GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION - MD3409

London construction skills package

Executive summary:

London's construction sector is critical to the city's economic growth and sustainability ambitions. However, the industry is under severe pressure from a rapid growth in demand for housing and retrofit.

The Department for Education has confirmed allocation, to the Mayor, of around £7.8m in additional funding for construction skills, for the 2025-26 academic year. This is for an un-ringfenced Free Courses for Jobs funding to deliver at least 1,200 additional training places; and Skills Bootcamps funding to support at least 774 learners in construction skills (in addition to support already planned in Skills Bootcamps Wave Six).

This decision form seeks approval to receive the funding; and for the approach set out below, for delivering an expanded construction skills package in London, to meet the demand by developing inclusive talent pathways for Londoners to access these opportunities.

Decision:

That the Mayor approves:

- receipt (from the Department for Education) and expenditure of an additional £4,763,582 of Free Courses for Jobs (FCFJ) funding for the 2025-26 academic year, and an additional £2,965,329 of Wave Six (2025-26 financial year) Skills Bootcamps funding, for an expanded construction skills package for London
- the approach for ensuring an employer-led delivery model for inclusive, job-ready training pathways into key roles in the construction sector
- the award of up to £3.7m additional construction funding to Adult Skills Fund (ASF) grant providers, as indicated in Appendix A
- a delegation of authority to the Assistant Directors, Skills and Employment, to make all further programme-level decisions relating to the programmes under this Decision via the local management arrangements and assurance framework, without the need for a decision form.

As FCFJ funding remains subject to ASF decision-making requirements, any further funding allocation made in line with the GLA's Contracts and Funding Code will be reported back to the ASF Mayoral Board.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:	Date:
	11/08/25
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PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required - supporting report

1. Introduction and background

- 1.1. The London Growth Plan outlines the importance of investment in infrastructure for meeting net zero, and driving growth across the economy. The construction sector is key to delivering this infrastructure from new-build, through to retrofitting existing stock and continuing to carry out repairs and maintenance. This investment will create thousands more jobs. A priority for the Inclusive Talent Strategy is to ensure London has the construction workforce with the right skills and talent pipeline to meet this demand.
- 1.2. London already faces a pressing construction skills shortage that threatens the delivery of critical housing, infrastructure and green transition projects. At the same time, thousands of adults across the capital remain underemployed or unemployed, and unable to access relevant and timely training.
- 1.3. The Mayor has been clear that he wants to see an acceleration in the number of new homes (including affordable homes) built each year. This aligns with central government's plans to work in partnership with local leaders to deliver 1.5m new homes nationally (88,000 a year in London), to transform communities. This will involve a package of support to train up to 60,000 more skilled construction workers to help deliver on this ambition.
- 1.4. In London, the Department for Education (DfE) has allocated £4,763,582 of adult skills funding (24 per cent of the total national budget), via the Free Courses for Jobs (FCFJ) facility, for the 2025-26 academic year (Appendix C). This funding is in addition to the overall 2025-26 academic year Adult Skills Fund (ASF) budget, approved under MD3357 Adult Skills Fund: 2025-26 Expenditure Budget and 2023-24 Annual Report to the DfE.
- 1.5. This additional funding, while allocated to the GLA under the FCFJ facility, is un-ringfenced. It can therefore can be spent on any adult skills-related activity over any period, including through different models of delivery. The key condition is that it leads to an uptake of construction skills courses; and helps to address the demand in London for skilled construction talent.
- 1.6. In addition, £2,965,329 funding has been allocated, under Wave Six (2025-26) of the Skills Bootcamps for Londoners programme, to support an increase in skills bootcamps delivering construction training (Appendix B). This funding will build on London's existing construction skills package to ensure an increased supply of skilled talent. Previous funding for Skills Bootcamps Wave Six was approved by the Mayor under MD3344.
- 1.7. The Construction Industry Training Board (CITB) forecasts that London will need more than 26,500 new construction workers by 2028¹ to keep pace with major infrastructure and housing projects. Analysis of construction occupations shows that skilled trades are the largest group, in terms of job numbers. These include carpenters, bricklayers, electricians and plumbers. According to analysis of job postings, the most in-demand roles include quantity surveyors, construction trade supervisors, and mechanical engineers. These are followed by a range of other engineers and skilled trades.²
- 1.8. The London Homes Coalition a group of London's major housing associations, and key employers in the sector has projected further demand around the occupations needed for asset management, including retrofitting and new-builds. Its report identifies a potential shortfall of 2,600 skilled workers; and a strong demand for construction roles, including skilled trades and professions (such as surveyors).³

³ London Homes Coalition, <u>Building Skills for the Future</u>, July 2024

¹ CITB, Construction Skills Network – Greater London 2024–2028 in CSN Industry Outlook - 2024-2028 - CITB

² GLA Economics, <u>London labour market analysis</u>: construction sector, March 2025. GLA Economics notes that online job postings "tend to be skewed towards professional positions and therefore may underestimate demand for other roles".

