMI sectors if headroom vacancies were fulfilled is good for the UK economy.

If these vacancies were created and fulfilled, there is an opportunity to employ an additional **195,000** skilled tradespeople in the RMI sector. This is significantly larger than the **33,000** formally advertised vacancies in the overall construction sector from official statistics.⁴ If these vacancies were filled this would increase the RMI firms' revenue by **£9.6 billion**, building on the **£242.9 billion** for the RMI sector's total revenue in **2024**.⁵ This would lead to the sector generating **£4.1 billion** in additional GVA, equivalent to **4.3%** of the RMI sector's **£96 billion** contribution to UK GVA.

Figure 2: Regional impact of filling vacancies as a proportion of regions GVA



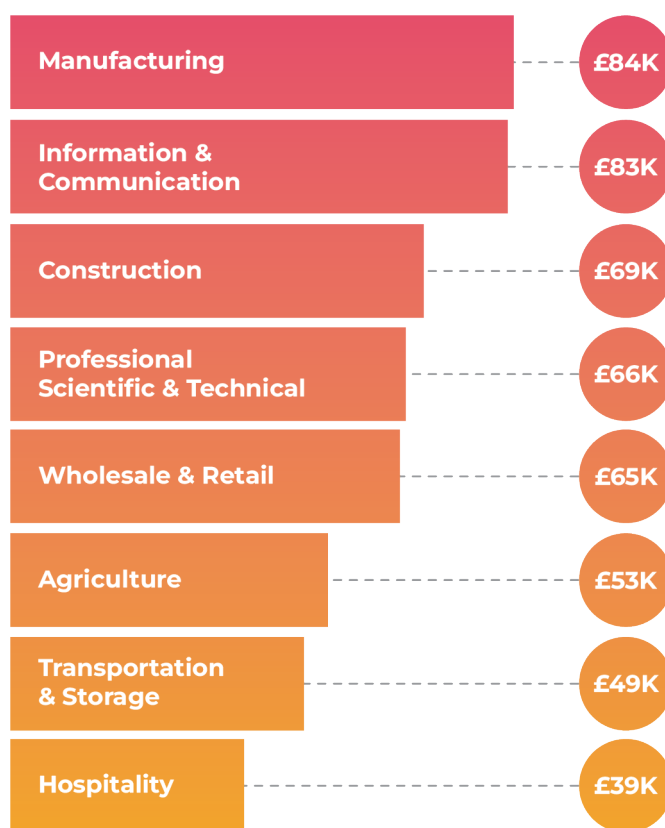
Source: Oxford Economics

Further, filling vacancies in the RMI sector would also help to reduce regional disparities. It has been estimated that **£2.9 billion** (or **72%**) of the total GVA benefit would go to regions outside of London and the South-East – strengthening the case that growth opportunities are available in addressing the well acknowledged North-South divide.

Filling vacancies in the RMI sector would also boost UK productivity.

The average GVA per head in the construction sector is **£69,000**, significantly higher than industries such as retail and hospitality.⁶ This highlights that there are well paid jobs to be had. However, they are not promoted as well paid and sustainable careers or as being as attractive as other sectors. Prioritising filling vacancies in high productivity sectors such as construction would help to raise UK productivity levels.

Figure 3: GVA per head by sector



Source: ONS; Oxford Economics

⁴ Labour Force Survey, ONS (September 2024).

⁵ Annual Business Survey and Business Register and Employment Survey.

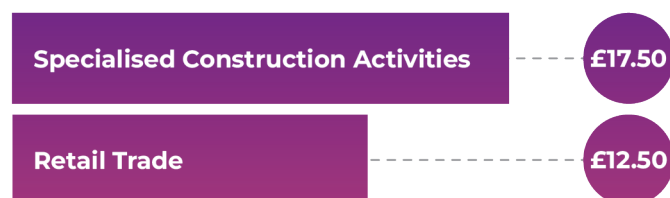
⁶ GDP quarterly national accounts, UK: July to September 2024 ONS 2024 and EMP13: Employment by industry, ONS 2024.

Jobs in RMI however, pay less at early stages of careers and are not appealing to young people.

Construction is a well-paid industry; where median hourly pay for 'specialised construction industries' in **2023** was **28%** higher than for retail jobs and **2.3%** higher than all jobs.⁷ However, for those aged **18–21** specialised construction job pay was **3%** lower than for retail workers. This suggests that immediate rather than long-term pay concerns and competition from other sectors could be putting individuals off from entering the sector. As an example, in the retail sector for entry-level employees the time taken between training and earning, especially with organisations like Amazon, is short. In construction this is less likely to happen. Interestingly, **10 years ago**, specialised construction work paid **11%** more than retail for those aged **18–21**. This declining entry-level pay for young people relative to other sectors, may have increased perceptions amongst this group that the sector is not attractive.

Figure 4: Median hourly pay

All Ages



Age 18 - 21



Source: ONS; Oxford Economics

More critically, we have an ageing workforce with many thousands of businesses expected to exit within 10 years. The issue is highly time sensitive.

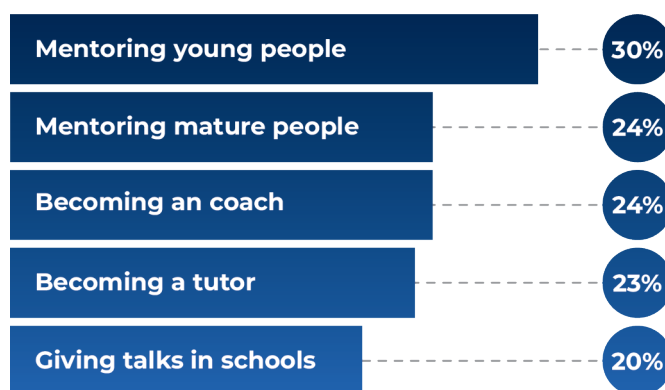
The RMI sector's workforce has a considerably older age profile than the total UK workforce. While **21%** of the UK workforce are aged **55 years** or older, **44%** of the workforce in the RMI sector are older than 55 years. A quarter (**23%**) of those aged **55+** in the RMI sector plan to stop or semi-retire within the next three years.

The sector's ageing workforce is expected to further exacerbate skills shortages going forward. With a significant proportion of surveyed businesses having no fixed plans for succession, it is estimated that a worryingly **39,000** businesses are at risk of disappearing from the sector in the next **10 years**. This poses a critical challenge where the rate of businesses exiting the sector will not be replenished by a similar rate of new entrants.

With a key focus on encouraging young people to enter these sectors and pursue careers, **24%** of businesses cited a limited awareness of trade careers among potential candidates as an issue. Businesses worry that this lack of visibility of the trades as a good career option will result in talent going to other sectors. **15%** of respondents, however, do believe that young people know there is good money to be made and see a trade career as a 'job for life'.

On a positive note, there is a willingness from **55%** of respondents coming towards the end of their career (within the next **10 years**) to give back to the sector.

Figure 5: Preferred mechanisms for contributing to the sector



Source: Eureka! Research

Short-termism and competition from other sectors hamper construction and RMI recruitment.

Our research also found the lack of a guaranteed pipeline of work was reported by survey respondents as the principal challenge to recruiting and retaining talent. This was particularly true for sole traders, with over half stating that this was a challenge for them. With work order books relatively short across the sector (the average is **2.6 months**), hiring staff becomes a significant risk for businesses.

A further complication is that nearly one-third of businesses stated that competition, from either inside or outside the construction category, is a challenge to recruiting workforce talent. Around one-fifth of tradespeople said future talent is attracted to 'office-based' roles. A slightly smaller proportion also believed that large companies such as supermarkets and retail who often offer better pay and conditions, are key competitors. At the entry level, low pay complemented with an absence of a simple benefits package, makes these sectors less attractive.

However, recruitment into the RMI industry appears to be a much larger issue than retention. Only **14%** of respondents reported that retention is an obstacle to general workforce management. This adds support to the finding that there is limited awareness of the wider benefits of working in the RMI industry.

⁷ ONS ASHE data. SIC 43 refers to "specialised construction activities."

THREE specific challenges called out by businesses

In addition to the macro challenges facing the RMI and construction sectors, businesses have called out three specific bottlenecks in finding, recruiting and training that require immediate redress:

1. Burdensome paperwork and lack of transparency to find and recruit applicants. 44% of the 1,233 businesses surveyed want an easier and more accessible process of recruitment to navigate, eliminating the operational complexity for employing applicants. 39% of businesses face burdensome paperwork and bureaucracy to find and recruit apprentices.

2. Lack of quality training provision and providers. Looking specifically at apprenticeships and those businesses not having an apprentice history, over 22% cite a lack of suitable course provision and 29% a lack of training provider support as to why they have not taken this route. This increases to over 30% across both indicators for businesses that have an apprentice history.

- Only 34% of the businesses surveyed have hired a young apprentice over the past three years. Overall, 52% of respondents have not hired. Although construction apprenticeship starts are back above their pre-Covid-19 levels, the proportion reaching their End Point Assessment (EPA) has declined alarmingly in recent years. While 55% completed their end point assessment in 2017/2018, this number fell to 35% in 2022/2023.⁸

- The reasons respondents believe apprentices left their businesses broadly fall into five categories: poor work ethic, a career mismatch, getting a better offer elsewhere, a failure of the system and training, and differing real world expectations.

On average, 49% of business owners spend almost half of their time hands-on (supervising) their apprentice(s). This highlights the mismatch between the quality of apprenticeship scheme provision and the amount of time still required to train apprentices on the job.

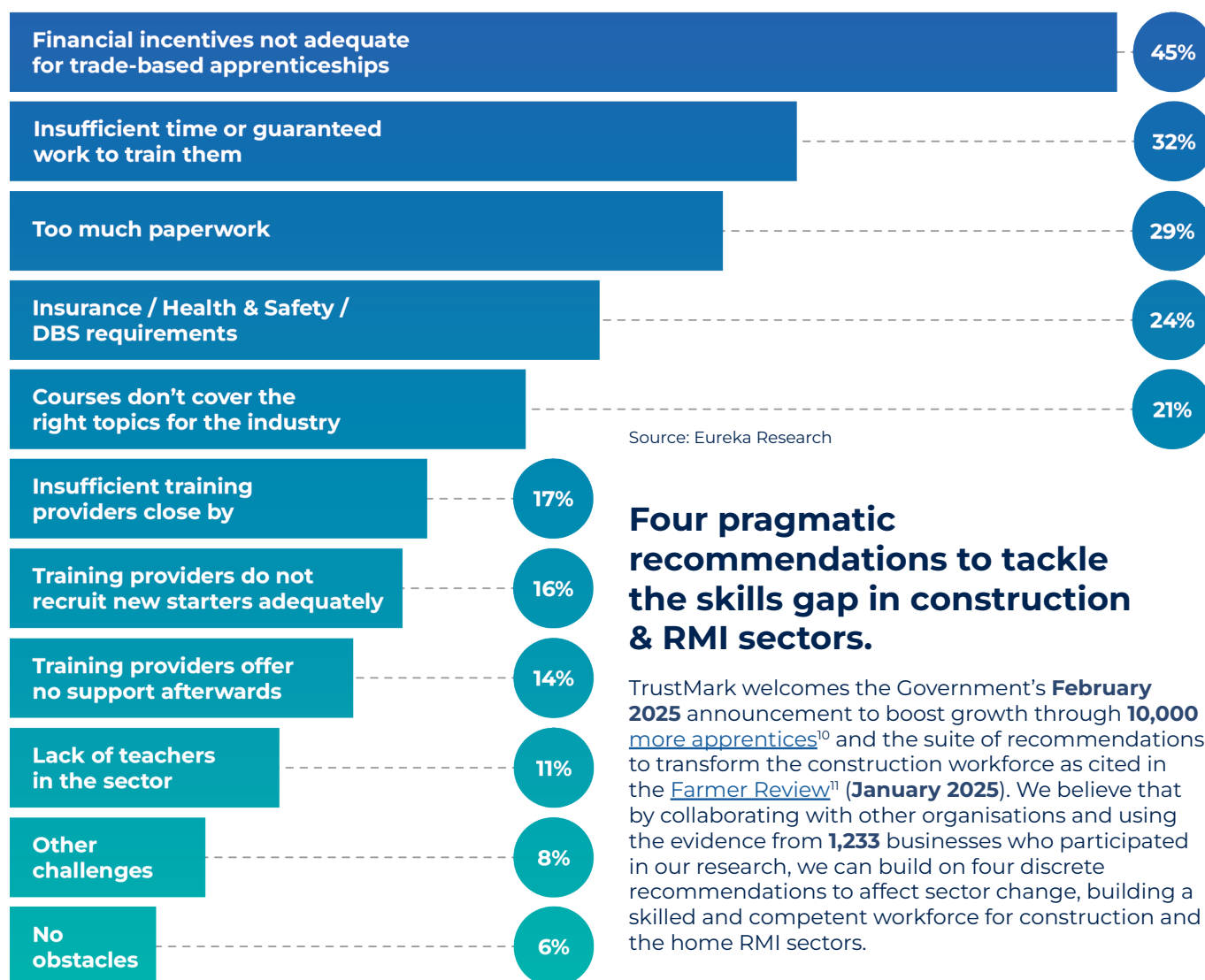
3. Limited access to and visibility of financial incentives. 64% businesses surveyed cite the lack of financial incentives and the fact they are not adequate for trade-based apprenticeships. This is closely followed by 32% of businesses saying that insufficient time or guaranteed work is available to train them.