- 1.9. This increased package of funding (as well as other interventions, such as new Construction Technical Excellence Colleges (CTECs)⁴ and the shift to a more employer-led system in London) provides an opportunity to build on what works, and ensure more joined-up talent pathways into construction jobs in London.
- 1.10. This demand for skilled talent provides a further opportunity to ensure London is supporting untapped talent to access opportunities in the sector, particularly for women. Women make up just 14 per cent of the construction workforce (ONS, Labour Force Survey, Q4 2023), and only 2 per cent of site-based roles.⁵ Minoritised Londoners, while better represented in London than nationally, remain underrepresented in construction compared to all other industries in London.(ONS Annual Population Survey
- 1.11. This decision form sets out the approach to delivering an expanded construction-skills package in London. This will help meet demand, as well as London's own ambitions for the construction sector. It will provide an employer-led construction-skills pathway that can coordinate inclusive, job-ready training for adults that gets Londoners, particularly its untapped talent, into jobs.
- 1.12. To maximise the efficient administration of the programme, it is proposed that the commissioning documentation, grant and contract recommendations for Skills Bootcamps funding are approved by the Assistant Director, Skills and Employment, and as part of the local management arrangements without a further decision form. Similarly, management costs (excluding salaries and GLA overhead costs, which are fixed as part of GLA processes) will require approval in the same way. Any further approvals required for the FCFJ funding will require approvals via the ASF decision-making processes.

2. Objectives and expected outcomes

- 2.1. Through this package, we are aiming to achieve the following key outcomes:
 - addressing labour shortages in major GLA and borough-level construction schemes, by increasing the number of skilled construction workers
 - supporting small to medium-sized enterprises (SMEs) in the capital's construction sector to upskill their workforces in green skills and knowledge including through:
 - o encouraging co-funding training with employers, where individuals in work upskill⁶
 - o supporting their recruitment of talent
 - creating accessible pathways into construction for long-term unemployed and low-paid Londoners
 - increasing diversity in construction through targeted inclusion strategies, including:
 - o supporting Londoners to enter and/or remain in Level Two (and above)⁷ apprenticeships in the construction and the built environment sectors
 - o providing additional employment support for learners to complete paid work experience in SMEs and move into employment.

⁴ Central government has announced a network of CTECs across England to deliver well-paid, highly skilled jobs in the construction sector. It is expected that, following a DfE-led application process, a London college will be identified as a CTEC to collaborate with other providers through a hub-and-spoke model.

⁵ London Homes Coalition, <u>Building Skills for the Future</u>, July 2024

⁶ These include qualifications listed under the FCFJ national list.

⁷ For an explanation of the different qualification levels, see: DfE, <u>What qualification levels mean: England, Wales and Northern Ireland</u>

£4.7m additional FCFJ construction funding

- 2.2. To lever in capacity and capability to deliver construction skills in the more immediate term, it is proposed to scale up the existing construction skills infrastructure in London (currently supplying more than 25,000 residents with construction skills annually). This would include maximising the use of the existing training sites currently funded by the Mayor.
- 2.3. The Mayor is committed to rapidly accelerating the delivery of new homes. This additional funding is welcomed, to help London grow the talented workforce it needs to deliver current and future developments.
- 2.4. To ensure closer alignment between training and employer demand, there will be expanded and ongoing engagement of construction-sector employers and stakeholders via the pilot construction employer board. As part of the Inclusive Talent Strategy, sector-employer boards will be established to directly influence London government's skills, employment and careers offer.
- 2.5. An initial roundtable was held in June 2025. Feedback covered:
 - the limitations of current adult skills provision in preparing site-ready learners
 - the need for more agile and responsive provision from some employer-led models; the potential to scale was also referenced
 - partnership and opportunities to address systemic barriers, such as access to training space and capital funding.
- 2.6. The initial employer feedback was helpful in quickly shaping the proposed approach to allocating the funding, as set out in this decision form. The approach ensures immediate response: delivery can start in September 2025, but there is also time to develop other ideas with employers who can help meet the scale of the demand in London. Further engagement is planned to ensure the approach to this funding package is tested and endorsed by employers.

FCFJ grant allocation

- 2.7. GLA officers propose to allocate the majority of the additional construction funding, provided by DfE, to existing ASF grant providers. This is due to the challenging timeline for delivering additional construction skills in the 2025-26 academic year; and the availability of delivery-ready facilities for construction skills within London. Scaling up existing projects would involve offering an additional allocation to existing delivery models with a strong track record of economic outcomes for learners, including job outcomes in the sector.
- 2.8. Eligible projects would include:
 - grant-funded, London-based adult skills providers who delivered at least £50,000 of construction skills provision in the 2023-24 academic year
 - other providers that demonstrate strong job-progression outcomes in the construction sector.