There is little awareness and take-up of funding options for apprenticeships, with only 7% of respondents reporting they used the Apprenticeship Levy (now the Skills and Growth Levy). Businesses report that the flat £1,000 grant is inadequate for a trade business. Only 21% of eligible businesses access the Construction Industry Training Board (CITB) training or funding.

⁸ NOCN Group, September 2024. [Construction Apprenticeship Achievement rates crisis: Good practice solutions](#)



Figure 6: RMI survey participants perceptions about the barriers to apprenticeships



Four pragmatic recommendations to tackle the skills gap in construction & RMI sectors.

TrustMark welcomes the Government's **February 2025** announcement to boost growth through **10,000 more apprentices**¹⁰ and the suite of recommendations to transform the construction workforce as cited in the [Farmer Review](#)¹¹ (**January 2025**). We believe that by collaborating with other organisations and using the evidence from **1,233** businesses who participated in our research, we can build on four discrete recommendations to affect sector change, building a skilled and competent workforce for construction and the home RMI sectors.

TrustMark's recommendations also acknowledge the skills aspirations as laid out in the Industrial Strategy (2035 Vision), Infrastructure Strategy, the ongoing consultations from the Department for Energy Security and Net Zero (DESNZ) and the Energy Security and Net Zero (ESNZ) Committee's aspirations stipulated in the Government's vision for Local Growth plans being led by regional mayors. Working with and collaborating with others, TrustMark is committed to addressing the chronic skills situation the construction and home RMI sectors are facing. These recommendations aim to drive a national campaign on how the skills challenge can be addressed through:

- developing and delivering fit-for-purpose training & curricula
- strengthening the navigation system for businesses to find recruits

Looking to the future, the opportunity in renewables and clean heat technologies is for the taking, however help is required.

Certain trade types such as those working in renewables and clean heat technologies, are struggling to recruit staff more than others, with **79%** of renewables businesses reporting vacancies.⁹ Persistently high vacancies in the renewables sector mean that **42%** of businesses report skill shortages leading to severe problems. More effort is needed to help businesses transition into renewables and clean heat technologies to meet a future challenge when the market becomes buoyant.

The sector has called for more training in renewables and clean heat technologies with **44%** of businesses indicating they need financial help to pay for training courses and that time off to retrain would be welcomed. **20%** of businesses indicate that dedicated renewables training centres are needed. It would appear that the market for these technologies in homes is not mature enough yet for the trained professional to deploy their skills.

⁹ The renewables sector in the context of the RMI sector involves the installation of renewable activities such as air source heat pumps and solar PVs.

¹⁰ [10,000 more apprentices as government slashes red tape to boost growth](#), GOV.UK

¹¹ 2023 Industry Training Board (ITB) Review: Transforming the construction workforce, (January 2025).

- unlocking and raising awareness of the financial incentives available; and
- training and encouraging businesses into renewables and clean heat technologies.

To be clear, our recommendations are not stipulating that government financially invests into developing new structures but inherently, to work with industry to enhance the current structures and the joining of dots. Further, it is about developing a competent and skilled workforce across the construction and RMI sectors – for now and the future – and upskilling certain roles so that they can work across industries. Our surveyed businesses invite government and the wider industry to offer its expertise in unravelling bottlenecks to building a resilient and long-term competent workforce.



Recommendation 1: Increase support for trades on the school curricula agenda delivered by expert trainers.

With **55%** of respondents coming towards the end of their careers (within the next **10 years**) and wanting to give back, there is an open invitation from within the industry to encourage and develop a talent pipeline, and for academia and training providers to capitalise on this opportunity. In the same vein, this presents an opportunity to create a more diverse workforce, potentially unlocking interest from currently under-represented groups; females, ethnic minorities, and those living with an impairment.

There are three distinct areas in which this willing army of experts can quickly be utilised to support schools and colleges:

- **Introduce trades on the school curricula.** Subjects such as woodwork, metalwork and wider crafts are barely taught as part of the school curricula, as the cost of running these subjects is higher than STEM subjects. Indeed, consideration needs to be given to the steps that can be implemented to formally position this type of subject as equal to other subjects. With government's recent announcement to remove the mandatory English and Maths functional skills requirement for apprentices aged **19+** at the start of their apprenticeship training (for construction related apprenticeships it is pending), this perhaps presents an opportunity for trades to be re-emphasised and assimilated into the school crafts curricula. In the medium to long run, this could prove to be a worthy investment.

For students who are digitally savvy, there is an exciting opportunity to teach new subjects and skills, such as renewables and clean heating technologies. With trade professionals coming into the educational setting this presents an opportunity to tackle negative perceptions around trades.

- **Offer students work experience in home RMI trades and construction.** Work experience offers students the opportunity and insight of working in the real world before selecting their education and career paths. This is a practical way for schools to introduce more young people to the idea of a career in home RMI. It provides visibility into the myriads of well-paid and sustainable career paths that trades can offer. Government could also explore whether work experience in these sectors is made mandatory or not, and if offered, last for longer than a week.

Further, a network of experts across the UK is ready to give career talks in schools that either need to be co-ordinated by the school itself or through the Multi-Academy Trusts (MATs) working with a network of schools.

- **Improve the quality of vocational training provision.** Training providers need to input into the content of qualifications that is currently being decided by Trade Boards, Awarding Bodies and employer groups. Equally, improved thinking is required around the business models to run fit-for-purpose courses in colleges, while mobilising the **c.600** businesses across the UK who can provide expertise.

Recommendation 1:

Ask 1. Working with **c.18k** businesses and our **40** Scheme Providers, TrustMark is willing to facilitate networks for trade professionals willing to give back, whether that be promoting trades, mentoring, teaching or developing course content. A concerted effort is now required including Skills England, MATs and other relevant bodies including large contractors, to bring schools and colleges to the table to develop an engaging environment to address construction and RMI trades in curricula, work experience and training. With **51%** of respondents at the 'mature' end planning to stop or semi-retire within three years, this opportunity needs urgent activation.

Ask 2. There needs to be a better progression route from full-time qualifications into apprenticeships. Better collaboration between schools and training providers is required, so there is also no duplication of content.

Ask 3: It's not broken – Occupational Maps need better promotion! The Occupational maps framework by Skills England is a strong tool in mapping out both qualification (T-Levels, apprenticeship routes, higher education) and career pathways across sectors. Improved visibility and transparency of these occupational maps – at schools, colleges and employer levels – would bring them to the attention of a wider audience. The only additional call is for better promotion of trade professions within these occupational maps.

Recommendation 2:

Make it easier for small and micro businesses to find and recruit applicants. Create an easy to use facilitation service that brings businesses and competent, employable candidates together.

Businesses want an easier and more accessible process to navigate when looking for and employing applicants. It is a crowded market of players (recruitment agencies, training providers, trade businesses) further complicated by heavyweight paperwork that businesses need to complete. A call by the construction and home RMI sectors is to clean up the market by providing a:

- **respected facilitation system** where employers can easily find suitable and vetted candidates that have received relevant training by competent trainers. The scope can even be extended to pre-training; by giving early access trials to potential candidates to create a better funnel into the workplace – a “try before you buy” approach.
- Template suite of **policies and processes** that employers have at their disposal ranging from safeguarding, health and safety practices, personnel development, etc.

The industry would welcome the opportunity to work with the Department for Business and Trade (DBT) and Department for Education (DfE) to refine and strengthen the current system. TrustMark and other relevant industry stakeholders would be pleased to support the Departments in this redesign. The aim of such an initiative would be the tightening and building of a resilient navigation system, to provide clear and easy support for employers to find, employ and train talent through a neutral organisation.

Secondly, through its network, TrustMark can support the approved system, alleviating businesses' pain-points when finding, recruiting and training talent.

The Ask: For the DBT and/or DfE to work with TrustMark, CITB and other relevant bodies to develop an engaging and supportive facilitation system for employers to find, employ and train talent.



Recommendation 3: **Improve awareness of the financial incentives available to micro & small businesses and develop methodologies to access.**

There are several funding pots available that businesses are either not aware exist or find it challenging to access. Chief among them are:

- unspent Apprenticeship Levy. Official figures indicate that in **2022 £3.3 billion**¹² had been returned to the HM Treasury since its launch in **2020**. Through the newly positioned Growth and Skills Levy this unspent Apprenticeship Levy can be restructured and made available for micro and small businesses
- the CITB has allocated **£147 million** for Employer Support for **2025/2026** that will be available to access
- the Local Skills Improvement Funds (LSIF)¹³, valued at **£85 million** in **2024-25** is regional funding for training in priority sectors such as construction, engineering, and green industries where training providers, colleges, and businesses can apply
- the UK Shared Prosperity Fund¹⁴ and successor to EU Structural Funds (post-Brexit), valued at **£2.6 billion** is applicable to vocational training for workers in high-demand sectors, offering support for entry-level and advanced construction skills.

Across these different pots, there are funds that our surveyed businesses are either not aware of or face varying challenges to access. More effort needs to be invested in developing methodologies or channels to access funding.

Ask 1. For government to create greater visibility of the financial incentives available to micro and small businesses, how they can easily access with the appropriate due diligence in place, so they can employ and train more apprentices / new learners.

Ask 2. For government to confirm and revisit the unspent pot of the former Apprenticeship Levy (Growth and Skills Levy), and where applicable, make available to micro and small businesses in the construction and RMI sectors.

Ask 3: As part of the Department for Education (DfE) response to the 2023 Industry Training Board Review, CITB should work with government to determine what additional support can be offered to out-of-scope micro and small businesses that are not registered.

Recommendation 4: **Grow a competent workforce in renewables & clean heat technologies by transitioning existing capabilities and building a talent pipeline.**

With the ESNZ's Committee focus on skills into renewables as cited in the Clean Power 2030 mission, 44% of businesses indicated needing financial help to pay for training courses and time off to retrain. The focus needs to be around extending the already existing skillset and developing into renewables clean heat technologies, rather than building separate industries. The point is one of transition.

The issue is compounded in that the homeowner market for renewables and clean heat technologies is nascent as compared to traditional energy types e.g. natural gas. Therefore, until such time as government incentivises the take-up of renewables and clean heat technologies in homes, the workforce requirements in terms of volume at least, is likely to remain subdued. The challenge is further stretched in the limited information and confidence that homeowners have in renewables and clean heat technologies being deployed.

The Ask. For government to simplify the training pathway, where industry-led knowledge can be harnessed to develop industry-needed qualifications, not only for the next **10 years** but beyond given the rapid pace at which technologies are developing. TrustMark, along with stakeholders such as the Energy & Utility Skills Group and others, is ready to support government-led initiatives and facilitate activity, with the aim of enabling more micro and small businesses to participate in the sector and deploy renewables and clean heat technologies.

Final thoughts...

These four discrete recommendations do not stipulate that more funding is required, rather as a first step to unlock and strengthen what is already available. A kickstart is required to bring the various stakeholders together to work effectively in creating a landscape that is easy to navigate and works well, supporting micro and small businesses to recruit more and train effectively.

¹² Over £3 billion in unspent Apprenticeship Levy lost to Treasury 'black hole' new data reveal, IPPR, (July 2022).

¹³ Funding guidance for the local skills improvement fund (LSIF), Department for Education, (June 2023).

¹⁴ UK Shared Prosperity Fund, GOV.UK.

01.

Introduction

The background – Why we did it?

TrustMark's aim for this research was to identify the factors contributing to the skills gap in the UK construction and repair, maintenance and improvement (RMI) sectors, and propose practical recommendations that policymakers and the industry can action to help close the gap. The UK construction industry faces a critical shortage of skilled workers, despite the government and the industry having implemented multiple initiatives to fund career pathways within these sectors. The gap is particularly acute in the skills needed when improving homes to make them energy efficient and to lower their carbon footprint. These skills are critical to help achieve the UK's ambition for a net zero future and its plans for building more homes.

Apprenticeships and retraining offer crucial pathways for addressing the skills gap in this sector and create careers for participants, yet we are not seeing the expected take up which subsequently creates challenges for the closing of the gap.

In October 2024, TrustMark commissioned Eureka! Research to understand and evidence the operational challenges to closing the skills gap and to create actionable and comprehensive solutions to address them. This is a 'boots on the ground' approach. Oxford Economics has provided an economic analysis of the contribution of headroom vacancies if they were realised. The research set out to test the following three principal hypotheses:

Hypothesis 1:

Businesses / tradespeople in the construction and RMI sector – especially small and micro businesses – find the total cost of recruitment (operational, regulatory, and financial) burdensome and therefore prefer to remain small. This limits opportunities for people to join the sector.

Hypothesis 2:

Anecdotal feedback suggested that trade-related challenges, such as fluctuating demand for construction work and project-based employment structures, complicate apprenticeship uptake and recruitment.

Hypothesis 3:

New industries are competing for school leavers and graduates who might previously have gone into construction. e.g. warehouse work or packing and delivery work for online retailers where the national living wage and conditions may be more attractive than working on a construction site.

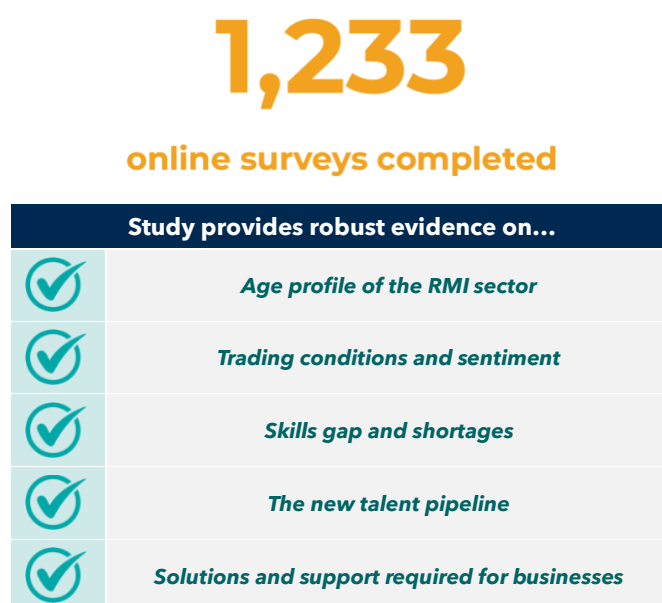
Through the evidence and insight generated, these hypotheses have been proven and supporting solutions identified.

Who we spoke with?

To understand the views of the construction and RMI sectors, and specifically the sole trader, micro and small businesses, we collected responses from 1,233 businesses who work 'on the ground'. The research findings enable us to speak with confidence on behalf of the industry using robust evidence to represent "the voice" of these sectors.

A snapshot of the research approach

Figure 7: What we did and who responded



The response splits provided views predominately from England (91%) and from micro sized businesses (95%). The splits are as follow:

- micro 82% (0-4 employees) / micro 13% (5-9 employees) / SME 5% (10-49 employees) and mid SME less than 1% (50+employees)
- regional breakdown comprised a 91% response rate from England, Scotland (4%), Wales (5%) and Northern Ireland (1%).

Methodology. How we did it

A suite of methodologies was used including:

- an industry survey (comprising c.30 in-depth questions) to micro and small sized businesses over a three-week period (December 2024 to January 2025) that yielded 1,233 responses
- where relevant, telephone interviews were conducted
- 14 one-to-one interviews with key business leaders
- 7 case studies
- an economic impact analysis conducted by Oxford Economics to evidence the contribution to the UK economy if the headroom vacancies were fulfilled.

(For further details on the methodology and calculations employed by Eureka! Research and Oxford Economics, please see Appendices 1 and 2)

Our thanks

Our thanks to all these 1,233 businesses who participated in the survey and wider research; a response rate that we can speak about with confidence and is statistically significant to represent a UK picture of the skills landscape in the construction and RMI sectors.

Our sincere thanks to the following organisations who contributed to the study design, consultation and / or the administering of the survey that generated 1,233 responses:

- **Association of Professional Landscapers (APL)**
- **Basingstoke College of Technology**
- **British Institute of Kitchen, Bedroom & Bathroom Installation (BiKBBI)**
- **Chartered Institute of Plumbing and Heating Engineering (CIPHE)**
- **Construction Industry Training Board (CITB)**
- **Consumer Protection Association (CPA)**
- **CHAS**
- **Energy & Utility Skills Group**
- **Finishes and Interiors Sector (FIS)**
- **NAPIT**
- **National Federation of Roofing Contractors (NFRC)**
- **NICEIC**
- **Oil Firing Technical Association (OFTEC)**
- **TaskHer**
- **The Apprenticeship Partner**
- **Wickes**
- **Wolseley**







02.

Our research sample

Our respondents

Of the 1,233 survey respondents, the majority of the respondents were from general building work (35%), followed by joinery, kitchens, fenestrations (19%), electrical work (18%) and heating, plumbing and bathroom (16%). In terms of the type of property worked on, 65% of respondents work solely on existing housing stock, while 21% work across multiple trades. Less than 20% of businesses are working on new build property. We received a good response and representation across the trades.

Figure 8: Participant breakdown by trade

Participant breakdown		
	General building work	35%
	Joinery, kitchens, fenestration	19%
	Electrical work	18%
	Heating, plumbing, bathroom	16%
	Landscaping	7%
	Painting & decorating	4%

Source: Eureka! Research

Figure 9: Type of property worked on

65% only work on housing stock	
Residential / domestic	91%
Commercial	30%
New build sites	19%
Leisure & Retail	18%
Public sector	17%
Social housing	16%

Source: Eureka! Research

The gender breakdown was males 92% and females 7%. For those working on the tools, (excluding office roles) the rate drops to 3% for females and increases to 96% for males. We know these sectors have always had a challenge in employing females, but a more considered approach now from both industry and government is required to encourage females and other under-represented groups to explore careers in these sectors.

One point to consider in the context of the government's target of 1.5 million new homes by 2030 is whether there is an adequate workforce to deliver this aspiration. We expect there will be a resulting increase in demand for services of micro and small businesses, especially from the larger developers. This could create a potential strain on capacity in the RMI market. Needless to say, micro and small businesses have a critical role to play in retrofitting, home improvements and in new builds. The interplay of capacity demand from new build and RMI needs to be better understood.

Age profile of the sector - A challenge on the horizon

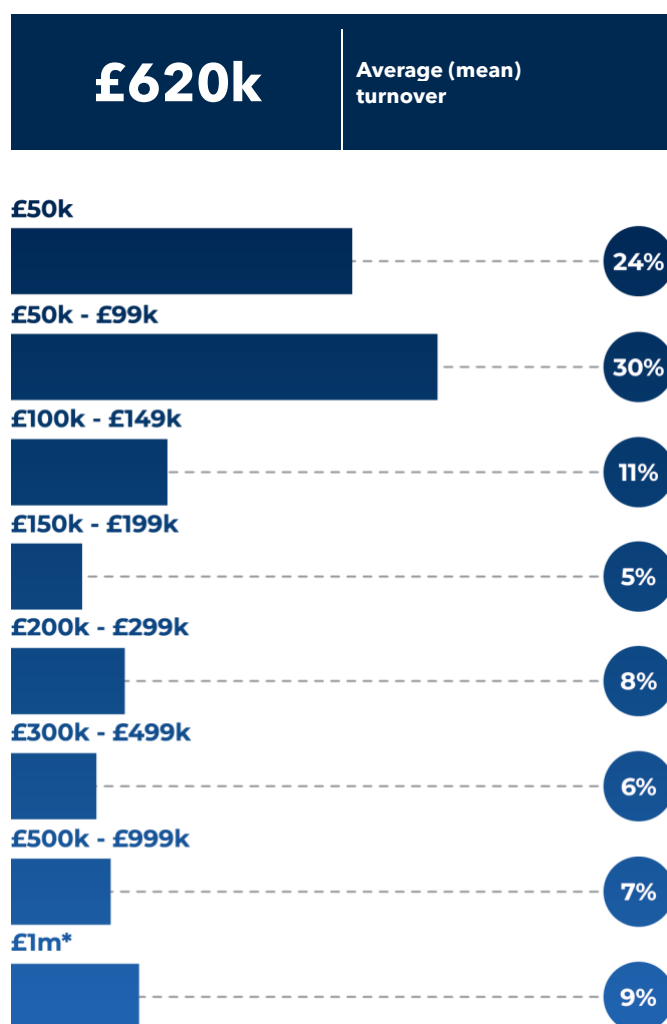
The average age of respondents in this survey is 51 years and slightly higher (52 years) for those who are actively 'on the tools' undertaking RMI projects. The average age of sole traders is older (54 years), indicating a particular vulnerability at this end of the sector.

Given the physical demands of working in trades, more worryingly is that over half (51%) at the 'mature' end of the spectrum plan to stop or semi-retire within three years (23% of those in the 55yrs+ age bracket). On average, mature workers expect to stay active for another six years. It is estimated that the UK currently has c.280,000 domestic RMI businesses, which, given the forecasting translates into 39,000 trade businesses at real risk of disappearing from the sector. This is a pressing concern and a sobering consideration for the capacity in the sector.

When we asked this cohort about their future aspirations for their business, a popular path for these mature workers is to gradually reduce their time on the tools, where 38% plan to take on less work, and effectively semi-retire. Only 30% have plans for their business to change hands, whether to pass to another family member or a senior employee.

However, on a positive note, to partly counteract the RMI sector's knowledge drain, over half (55%) of mature workers claim that they would be interested in giving back to the sector in some form if the appropriate support was put in place. This points to a real opportunity for industry, colleges and the wider education environment to capitalise on and extrapolate both knowledge and skills from this skilled workforce before it is lost, especially if 39,000 businesses are set to disappear.

Figure 10: Annual financial turnover of businesses

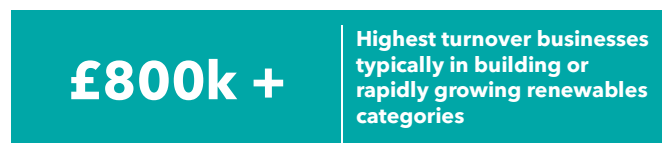


*Although disproportionately small, SMEs turnover considerably more than the majority of this sector

Insights into the earnings of micro and small sized businesses

To provide insight about the earnings potential of these businesses and to highlight that there are good income opportunities for those working in the sector, over circa 1,000 businesses shared their annual turnover details. The average turnover for the sector is £620k, with 9% showing a turnover of over £1 million annually. Specific to this industry, the highest annual turnover for businesses is typically for those operating in the building or rapidly growing renewables categories, with over c.£800k plus cited.

This indicates that action is needed to dispel the myth that trades and building work are low paying careers. The market exists and can be financially rewarding. Greater visibility is needed about the commercial opportunities that exist, particularly amongst young people - if it's not advertised, they're not going to know.



Annual turnover	Mean average	Median average
Multi trader	£241,900	£75,000
Kitchen fitter	£ 162,600	£75,000
Painting & decorating	£273,500	£75,000
Renewables	£874,500	£250,000
Bathroom installer	£219,800	£75,000
Plumbing and heating	£340,800	£75,000
Electrical	£446,500	£75,000
Carpentry	£360,700	£75,000
General building work	£821,000	£125,000

Source: Eureka! Research

03.

**Operational challenges faced by
micro & small businesses within
the RMI & construction sectors**

Juggling plates: How much do we really know about how the RMI sector works?

Feedback from those surveyed suggest that policy makers should consider the multiple tasks a sole trader, micro or small business undertakes aside from the actual trade / on the tools work itself. The range of tasks include i) providing estimates for projects and assembling quotes ii) site visits iii) buying and procurement iv) staff recruitment and retention v) supervising others on the tools vi) organising team members and logistics vii) finance / accounts / HR. This is all aside from performing the job itself. All aspects of running a successful business fall on the shoulders of the sole trader who is spinning all these plates, continuously.

The impact it has on their time, income and profit lines are real considerations for micro or small business employers. If these sectors and types of businesses are to employ more, take on apprentices and teach trades in order to grow the supply chain, they need a supportive environment in which to do so. This includes a credible applicant pool to draw on.

Planning a pipeline of work

The forward projection of work order books stands at an average of 2.6 months, significantly behind what was seen across the RMI sector in the immediate post-Covid period. There is a great variance in workbook times between sole traders (1.6 months) and larger businesses (7.5 months).

Figure 11: Business order book estimation

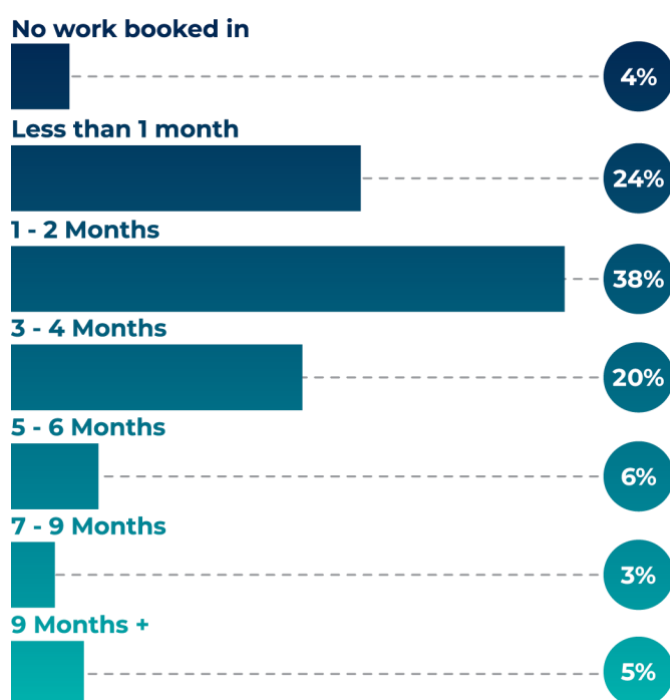









Figure 12: Business order book estimation

2.6 months Average work order book		
	1.6 months	Sole trader
	2.3 months	Micro business
	4.0 months	Small business
	7.5 months	Medium business

Solutions should be explored to help build confidence in longevity of available work so that businesses can plan for longer periods of time and take on more work rather than decline it.

A question was asked as to what the most pressing concerns for businesses were. The largest business concern currently is the price of materials (62%). Secondly, it is not 'having enough work' (47%), followed by the 'physical impact of the job itself' (47%).

Figure 13: List of business concerns

Largest business concerns		
	Price of product / materials	62%
	Not having enough work / lack of customer demand	47%
	Physical impact of the job on your life / health	47%

Studies show that some of the smallest businesses in the sector actually prefer not to overly commit themselves or plan too far in advance with long term orders, as a result of the challenges they face. It is a challenging environment. Most business owners (62%) are faced with high prices, work

demand and cashflow, and therefore a question arises as to how mid to long-term thinking about staff and workforce planning can be encouraged.

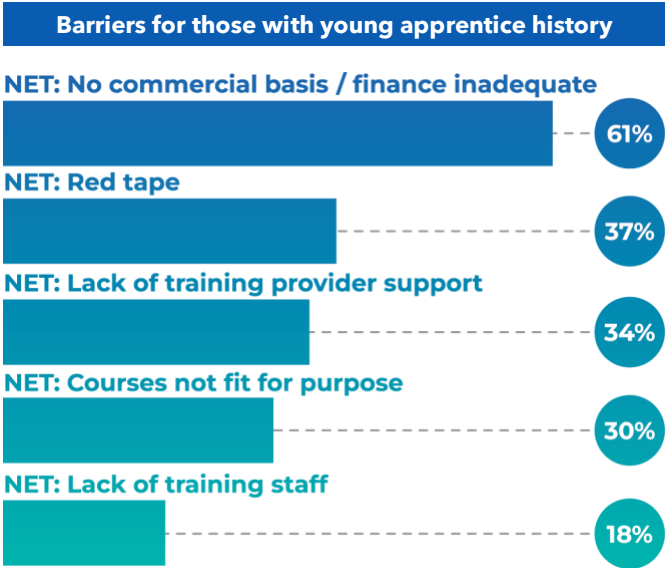
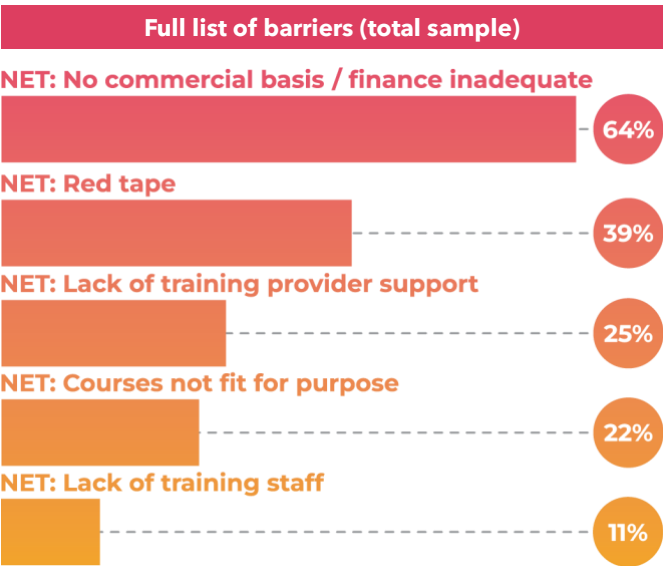
Recruiting & retaining

When looking at staff recruitment and retention collectively, ‘staffing’ becomes the sixth most significant headache for businesses (28%), although this increases considerably for small businesses in the sector. This point underlines that the majority of RMI trade businesses have other issues they consider before thinking about staffing. To support industry and policy aspirations of achieving growth, net zero, 1.5 million new homes and retrofitting targets, more needs to be done by way of having the correct support mechanisms in place. This will then enable these businesses to find, recruit and retain staff and ensure that recruitment and retention becomes a larger priority for them.

Burdensome paperwork & lack of transparency to find and recruit

One major obstacle these different-sized businesses face is the burden of paperwork and bureaucracy that is required to find and recruit apprentices, with 39% of 1,233 businesses citing this in their top three barriers.

Figure 14: Obstacles to taking on apprentices



Further work is required by the relevant body(ies) to unpick i) the nature and necessity of this paperwork ii) the impact it is having on businesses versus the gains that could be achieved, and iii) how wider processes can be streamlined to improve engagement for businesses open to taking on apprentices. At present, this is a critical blocker.

The competition for talent

Within these sectors there is fierce competition for a small pool of talent whether that is from logistics, warehousing, mechanics, etc. This further amplifies the challenge micro and small businesses face from effectively finding and retaining talent.

The challenge is further heightened as sectors outside of construction and RMI are more attractive to young people, perhaps offering favourable salaries and benefit packages at entry level. One example is to look towards the retail sector. For entry-level employees the time taken between training and earning, especially with organisations like Amazon, is short. In construction and RMI, training times are longer and therefore time to income generation is prolonged. This has the unfortunate effect of making construction and RMI trades less appealing and therefore not attracting the volume of applicants the UK needs to backfill those leaving these sectors at the mature end. Concerted thinking is required at a policy making level all in how this rebalancing across industries within the wider construction sector can be achieved, to make trade professions more enticing for applicants, regardless of age.

04.

**The skills gap & shortage:
What does it mean?**

Vacancies in the sector

Our research evidences that a twin-track sector is operating in the RMI sector. 55% of RMI businesses report having no staff vacancies, while 45% have a real appetite for labour. Our research shows that there are an average of 4.9 vacancies of different levels amongst this segment, for trained, experienced labour or untrained workers.

37% of businesses have at least one 'trained' vacancy with 45% of businesses surveyed having at least one vacancy of any types. 15% of businesses (185 businesses) have three or more vacancies of any types. This is a very positive and welcome signal from the sector that there are jobs available across multiple trades, whether that is trained or untrained labour. Businesses have the capacity to employ more staff and more importantly, want to.

The headroom for new vacancies

Official ONS figures indicate that there are 33,000 official job vacancies in the construction sector overall, with a current total construction workforce of 2.2 million¹⁵, and 1.2 million employed in the RMI sector.

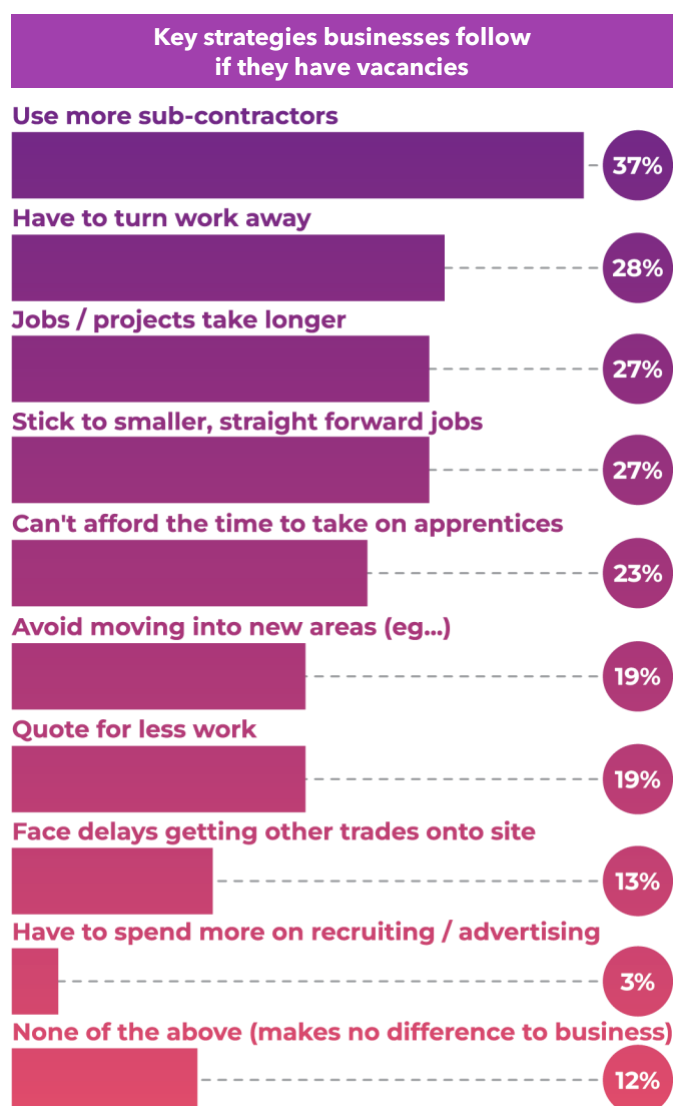
Figure 15: National vacancy figures vs what the sector is saying

	Mean vacancies	Number of roles (grossed)
Fully trained and experienced	0.7	195,000
Newly trained/retrained but limited experience	0.3	83,700
Apprenticeships/trainees	0.3	83,700

Through the 1,233 survey responses received, this sector evidence suggests there is headroom of **195,000** vacancies available for fully trained and experienced workers, with appetite for more. The challenge however, and by default the opportunity, is to build this pipeline.

How are vacancies currently serviced, if at all? Our evidence indicates that of the 1,233 businesses surveyed, they currently approach additional work with different strategies ranging from using sub-contractors, turning work away, quoting for less work and other.

Figure 16: The consequences of vacancies and business strategies employed



One-fifth of businesses termed 'in distress' (in the survey question), report vacancies and are in a damaging situation, whereas 37% of businesses rely on sub-contractors as a strategy to address their skills shortage. The consequences of skills shortages clearly indicates that across the three categories of different sized firms, all are turning work away; the impact somewhat negated as they turn towards the sub-contracting market. 52% of businesses are actively reducing the volume and complexity of work they take on, while 34% admit having vacancies makes their business less efficient operationally. Even businesses with no vacancies admit that getting reliable sub-contractors is becoming more difficult.

¹⁵ ONS Labour Force Survey – Construction sector overall SIC figures, (September 2024).

The high-level observation is that these sectors have the scope to take on more work and there is work to be had, but they are limited by availability of competent labour. If this is deemed a critical situation now, one can imagine how challenging the situation will be in three years when large proportions of skilled labour start to retire from this sector.

Across the different sized businesses, the research has evidenced the following vacancy profiles:

Interestingly, for the 53% of businesses who report no vacancies, over half agree it is getting challenging to find reliable sub-contractors, and just under half agree this slows them down. Both industry and government need to review and address the sub-contracting challenge, as well as the wider vacancy appetite, to see what their respective roles are in finding and developing talent before the consequences are further exacerbated.

The worrying issue here is that if the sector has indicated a headroom of 195,000 vacancies, and businesses are declining work, this is in effect slowing the UK's progress in driving home retrofits and energy efficiency measures and meeting wider policy targets. We are at a critical juncture of needing to provide a solution for fulfilling this vacancy demand for an existing homeowner market who want to improve their homes now.

There are various cohorts that can collectively be tapped into and trained in order to service these vacancies, and which government is already exploring. The challenge then becomes one of individual motivation and how actively they apply themselves:

1. **Not in education, employment, or training (NEET).** In Q3 2024, the UK had 946,000 young people qualified as NEETs. This number increased by 46,000 from Q1 2024.
2. **An unemployed population of 1.5 million** (August to October 2024), an increase of 110,000 from the previous year; with a current unemployment rate of 4.3%.
3. **Veterans & armed forces.** The UK has an armed forces veteran population in England and Wales of over 1.8 million.
4. **Ex-offenders.** As of March 2024, the UK had a total prison population of circa 97,700 people. Only 17% of ex-offenders manage to find a job within 12 months of their release. The Ministry of Justice found that 86% of employers who hired people with convictions rated them good at their job. The critical obstacle to overcome here is not one of skillset or provision of opportunity, but challenging perceptions of future employers to engender trust when taking on an ex-offender.

With direct feedback from our interviews, the bigger challenge here is three-fold: 1) raising awareness for these cohorts that opportunities within construction and the RMI sectors exist ii) addressing the negative perceptions that these cohorts and the wider public may have in working in these sectors iii) there is a need to shift the mindset over perceptions of young people being 'lazy and entitled.' This is seemingly a significant piece of the jigsaw and one that needs further consultation. Government and industry can provide the opportunity and provision however, motivated people are critical to successful outcomes.

An essential piece of work needs to be jointly undertaken by industry and government in challenging the perceptions of working in the trades sector. Debunking myths through a concerted campaign makes for timely consideration.

05.

Growing the talent

Setting the scene: The engagement with apprenticeships in construction and RMI

Although construction apprenticeship starts are back above their pre-Covid levels, the proportion reaching their End Point Assessment (EPA) has been declining alarmingly in recent years:

Figure 17: Construction apprenticeships and achievement levels

Construction apprenticeships	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Starts	22,660	22,460	21,580	19,960	26,060	24,530
Achievements (reached EPA)	12,420	11,030	9,470	8,990	7,700	8,620
Reached EPA %	55%	49%	44%	45%	30%	35%

Source: Reed in Partnership: 'Laying the Foundations', in partnership with TrustMark (Dec. 2024)

Our findings from the 1,233 respondents present a high-level view of apprenticeship hiring history, indicating that 34% of businesses have hired a young apprentice over the past three years. This rises to 38% when including older apprentices / returnships. Overall, 52% of this sample are yet to hire, while 12% have considered. We also found that hire rates are greater with younger business leaders and larger businesses. Those specialising in clean heat technologies and building also hire more apprentices than the average.

Challenging perceptions held by young people

Our businesses informed us that just 15% of respondents believe young people who they employed know there is good money to be made and see a trade career as a 'job for life'. The vast majority disagree with this or are unsure, where small businesses particularly identify with this lack of interest from young people. The businesses shone light on the reasons for losing an apprentice and they broadly fall into five categories: poor work ethic, a career mismatch regarding expectations, getting a better offer elsewhere, a failure of the system / training and differing real world expectations. There is no one single reason we can point towards that makes businesses reticent to employing an apprentice but several, with perhaps the overarching one being that young people generally have a poor perception of working in trades.

To move forward with any apprenticeship targets, we must firstly all (government, industry and relevant stakeholders) truly understand the nature of the challenges micro and small businesses face when looking to employ apprentices. It is not as easy as it may seem to be.

Specific challenges of micro and small businesses taking on apprentices

Our businesses cited a range of issues when taking on apprentices:

1. time away from work: business owners spend a considerable amount of time hands-on (supervising) their apprentice/s.
2. lack of appropriate financial support
3. access to a credible talent pool
4. too much or overly burdensome paperwork
5. lack of tailored courses
6. insufficient time or guaranteed work (cited by 29% of businesses; the drivers discussed in Chapter 3)
7. lack of effective communication between all parties.

1. Time away from work

Business owners spend a considerable amount of time hands-on (supervising) with their apprentice/s – almost half of their time on average. Those running smaller businesses unsurprisingly spend more time than larger operations (47% sole trader).

2. Lack of appropriate financial incentives & support

64% of businesses indicated that financial incentives and support were not adequate for trade-based apprenticeships. Underpinning this were specific issues such as i) access to appropriate funding for employers ii) insufficient funding to cover wages, training costs, and other expenses to ensure

both apprentices and employers are adequately supported. One fifth of businesses believe that recruitment grants do not consider the full breadth of challenges that businesses encounter, which is particularly the case for the 32% companies 'in distress' on labour shortages.

Overall, there is a general feeling of ambivalence to the funding and grant structure; one-fifth of businesses go further, indicating that the design of incentives is currently not fit-for-purpose.

Regarding funding specifically for apprenticeships, awareness and take-up of financial support through the former Government Apprenticeship Levy (now the Skills and Growth Levy) is low (just 7%). This is taking into account that the vast number of micro and small businesses will not qualify as they do not meet the threshold of £3 million payroll. Some businesses indicated that the flat £1,000 grant is inadequate for a trade business. However, awareness of the level of financial support available for trade businesses who fall under the scope of the CITB is much higher but is still less than half (46%) even for businesses who have taken on an apprentice in the past. 13% of businesses are unaware of either the Government or CITB Levy routes, so more visibility could encourage higher apprentice participation.

Figures indicate that in 2022, [£3.3 billion](#) of the former Apprenticeship Levy funds had been returned to HM Treasury since its launch in 2020, with more added to the purse since. Through the newly positioned Growth and Skills Levy, this unspent Apprenticeship Levy could potentially be restructured and made available for micro and small businesses. One could also argue, exploring a similar approach with the CITB to release funds could drive recruitment and training of apprentices for micro and small sized businesses who are currently out of scope.

A key recommendation must be better awareness, visibility and access to the different levy and other funding pots available. Support for businesses that are not within scope but are at the frontline wanting to recruit apprentices is equally as important and with a full understanding of the nature of the associated costs.

3. Too much burdensome paperwork

Of the businesses surveyed, 39% cited that the amount of paperwork to trudge through when taking on an apprentice – finding candidates, advertising, interviewing, onboarding, wayfinding and applying for grants, etc. is a large burden. This is further compounded with the legal paperwork required for DBS checks, health and safety, insurance and more. Chapter 3 explored the raft of tasks that micro and small businesses undertake aside from the trade itself, so one can imagine what additional impact arises when trying to recruit and then train an apprentice.

A recommendation is that government, recruitment agencies and relevant stakeholders alleviate bottlenecks to wayfinding (applicants, funding pots, etc.), to strengthen and create an engaging system (policies and processes), and make it easier for businesses to recruit apprentices rather than hinder them. This is a key pain-point that needs to be urgently addressed.

4. Lack of appropriate training & training providers

One surprising finding was the frustration businesses have with the lack of appropriate training and limited provision available in skilling apprentices. The realities of taking on a young apprentice are different to inexperienced perceptions. While a lack of applications, finance and red tape lead the obstacle rankings, amongst experienced respondents there are negative experiences pertaining to unsuitable / lack of training partner support, courses that do not meet the needs of the sector and a lack of appropriately trained staff to deliver training. Evidence splits this issue for those that have or have not employed young apprentices.

- Of those that do not have an apprentice history, over 22% cite a lack of suitable course provision and 29% a lack of training provider support. This increases to over 30% who have a young apprentice history
- Both categories cite that a lack of suitable training provision and staff (11% / 18%).

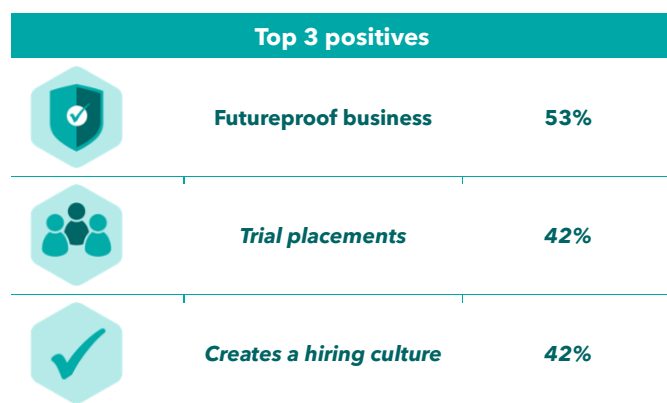
Issues with college training and support were a recurring theme, indicating room for improvement in the apprenticeship system (explored in Chapter 6).

Since the introduction of the Apprenticeship Levy in 2017, whose aim was to clean up the apprenticeship market through improved provision of qualifications and standards and to bring more skilled and competent people into the workforce, this aspiration has yet to be achieved, as evidenced by the businesses.

However, there are positives.

Although it is a relatively time-consuming investment, many favourable can be drawn from hiring apprentices. Of those that do, businesses highlight it is a 'good way of futureproofing', a good way to assess potential workers and embedding the business with a positive culture of hiring young talent.

Figure 18: The positives of taking on apprentices



Other outcomes include wider company learning, opening channels to explore new commercial opportunities, enhances brand reputation and more, offering growth at different levels within a business.

What's needed?

There is still a widely held belief that the whole apprenticeship system is difficult to navigate for business owners, particularly those of the smaller scale who make up a significant proportion of both the RMI sector and the wider UK workforce. Without the appropriate levels of financial and administrative support, wider apprenticeship understanding, and effective tailored courses, recruitment barriers will persist. For many businesses the construction apprenticeship system is on weak foundations. A sector rebrand is welcomed and would go some way to addressing negative perceptions the public may have of working in trades.

Strengthening and embedding the system - The How

The perfect system is one where there is strong alignment between the talent market, the training provision and provider with access to funding, stronger governance (policies and processes) and the employer. Transparency and communication sit at the heart. Currently, it is a crowded and fragmented market with all these different players operating in different ways. This whole system and supporting infrastructure require visibility, transparency and strengthening that meets the needs of the employer and the applicant - the two principal customers. A strengthened and effective 'facilitation' system therefore needs the following building blocks to make it work:

Figure 19: Good building blocks for making a great apprenticeship scheme

Financial support
Candidate selection & commitment
Course structure & relevance
Effective training & support
Workplace integration
Communication / collaboration

To accomplish such an aim needs buy-in from key partners and to be led by government. More importantly, it requires a clean-up of the market with the provision of a streamlined facilitation system - providing clarity of information for employers and applicants on financial incentives, training offers, training providers, recruitment and more. As is well known, the best outcomes are achieved where the customer (in this case the employer and the applicant) have complete information on products, services and care - which these sectors need if we want more people to work in credible trade professions.

06.

**Quality training & provision:
The challenges businesses face**

What the industry is saying about training quality & provision

Survey respondents' appetite for fully trained staff was more than double than for inexperienced staff (trainees or apprentices). This reflects the difficulties associated with training inexperienced staff.

- On average, 49% of business owners spend almost half of their time hands-on (supervising) their apprentice(s), where if training was to the correct standard, employers would be able to exert their efforts elsewhere.
- Of those that do not have an apprentice history, over 22% cite a lack of suitable course provision and 29% lack of training provider support. This increases to over 30% who have a young apprentice history.

Employers demand a well-structured and tailored apprenticeship programme that blends theory and practical skills. There is a desire for up-to-date, industry-relevant training rather than outdated practices and methods. A good training provider delivers relevant experiences and provides continuous support to both trainers and employers. Apprentices benefit from mentors and coaches too, providing for a wholesome experience. At present, this current training provision is not fit-for-purpose, and the holistic offer is lacking, that is not necessarily the fault of the training provider.

Context on this matter has been provided by Basingstoke College of Technology (BCoT) as to why this challenge arises. As an example, previously due to insufficient numbers, BCoT have combined site carpenters and joiners students in the same group. There are common learning units, however, there are differences too and tutors have 'coped' with these differences. Due to the decreasing number of more 'traditional joiners' and employers using more automated processes to remain competitive, operatives are doing less traditional work in the workplace, requiring more time and tuition in college to pass set EPA elements in outdated qualifications. Further, training providers have no input into the content taught, which may result in BCoT focusing on site carpentry in the future, as it will never attract enough joiners. This takes the point back to the old business case and viability point for running courses.

A balance of in-class learning and practical on-site experience is crucial. It is critical to ensure learning aligns with industry needs and expectations and where employers play an important role in mentoring and giving apprentices / younger people a clear line of sight to good jobs. A good case study to consider is Greater Manchester's Baccalaureate (MBacc)¹⁶ seven gateways programme. This provides young people from the age of 14 with clear lines of sight from subjects into jobs. One gateway is for construction and the green economy.

Further, clear communication between apprentices, trainers, and employers is key to ensure mutual understanding of expectations. Some employers want to be more closely involved in the recruitment and development process, ensuring that the training provided is in line with the needs of the industry, and that the apprentice's journey is adequately supported. This is what a seamless, healthy and end-to-end training proposition needs to entail.

What is the industry saying about the quality of training providers?

Of those that do not have an apprentice history versus those that do, both categories cite that there is a lack of suitable training provision and staff (11% / 18%). A recommendation here is for Skills England to understand what the 'true' health of the training landscape is and why it is not meeting the needs of employers. This subsequently leads to employers having to retrain trainees themselves, costing time and money, and are less likely to employ in the future.

Complexity around apprenticeship courses. With regards to the apprenticeship funding available, there are different funding pots available across courses, for different durations and levels. The following table shows the lack of consistency and subsequent confusion this creates for training providers to run courses:

¹⁶ [Greater Manchester - new technical education route.](#)

Figure 20: Differences in apprenticeship funding and duration

Qualification / Ref	Level	Duration (months)	Funding (£)
Bricklayer / ST0095	2	24	13,000
Carpentry & Joinery / ST0264	2	24	13,000
Painter and Decorator / ST0295	2	24	10,000
Gas Engineering Operative / ST0155	3	18	23,000
Plumbing & Domestic Heating Technician / ST0303	3	48	22,000
Installation & Maintenance Electrician / ST0152	3	48	20,000

Source: *Institute for Apprenticeships*

Clarity around funding and a revisiting of the model is needed as training providers are also commercial entities that need sufficient demand to operate.

Solutions to strengthen the current training provision

The survey asked businesses how and what could be done to strengthen the current training offer, whether through other forms of training or through apprenticeships. A suite of options comprises trial work experience placements, skills bootcamps and other initiatives:

Input from the Finishes & Interiors Sector (FIS) suggested that businesses, such as Amazon, are able to train their trainees much faster than in construction, accelerating people to start earning more quickly, creating competition. The point for the construction and RMI sectors is what learnings can be adopted from other industries and fast tracked, to grow the talent pool.

Ways on how to make trades more attractive

There is a specific call to revitalise trade education by i) reintroducing technical colleges focusing exclusively on trades ii) implementing holistic training approaches that integrate customer interaction and soft skills iii) introducing national standards for college-based trade education to ensure consistent quality.

This is a clear invitation from businesses to training providers to collaboratively develop market needed education and qualifications, particularly of those coming into retirement. Skills England is recommended to empower training providers to embrace this opportunity.

Other chief solutions from the sectors include:

- ensuring that courses offer a full progression pathway
- collaborating with local businesses to design relevant curricula
- recruiting and compensating tutors who have industry experience
- modernising facilities and integrating practical, hands-on learning into all courses
- including site-based assessments and simulations to better prepare apprentices
- expanding the range of trades covered e.g. clean heat technologies (Chapter 7).

Occupational maps:

The Occupational Maps framework by Skills England is a strong tool in mapping out both qualification (T-Levels, apprenticeship routes, higher education) and careers pathways across sectors. Skills England needs to create greater visibility and transparency of these Occupational Maps – at schools, colleges and employer levels. This is a quick win and not a case of creating something new. The only additional call is for better promotion of trade professions within these Occupational Maps.

Business Owner, Roofing

"Our local college struggles with getting assessors in roofing. They have had a number of different tutors since our apprentices have been attending, and all tutors have specialised in other trades, such as joinery as opposed to roofing. This has led to the apprentices being taught incorrect information. We have looked into becoming assessors and we are interested in providing our own training centre in the future."

Business Owner, Decorating

"There is only one trade-based college offering apprenticeships close to our business. We have considered creating a training hub to try and combat this, however there are a number of factors as; availability of trainers / assessors, funding and premises that may get in the way of this."

Business Owner, Kitchens & bathrooms

"It's not about the location. More that the training courses doesn't teach them what they need to know. This means time consumption from myself to have to get them up to speed. I do not have the time to teach people how to do the job therefore the colleges need to provide better training material and longer courses."

Business Owner, Electricals

"We have access to colleges within the area but, their courses are terrible. Poor teaching, no support for the apprentice, inefficiencies mean the courses take much longer. We now use a private training provider."










07.

**Special feature: Transitioning
into renewables & clean
heat technologies**

The facts

Our evidence suggests 367 businesses that responded to our survey are already working in a variety of renewables and clean heat technologies, and their deployment in homes. The landscape across the different technologies requires a blend of skills to operate:

**Figure 21: Renewables & clean heat technologies:
An emerging market**

A sector that requires multi-skilled trades		
	Underfloor heating	43%
	EV chargers	27%
	Air source heat pump	17%
	PV / solar	17%
	Battery energy storage	12%
	Mechanical ventilation	11%
	Ground source heat pump	6%
	Air to air heat pump	4%
	Heat recovery	4%

Interestingly, further training is being requested by 55% of this cohort, namely in technologies such as PV solar panel, underfloor heating, air source heat pumps, battery energy storage and more.

A further call from industry has been elicited where 20% of businesses indicate that dedicated renewables training centres are needed to address the knowledge and skills gap with these technologies. Equally as important, and to encourage businesses to increase work into clean heat technologies, 44% of these businesses need financial help to pay for training courses and time off to retrain. This requires some careful and balanced thinking around if there is desire from industry for more training, how this can be delivered in the most cost-effective and efficient manner that does not impact severely on the day-day-day operations and work being delivered.

Certain trade types, such as renewables, are struggling for staff more than others

Persistently, high vacancies in the renewables and clean heat energies sector have been cited by 42% of renewables businesses who report that skill shortages are leading to 'severe' problems in running their businesses. 79% have reported vacancies where concerted effort is needed for more businesses to transition their skills across.

To further address this gap, a campaign promoting this type of training should be targeted at schools, focusing on digitally savvy students and highlighting the potential for sustainable career paths within the industry if better promoted.

Competencies in renewables and clean heat technologies

As the market for renewables and clean heat technologies develops, there is an opportunity for both industry and government to build a competent-ready workforce and develop smooth pathways for more small and micro businesses to participate in the sector. In our consultation with industry stakeholders, including the Energy & Utility Skills Group whose membership includes the UK's largest energy providers, we recognise the importance of helping micro and small sized businesses enter the supply chain for renewables and clean heat technologies.

A similar approach is needed for those who install and maintain renewables and clean heat technologies in the home, so the end consumer (the homeowner) has complete confidence and assurance that the work undertaken, is to the required standard. The work can then be audited by an independent inspector e.g. TrustMark. This end-to-end pathway needs to be well considered, so when the market matures, the UK will have a formally recognised workforce to deliver these measures in homes.

The status of the homeowner market for renewables and clean heat technologies

With a positive industry response indicating that professionals are wanting training and perhaps have relevant qualifications to deploy these technologies, views from the industry are that the homeowner and private rental sector market for renewables and clean heat technologies is nascent and will take concerted effort to stimulate.

This challenge is further compounded by the short grant delivery cycles that may have inconsistent rules, making it challenging for the businesses to engage with. One issue the government should consider is how to create stability and consistency of grant schemes to boost the deployment of clean heat technologies. This would be welcomed by many businesses.

Trades professionals are showing interest in this industry; however, the market is subdued and where there is work to be undertaken, it is difficult to access. There is also perhaps some homework to be done here of how micro and small businesses can get into government procurement processes, especially at local and Combined Authority levels. The feedback from the businesses is a request to government to consider their characteristics when designing grant schemes and policy framework to create a consistent market opportunity. This also ties back to the targets as stipulated in the Clean Power Mission, 2030, to drive a skilled labour force in renewables and clean heat energies. The government should, through the regulatory frameworks available, stimulate demand from the homeowner market which in turn will enable the RMI sector to invest in skills growth. The industry stands ready to support, however, a viable market needs establishing.

08.

**The economic case if headroom
vacancies are fulfilled**

The context.

As highlighted, nearly half (45%) of RMI businesses surveyed report having at least one vacancy. Vacancies increase by size of firm with micro businesses having an average of one vacancy, while small sized firms have an average of 3.2. For businesses who have an appetite for increased labour, the average number of vacancies is 4.9. Given business appetite to recruit more, we have identified a headroom of 195,000 vacancies that need filling. We now turn to understanding the economic impact that could be generated if these vacancies are realised.

As cited, a third of businesses surveyed report that staffing shortfalls are damaging to some extent, with 34% admitting that vacancies make their business less efficient. Staff shortages appear to be most acutely felt by 47% of small businesses (headcount 10-49). A current key tactic for businesses to manage skills shortages is to take on less work, cited by 52% of respondents. A higher proportion of micro businesses and sole traders (56% and 51% respectively) report taking this action compared to small firms (45%). Naturally, forgoing work because of vacancies diminishes the sector's potential contributions to overall UK gross value added (GVA).

Figure 22: Implications of having vacancies on the RMI firms surveyed

Take on less work	Makes business inefficient	Use sub-contractors
52%	34%	37%

Source: Eureka! Research

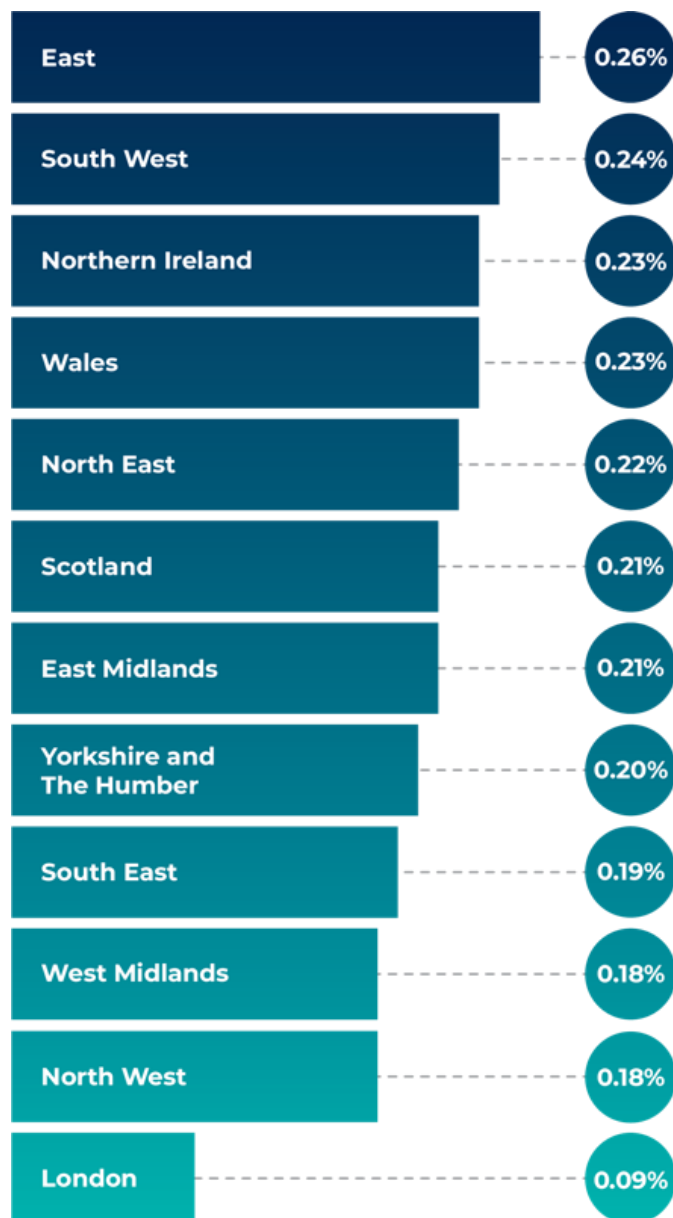
Survey respondents' second most frequently cited response to having vacancies is to rely on sub-contractors (37%). Over half (56%) of businesses agree that getting reliable sub-contractors is becoming more challenging for them.

The growth opportunity and additional GVA that could be created in construction and RMI sectors if headroom vacancies were fulfilled

However, as already indicated, if these vacancies were created and fulfilled there is an opportunity to employ an additional 195,000 skilled tradespeople in the RMI sector, which is significantly larger than the 33,000 formally advertised vacancies in the overall construction sector from official statistics.¹⁷ If these vacancies were filled this would increase the RMI firms' revenue by £9.6 billion, building on

the £242.9 billion for the RMI sector's total revenue in 2024.¹⁸ This would lead to the sector generating and additional £4.1 billion in GVA, equivalent to 4.3% of the RMI sector's £96 billion contribution to UK GVA.

Figure 23: Regional impact of filling vacancies as a proportion of regions GVA



Source: Oxford Economics

¹⁷ [Labour Force Survey](#), ONS (September 2024).

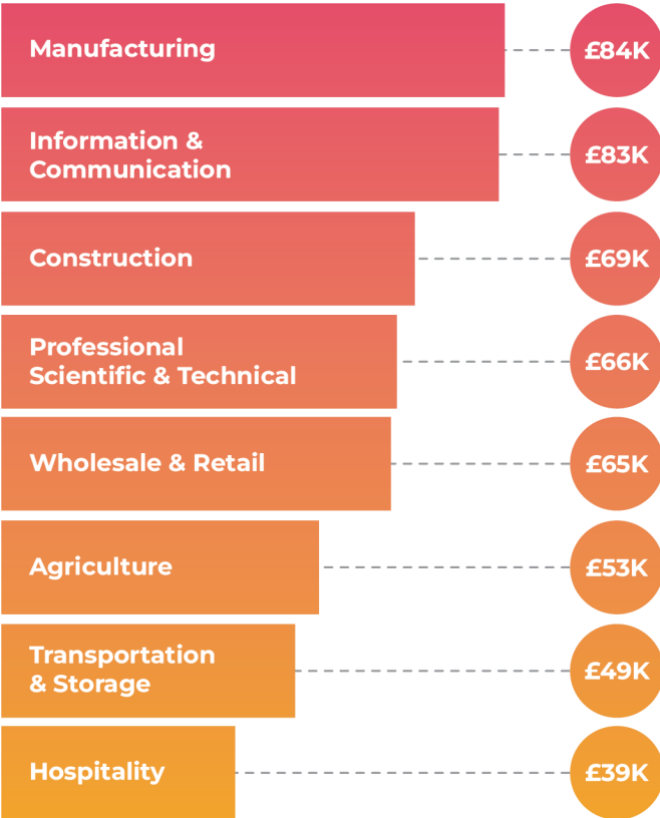
¹⁸ [Annual Business Survey and Business Register and Employment Survey](#).

Further, filling vacancies in the RMI sector would also help to reduce regional disparities. We have estimated that £2.9 billion (or 72%) of the total GVA benefit would go to regions outside of London and the South-East – strengthening the case that growth opportunities are available in addressing the well acknowledged North-South divide.

Filling vacancies in the RMI sector would also boost UK productivity.

The average GVA per head in the construction sector is £69,000, significantly higher than industries, such as retail and hospitality.¹⁹ This highlights that there are well paid jobs to be had in construction. However, they are not promoted as well paid and sustainable careers, or as being as attractive as other sectors. Prioritising filling vacancies in high productivity sectors such as construction and RMI would help to raise UK productivity levels overall.

Figure 24: GVA per head by sector



Source: ONS; Oxford Economics

Construction jobs however, pay less at early stages of careers and are not appealing to young people

Construction is a well-paid industry; where median hourly pay for specialised construction industries in 2023 was 28% higher than for retail jobs and 2.3% higher than all jobs.²⁰ However, for those aged 18-21 years, specialised construction job pay was 3% lower than for retail workers. This suggests that immediate rather than long-term pay concerns and competition from other sectors could be putting individuals off from entering the sector. As an example, in the retail sector for entry-level employees the time taken between training and earning, especially with organisations like Amazon, is short. In construction this is less likely to happen. Interestingly, 10 years ago, specialised construction work paid 11% more than retail for those aged 18-21 years. This declining entry-level pay for young people relative to other sectors, may have increased perceptions amongst this group that the sector is not attractive.

Figure 25: Median hourly pay

All Ages



Age 18 - 21



Source: ONS; Oxford Economics

The full economic potential of these sectors has yet to be realised, and there are significant gains to be accrued. A well thought through strategy and plan are required to create the activity and mobilisation needed to successfully generate and fulfil the vacancy potential. It would be remiss of the UK if this growth opportunity was not seized in supporting micro and small businesses, to fulfil their job vacancy aspirations. And indeed, a cost to the country’s economic purse.

¹⁹ [GDP quarterly national accounts, UK: July to September 2024](#) ONS 2024 and [EMP13: Employment by industry](#), ONS 2024.

²⁰ ONS ASHE data. SIC 43 refers to “specialised construction activities.”

09.

**Views from the frontline –
What are they saying ?**

Case Study



Josh Morrison

JR Roofing Business Owner

Profile

Josh aims to recruit two new young team members per annum, and with a focus on continuous development, is building a strong, high-standards, roofing firm in Lancashire.

Background

After working in his family business, Josh set up JR Roofing focusing on the domestic market and with an objective to focus on high standards. He saw there was a gap in the market for high quality roofing services as some non-specialists may look to 'cut corners' and leave consumers vulnerable to bad workmanship.

Key take-outs

Josh experienced frustrations around recruitment in the first few years with the pool of experienced roofers in the area not being to the required standard. Josh decided 6 years ago that everyone in his business will be trained from the ground up, with Level 2 apprenticeships and utilising as many industry courses as possible including management training.

Josh now has a headcount of 10 and is also looking for an office-based apprentice (digital marketing, business development). Growth potential is high: they could triple in size if we wanted. The secret to successful recruitment is understanding how they are as people – considering team fit, personality and respectfulness. Small business owners may need help with this.

As part of a focus on continuous development, Josh takes advantage of as many courses and learning opportunities for his team as possible. He observes that some small businesses can be scared of upskilling, particularly avoiding sending their experienced staff to courses where they are exposed to other firms and marketing.

Call to arms

- Business owners need to be nuanced in their recruitment of younger people and to consider not just their practical skills but how they are as people.
- There is a misconception that roofing is one of the most dangerous trades in the RMI sector – parents can therefore be reluctant to support, and colleges don't seem to push roofing courses. We need to address the bad reputation of this part of the trade and drive-up standards overall in conjunction with trade associations. We are 1 of just 3 NFRC Members in this local area.
- Get roofing into the bigger colleges, which seem dominated by the bricklaying, electrical, plumbing courses. Everyone seems to forget they all need a roof!

Quote

"There's so many skills and disciplines we cover – believe it or not, but I actually don't like heights!"

Case Study



Louchavan Lemard

PH247

Business Owner

Profile

Louchavan (LJ) has grown a reactive plumbing and heating company, serving the Greater London area with 10 engineers. His story serves as a reminder that with the right attitude, the 'underdog' can become successful in this sector.

Background

LJ had a traumatic upbringing and spent five years sleeping on the floor of a one-bedroom council flat in Nottingham with his single mother, two brothers, cousin and aunt. It was a bad encounter with a rogue trader who visited their property that ignited his passion to push back and train to be a professional plumber.

Key take-outs

LJ used his determination and personal networks to navigate his way through the college apprenticeship system and obtain a job placement. There were many hurdles to jump through to get that opportunity and colleges need to engage more effectively with the trade business community on that front.

LJ, now 35 years old, has a vision to keep growing PH247 and to provide disadvantaged young adults with career opportunities. He would like to establish employer consortia to enable 6-month rotations / trials with different trade and construction businesses. There has to be better alternatives to the traditional college approach - attitude rather than academics.

Call to arms

- LJ still recalls the joy of being told "you passed" your L1 apprenticeship; words that were essentially foreign to him in his early formative school years.
- Training providers in this sector have a very powerful tool at their disposal in terms of energising young people from disadvantaged backgrounds.
- We need to champion the trades in schools, show them it can be an aspirational career path (turn up in a nice car if you must grab their attention!) and express the potential in a way they will connect with.
- More contemporary role models are badly needed to energise youngsters - a new Charlie Mullins (Pimlico Plumbers) for the new generation.
- Use social media more effectively to engage. I'm using TikTok more to recruit my engineers too - formal CVs are so outdated.

Quote

"We're in active competition with other industries for young talent - but we are losing."

Case Study



Marc Baldwin

MB Home Improvements Ltd Business Owner

Profile

Marc was an early supporter of an innovative scheme set up by Wickes to address the skills gap in the kitchen and bathroom installation sector. Wickes pair up local businesses with apprentices and pay for their training (two years, now reduced to one year in duration).

Background

Having worked in the hospitality industry, Marc decided at the age of 28 to take redundancy and pursue a completely different path, signing up for a NVQ Carpentry course (1 year). Marc hit the ground running and soon got the bug, working faster than other trainees and securing a position as an IKEA kitchen fitter to fast track his skills.

Key take-outs

Marc accepts that having a decent redundancy package in his late 20's enabled him to set himself up quite quickly. Purchasing a suitable van and tools requires investment which can be an obvious barrier for many younger adults. Although many apprentices in practice will use their boss' or supervisor's tools, transport can still be a significant obstacle.

Marc has taken a hands-on approach with the apprentices he has been given but has insisted on meeting them first. A proper 'taster' period would be ideal. Marc teaches incrementally, with an acceptance that initially the apprentice is doing rudimentary tasks (the donkey work). A 2-year period is then sufficient to get to a solid foundation. College classrooms don't offer enough range of 'real world' difficulties e.g. hanging cupboards on different wall types.

A major advantage of the Wickes scheme is the after support offered to the newly qualified apprentice e.g. commercial skills. advanced techniques. In the real world, apprentices can be left to their own devices by colleges, leaving them vulnerable to exit.

Call to arms

- Teaching apprentices requires patience. A 2-year period is probably sufficient to be able to undertake basic kitchen installation / layouts, although there is a commercial imperative to speed this up. Marc warns that there would be some big downsides to this.
- More large retailers/merchants / suppliers should look to invest in the future work force like Wickes. Although the scheme is still evolving, there are clearly many positive points for smaller businesses who would otherwise probably not take on young apprentices.
- One of the key theoretical advantages that Marc can see is that this is a sustainable, cost-effective way for him to build his own business (cohort 1 can then help him train cohort 2, etc). This requires greater depth of local recruitment and vetting though.

Case Study



James Reeve

Royal Spa Decoration Business Owner

Profile

James runs a successful, award-winning painting and decorating company in Leamington Spa and has managed to nurture several young apprentices into his business, despite several obstacles along the way.

Background

After leaving school, James completed a 2-year City & Guilds apprenticeship and grew his experience before starting his own painting and decorating business in 2011, which he has grown steadily with a peak of 11 people in 2019. RSD work on a range of domestic jobs - painting, spraying, wallpapering and are also specialised in restoration of period properties.

Key take-outs

James has used a 'blended' workforce to develop the business, including older and younger tradespeople. To reduce his reliance on the more mature end of the spectrum, he took on his first batch of apprentices in 2020 despite some initial hesitancy.

Travel logistics to college are a major obstacle for young apprentices who show interest in the trades - the best college in the area is Solihull but is an awkward journey by public transport. Other closer colleges don't have the necessary facilities, e.g. a specialist Pod that trainees can demonstrate different application techniques for their EPA. College shortages have often meant EPAs being severely delayed, which was damaging for morale.

James has learnt over recent years how hard it is to find the 'perfect person in this industry' - not only technical skills and reliability, but also customer-facing skills are key in the RMI sector. Patience and empathy with young adults who may have a lot going on at home is key; more nurturing and checking-in from colleges would be hugely beneficial for retention.

Call to arms

- It's too easy to say kids are lazy. I'm glad to say that isn't the case.
- There are young people who are enrolling on to courses but not all of them are securing placements. More needs to be done to 'marry them up' with local businesses.
- You might need to be a bit of a father figure at times. Purdy (a key brand in this trade) recognised me as Mentor of the Year in 2023.
- I've learned that it is easier to train from scratch and I see it as investment from me ultimately. If it goes well, it can be great.
- Being eligible for CITB. Related funding wasn't mentioned to James until half-way through the first apprenticeship. Any financial support is useful but there was a lack of communication.

Quote

"Tons of firms are screaming out for young adult labour. The colleges are currently really failing them in our trade."

Case Study



Rupert Keys

TASK Training Academy

Business Owner

Profile

Having previously dabbled with training provision, Rupert embarked on founding TASK Training Academy during lockdown and then launched in 2022.

Background

Rupert already had a pedigree in the landscaping industry, having run Keyscape Design & Construction for 30+ years. This gave Rupert a wide network of individuals and suppliers to call upon to support the development of this dedicated centre offering accredited training to landscapers, gardeners, installers, designers and other tradespeople (as well as some consumers!).

Key take-outs

TASK uses independent trainers who are still active in their respective fields. This gives the training centre a real USP over a more traditional college approach, which may perhaps rely on more mature trainers who may be retired or semi-retired. This ensures that attendees benefit from the most up to date approaches and opens-up broader networking and peer-support after training events. We call them attendees, not students, as we don't want a college connotation.

A key to success has been securing around 20 partners from across the horticultural and construction sector, including suppliers of materials and equipment. Landscaping is physical, but increasingly multiskilled - walls, paving, carpentry, electrical lighting, basic plumbing. It can be a hugely skilled career that needs to be better promoted.

Call to arms

- TASK doesn't feel like a sterile training centre or classroom. The semi-rural setting and access to materials and equipment ensures a real-world experience for tradespeople looking to learn new skills or re-train.
- Securing on-going support from industry suppliers did not come easy. They now see the benefits that can come from us promoting their brand to the next generation of tradespeople. Trade body support with the APL, for example, is also key.
- Some firms send whole teams to (re)train together. How can we communicate the broader benefits that this can bring to an ambitious firm?
- We have offered taster sessions with schools and the kids that have come have loved it. We would love to do even more of this to promote the sector.

Case Study



Ruben Duggan

Powerserv Ltd

Plumber

Profile

24-year-old plumber from South Wales. Scooped several prestigious plumbing awards, e.g. Skills Olympics, and works with his trade body, CIPHE, to feed into future training policy

Background

Completed a 4-year apprenticeship (Level 3) at his father's plumbing business, Powerserv Ltd, while attending local college 1 day per week. Now works full-time in the business.

Key take-outs

Ruben was most vocal regarding the lack of funding support for businesses considering starting a young apprentice. His father received £4.5k support when he started but this benefit no longer exists. He sees this as a significant barrier, particularly to small businesses challenged by the costs and associated risks of taking on a young person. He recognises that smaller businesses are critical to bringing more young people into the sector, but they need meaningful financial support to do this.

Ruben believes there are significant opportunities for improvement in current course offerings. Plumbing is a sector in flux, undergoing significant change due to Net Zero targets and technological advancements, and hence course structures need frequent reviews and updates to ensure relevancy. Additionally, some of the tutors are winding down and stuck in more traditional mindsets. He was keen to ensure the time spent in the classroom teaches new skills and knowledge, rather than duplicating the practical onsite learnings.

Call to arms

- Bring back / boost the employer incentive for taking on apprentices.
- Bring the training up to date - it's a rapidly changing sector e.g. renewables.
- Target and reward younger, more dynamic and more informed tutors.
- Reduce focus on full-time courses which lack practical learning. Intensive courses can lead to ill-equipped professionals quickly making mistakes.
- Encourage more interaction/co-design between young talent and trade bodies.
- Promote the trade more effectively in schools and turn educators' negative perceptions around.

Quote

"From someone who has been through the process recently and now works in the sector, it feels like the apprenticeship system is broken and is failing young learners, employees, and the wider sector. The whole approach needs a major review and overhaul to ensure we can increase the pipeline of talented young tradespeople into the workplace."

Case Study



Daisy Turner

Toucan Heating & Plumbing Ltd Apprentice

Profile

25-year-old plumber from Southend, who received HIP Learner of the Year 2024. Daisy predominantly works on new build sites undertaking all aspects of heating and plumbing, including renewables.

Background

Currently 3 years into a Plumbing & Heating apprenticeship and working for Toucan Heating & Plumbing Ltd. Toucan are committed to continuous investment in young people and skew their recruitment towards young apprentices.

Key take-outs

Daisy always wanted to be a plumber but at school was steered away from a trade and encouraged to go into further education. She was essentially told she was 'too clever to be a tradesperson'. After passing her A-levels, Daisy fell into a job at a dog kennels, which is where her passion was surprisingly reignited by a chance conversation with a colleague. She set about undertaking a L2 Plumbing Diploma with Access Training and was taken on by Toucan. She didn't start a formal apprenticeship for 18 months, instead gaining significant experience and skills onsite day-to-day. Her apprenticeship started in September 2021 and she hopes to finish this year.

Daisy sees significant room for improvement in the current system. She has seen first-hand how dropout rates are an issue - an initial intake of over 40 students saw less than 20 persevere until EPA. One of the main reasons for this was the college's inability to provide quality hands-on training due to lack of funds for staff, tools and materials. When some young people can't progress, this also impacts their earning potential, and they either leave the sector completely or turn to lower quality, quicker private providers.

While Daisy is quick to praise her tutors, she has seen for herself the challenges they encounter. Practical course elements are often not run well, with a lack of basic tools and materials a significant barrier to timely progression. Added to this, there is a lack of tutors and assessors, further elongating the process.

Another frustration for Daisy is the move to shortened apprenticeships. In the past, her current qualification (level 2, 3 and additional gas qualifications) took 6 years, but there has been a move to shorter durations - currently it is 4 years. This places significant strain on the apprentice to rush through certain elements of the course, particularly the portfolios which take up considerable additional time.

Call to arms

- Better support for local training providers with the funds to provide fit-for-purpose training.
- Upskill tutors/ assessors to ensure they are fully up to date on modern methods and regulation, and ensure they are appropriately remunerated.
- Recruit more EPA assessors, there is a considerable backlog in sign-offs.
- Work to boost the profile of the trade and apprenticeships more widely with young people.
- Compressed apprenticeships (4 years rather than 6) feel rushed and a move back to longer formats should be considered.

10.

Closing points

Our comprehensive investigation has surfaced many insights and perhaps the breadth of challenges, in providing a picture of the skills deficit the construction and the RMI sectors are facing. Attention is required to alleviate the evidenced bottlenecks micro and small businesses face, otherwise there is the risk the predicament will exacerbate.

We are on the precipice of losing skilled trades professionals within the next 10 years and unfortunately, the talent to backfill or grow the necessary talent is not occurring at the same pace. This needs to be tackled urgently if we are to bring current UK housing stock in line with energy efficient targets, as well as help fulfil the government's aim of building 1.5 million new homes by 2030. As a strong step forward in addressing this challenge, government has recently announced £600 million investment to train up to 60,000 more skilled construction workers over the next four years.

Skilled talent takes time to be developed, nurtured and embedded, subsequently delivering work to the highest standards and provide homeowners with the confidence to live comfortably in their homes. The process cannot be rushed and therefore both government and industry need to consider the impacts of a time lag in delivering key domestic targets.

Business feedback is a request to government to consider their characteristics when designing grant schemes and policy framework, to create a consistent market opportunity. This will help instil confidence and assurance to businesses that investing and moving into renewables and clean heat technologies yields a return. At present, there is industry reticence in renewables and clean heat energies and the short-term approach to relevant funded schemes.

However, challenges also present opportunities and there are fulfilling and sustainable careers to be had in construction and RMI. We know there is much work to do in addressing the skills landscape in these sectors where a concerted effort is now required by both industry and government to address the different parts of the recruitment and training journey, namely at the following stages:

- raising awareness of the opportunities and careers in construction and RMI
- industry-needed input to curriculum on courses and in schools
- recruiting and onboarding applicants; and
- supporting employers through improved financial incentives.

This report is supported with four discrete recommendations (in the Executive Summary) that require urgent activation to help stimulate and build a skilled workforce to both retrofit homes and build the aspired new 1.5 million homes. The UK has a growth agenda – to build UK better. Any growth strategy is built on strong foundations with a skilled and competent workforce at the heart. TrustMark is here to support needed facilitation and engagement to enable this vision, with an invitation to government, our partners and the wider industry to work with us. The onus lies with us all.

Appendices

Appendix 1 – Eureka! Research methodology

Construction covers a multitude of business types. At the most detailed SIC code, our definition of the RMI domestic category is as follows

Included in definition	SIC
Construction of residential and non-residential buildings	41.20/2
Site preparation – includes clearing, earth moving, drainage	43.12
Electrical installation	43.21
Plumbing; heat and air-conditioning installation	43.22
Plastering	43.31
Joinery installation (includes kitchens, and windows)	43.32
Floor and wall covering (includes Tilers)	43.33
Painting - interior and external	43.34/1
Installation of glass, mirrors (fitted windows is included in joinery 4332)	43.34/2
Roofing activities	43.91
Other specialised activities - includes scaffolding, foundations, damp proofing, bricklaying, subsurface*	43.99/1 43.99/9
Disinfecting and extermination services	81.29/1 81.29/9
Landscape service activities*	81.30

Considered but excluded*	SIC
Construction of commercial buildings e.g. industrial production, hospitals, schools, hotels	41.20/1
Other construction installation - includes elevators, escalators, automated doors, thermal or sound insulation	43.29
Other building completion - cleaning of new buildings after construction, ornamentation, sandblasting, other building completion and finishing work	43.39
Removal services (relocation) services to businesses and households by road transport.	49.42
Architectural activities	71.11
General cleaning of buildings	81.21
Other building cleaning activities - includes window cleaning, chimney*	81.22/1 81.22/3
Specialised cleaning services (hospitals, computer rooms, reservoirs/tanks) and exterior or machinery	81.22/2 81.22/9
Repair of household appliances and home and garden equipment	95.22
*Not included due to being predominately non-domestic (commercial or industrial) facing enterprises or professional services with therefore limited out-of-office responsibility. # Further adjustment to these industries made	

Technical notes | private sector UK business counts (2024)

	Micro		Small		Medium		Total
Industry	0 to 4	0 to 4	10 to 19	20 to 49	50 to 99	100 to 249	
41202: Construction of domestic buildings	52,195	4,035	1,410	685	230	120	58,675
43120: Site preparation	2,575	260	140	75	15	15	3,080
43210: Electrical installation	40,950	4,915	2,000	940	220	100	49,125
43220: Plumbing, heat and air-conditioning installation	39,430	3,810	1,465	685	155	75	45,620
43310: Plastering	6,260	370	110	50	5	0	6,795
43320: Joinery installation	24,740	2,440	860	350	65	25	28,480
43330: Floor and wall covering	8,125	825	285	80	15	5	9,335
43341: Painting	10,885	1,095	325	105	25	5	12,440
43342: Glazing	3,230	450	155	45	5	5	3,890
43910: Roofing activities	10,040	1,095	410	195	35	5	11,780
43991: Scaffold erection	4,775	770	385	230	60	20	6,240
43999: Specialised construction activities (other than scaffold erection)	19,515	1,870	800	320	100	40	22,645
81291: Disinfecting and extermination services	730	115	65	25	10	5	950
81300: Landscape service activities	16,680	1,545	480	1,280	25	15	20,035
	240,130	23,595	8,890	5,065	975	435	279,090

Source: ONS Business Counts - enterprises by industry and employment size band (2024) - The relative proportions of the major trade types were then used to create targets to reweight our survey data

Office for National Statistics

The most detailed measure of businesses in the UK is the Inter Departmental Business Register (IDBR). The IDBR is a statistical business register comprising of over 2.4 million businesses. The IDBR combines information on Value Added Tax (VAT) traders, Pay As You Earn (PAYE) employers and incorporated businesses registered at Companies House. These official statistics go down to a detailed level (4/5 digit SIC code system) but only capture business registered for VAT or PAYE.

The ONS state that three quarters of all UK private sector businesses are non-employers, and the majority of these are not registered for either VAT or PAYE. An alternative measure which also includes non-registered businesses is also published by the Dept of Business, Energy and Industrial Strategy (BIS) but does not go down to a micro sector level.

An enterprise can be thought of as the overall business, made up of all the individual sites or workplaces. It is defined as the smallest combination of legal units (generally based on VAT and/or PAYE records) that has a certain degree of autonomy within an enterprise group.

UK Business counts are released annually, by activity, size and location.

Appendix 2 - Oxford Economics methodology

Overview

This note summarises the methodology Oxford Economics used to estimate the impact on gross value (GVA) added of renovation, maintenance and improvement (RMI) construction businesses filling their staff shortages.

The estimates rely on a survey question asked by Eureka! Research of RMI businesses. Some 1,233 firms provided replies in late 2024. The question asked, "What impact on your business' revenue, do you estimate that these staff vacancies are having?" This question is allied with data from the Department of Business & Trade and the Office of National Statistics.

The results suggest that if the vacancies were filled this would lead to the sector generating £4.1 billion in additional GVA, equivalent to 4.3% of the RMI sector's £96 billion contribution to UK GVA.

Methodology

The methodology is summarised in Figure 26:

Figure 26 Schematic of the methodology

Number of firms in each segment	X	Percentage share receiving that increment of turnover	X	Average turnover for that size segment	X	The relevant percentage increment in turnover
How many firms will gain?				How much will they gain?		

Data on the size composition of the entire RMI sector across the UK and those firms' turnover are available from both the Department of Business and Trade's Business Population Estimates (BPE) and the ONS Annual Business Survey (ABS).²¹²² The firm size categories are sole trader (no employees), micro (1 to 9 employees), small (10-49 employees) and medium (50-249 employees). We selected the BPE as the source of data on the number of firms and their average turnover in the UK, as the average turnover by firm size more closely resembled that of the RMI sector

²¹ The Department for Business & Trade's Business Population Estimates dataset contains data on the number of firms, their turnover, and employment by firm size (as measured by employment) by industry. The industries are defined by three digit Standard Industrial Classifications.

²² The Annual Business Survey (ABS) is the main structural business survey conducted by the ONS. It collects financial data from businesses' end-year accounts, including turnover, wages and salaries, purchases of goods and services, stocks and capital expenditure.

interviewed by Eureka! Research (Figure 27).²³ The difference was particularly acute for differences in the size of the average turnover earned by medium-sized firms (£4.6 million in the Eureka! Research survey versus £8.6 million in the BPE and £27.9 million in the ABS).

Figure 27: Average turnover earned by RMI firm by employment size category

Firm size	Eureka! Research survey (£)	Business Population Estimates (£)* - 2022	ABS by employment size bands (£) - 2022
Sole traders	76,000	N/A	N/A
Micro	222,000	368,000	337,000
Small	2,084,000	2,356,000	3,729,000
Medium	4,589,000	8,601,000	27,867,000

*, BPE used Eureka Research SIC code mapping

Source: Eureka Research, Department for Business and Trade, ONS

To investigate RMI firms' expectations about how filling their labour shortfalls would impact their turnover was explored with a question in Eureka! Research's survey. This asked the following question, with the potential answers below.

What impact on your business' revenue, do you estimate that these staff vacancies are having?

- None (0%)
- 1-5% reduction (3%)
- 6-10% reduction (8%)
- 11-15% reduction (13%)
- 16-20% reduction (18%)
- 21-25% reduction (23%)
- 26-50% reduction (38%)
- Over 51% reduction (75%)

Note. The number in parenthesis is the midpoint of the range of the growth in turnover in each of the possible answers to the question.

UK-WIDE RESULTS

To calculate the increase in turnover RMI firms expect to receive if they were able to fill their vacancies, we multiplied the number of firms in each size category, by the proportion saying they would receive the relevant size boost in turnover, by the average turnover per firm of that size, by the percentage growth in turnover of that size segment. The results for each firm-size segment are shown in Figure 28. The largest growth in turnover from completing RMI firms staffing ambitions is estimated to occur at small firms (£3.6 billion), followed by micro (£2.9 billion) and sole traders (£2.3 billion). In total, RMI firms are estimated to earn an extra £9.6 billion in revenue annually.

²³ Eureka! 2025, "The Big Conversation' with trade businesses".

Figure 28: Growth in RMI firms turnover if they are able to fill their labour shortages by size category (£ million)

	Sole traders (£)	Micro (£)	Small (£)	Medium (£)
1-5% reduction (3)	73	71	228	78
6-10% reduction (8)	207	379	541	175
11-15% reduction (13)	287	493	495	71
16-20% reduction (18)	534	853	1,066	369
21-25% reduction (23)	421	545	486	63
26-50% reduction (38)	464	540	482	0
Over 51% reduction (75)	284	0	317	103
Total gain	2,270	2,881	3,617	859

Source: Eureka! Research, Department for Business and Trade, Oxford Economics)

Note. The number in parenthesis is the mid-point of the range of the growth in turnover in each of the possible answers to the question.

To investigate the impact of filling vacancies on GVA in the UK, the turnover results for each size segment of the RMI were scaled by the ratio of GVA to gross output for that size segment in the RMI sector. The data was sourced from the ABS (Figure 29). It suggests the largest contribution to GVA from filling vacancies was likely to come from small RMI firms (£1.5 billion), followed by micro (£1.2 billion) and sole traders (£1 billion).

Figure 29: Growth in RMI firms' GVA if they are able to fill their labour shortages by size category (£ million)

	Sole traders (£)	Micro (£)	Small (£)	Medium (£)
1-5% reduction (3)	32	31	98	29
6-10% reduction (8)	89	164	231	64
11-15% reduction (13)	124	213	211	26
16-20% reduction (18)	231	368	456	135
21-25% reduction (23)	182	235	208	23
26-50% reduction (38)	200	233	206	0
Over 51% reduction (75)	122	0	136	38
Total gain	980	1,244	1,546	315

Source: Eureka! Research, Department for Business and Trade, ONS, Oxford Economics

In total, filling the RMI firms' vacancies is estimated to generate an additional £4.1 billion in additional GVA, equivalent to 4.3% of the RMI sector's £96 billion contribution to UK GVA.

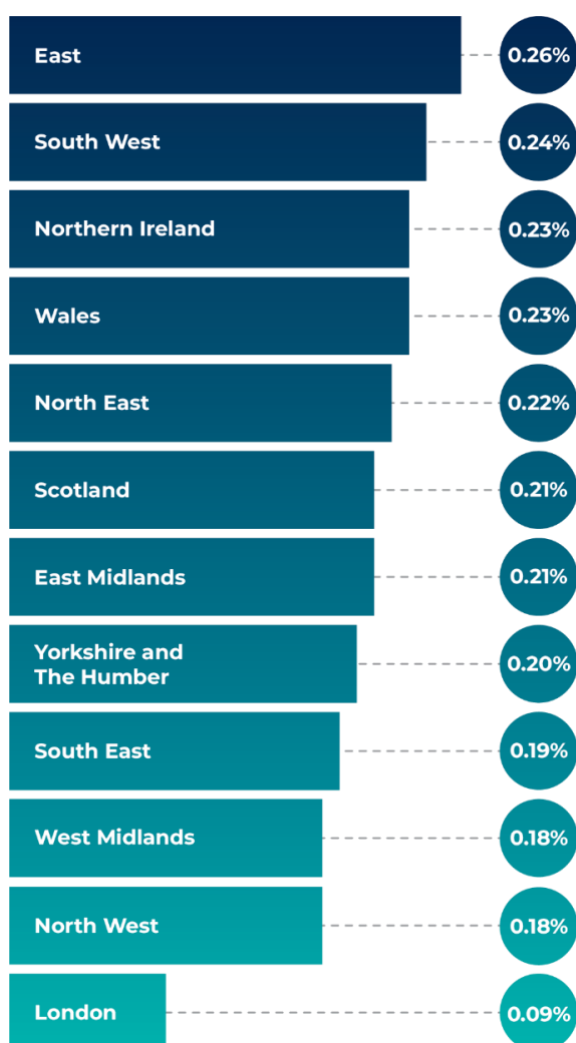
Regional results

When broken down by the 12 UK counties and English regions, and firm size there were insufficient survey responses to allow us to calculate the impact of filling the vacancies on RMI businesses' output that way.

To investigate the regional impacts we use the business counts data from the Inter-Departmental Business Register (IDBR), which is the list of UK businesses used by government for statistical purposes.²⁴ We analyse how many RMI businesses there are by each employment size category (including sole traders into micro businesses) in each of the three countries (Northern Ireland, Scotland and Wales) and nine English regions. To assess the regional impact of filling vacancies, the estimated gain in GVA for micro, small and medium business was multiplied by the proportion of businesses by size band that exist in each region. For example, the proportion of medium-sized RMI businesses that exist in the East of England was multiplied by the total estimated GVA gain for medium businesses. Impacts across all three business sizes were then summed to examine total impacts across all RMI businesses between regions.

To assess the impact of the GVA gain from filling RMI vacancies on each region's economy we divide each region's estimated impact by its total GVA. The results suggest the largest contribution to a region's economic output from filling the vacancies would occur in the East of England at 0.26%, almost three times the size of the gain which is estimated to occur in London at 0.09% (Figure 30).

Figure 30: Regional impact of filling vacancies as a proportion of regions GVA



Source: ONS; Oxford Economics

²⁴ ONS, "UK Business Counts - enterprises by industry and employment size band"

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ILLUMINATING RESEARCH



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