These providers have the breadth of employer links, construction and engineering facilities, and teaching staff to deliver the range of construction skills required from September 2025.

- 2.9. The GLA has approached its existing construction provider base to: understand their capacity for growth in the 2025-26 academic year; and set out how they will work with employers to support progression into construction jobs. There are currently 20 ASF grant providers who each delivered over £50,000 of ASF/FCFJ construction skills funding in 2023-24, with a total construction delivery of around £18m.
- 2.10. Following an expression-of-interest process, the GLA plans to allocate £3.7m of the additional construction funding to 16 ASF grant providers. These will deliver qualifications at Level One and

above to at least 1,200 learners. In allocating the funding, the GLA has placed a significant priority on higher-level technical qualifications (Levels Two and Three) for key occupations in construction. This is to make Londoners job-ready, while acknowledging the importance of lower levels in securing progression pathways in the construction sector.

2.11. This training would focus on: getting people directly into work (35 per cent); progressing within work (25 per cent); and further training at a higher-level, including apprenticeships (22 per cent). Allocations would be intended for delivery in the 2025-26 academic year, with the possibility to extend into future years. This provision would accommodate the late start during the academic planning cycle, and ensure scalability of delivery that successfully progresses talent into construction work. Growth allocations will also be considered where performance is strong and shows evidence of supporting people into construction work.

Testing new approaches with FCFJ funding

- 2.12. Early engagement with the construction sector has pointed to existing employer-led training models that may not be funded via the ASF or Skills Bootcamps, but that have potential to scale. The GLA will therefore reserve a proportion of London's additional FCFJ construction allocation (up to £1m, or 22 per cent) to allocate to scaling this activity. The activity must show strong evidence of employment outcomes, and may offer employer co-investment. Funding would be made available on an open and transparent basis especially as good models may not already be in receipt of ASF (including FCFJ) funding from the GLA. Further engagement with construction employers is planned in July. This will inform the priorities and process for this funding.
- 2.13. The process of commissioning and allocating the funding will be done transparently, and in line with the GLA Contracts and Funding Code. A final list of grantees will be approved by the Assistant Director, Skills and Employment, in line with local governance arrangements. The final list will be reported back to the Adult Skills Fund Mayoral Board.

£2.965m additional Skills Bootcamps funding

- 2.14. Additional responsive employer-led and co-funded training will be delivered through an expanded Wave Six of the Skills Bootcamps programme. In June 2025, the GLA was awarded an additional £2.965m from the DfE. This must be used to deliver Skills Bootcamps, in construction, in the 2025-26 financial year (see Appendix B). This funding is over and above the main £27m of grant funding awarded to the GLA for Wave Six. It will be used to provide construction training to at least 774 additional Londoners.
- 2.15. This £2.965m of additional funding will be allocated to: existing construction-bootcamp providers that have capacity to grow delivery; and construction-focused providers who are successful through the Wave Six open competition. More than 400 bootcamp applications have been received through the recently closed open competition process. This greatly exceeds the £30m total funding available for Wave Six of the skills bootcamps programme. Applications for construction-related bootcamps alone total £12.1m.
- 2.16. The GLA's main Wave Six grant from the DfE includes a target of 7,704 learner starts in 2025-26. The additional funding requires the GLA to deliver learner starts on construction-focused skills bootcamps to at least 774 additional learners. The total target number of learner starts for Wave Six is therefore 8,478.
- 2.17. Authority for all programme-level decisions for Wave Six of the Skills Bootcamps for Londoners programme was delegated to the Assistant Director, Skills and Employment, in MD3344. In line with the approach used for the main Wave Six grant funding, the additional funding outlined in paragraph 2.10 will be awarded to providers via a combination of:
 - direct award of growth funding to existing providers
 - grant awards to providers who are successful in the open competition.

This approach will follow the processes outlined in MD3344, with approval for all new grant awards to be made by the Assistant Director.

3. Equality comments

- 3.1. Section 149(1) of the Equality Act 2010 provides that, in the exercise of their functions, public authorities of whom the Mayor is one must have due regard to the need to: eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; and advance equality of opportunity, and foster good relations, between persons who share a relevant protected characteristic and persons who do not share it.
- 3.2. The relevant protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation. The Mayor is required to comply with the duty to have due regard detailed above in making any decisions relating to the Skills Bootcamps and the ASF (including FCFJ) Programme.
- 3.3. The expanded construction skills package will prioritise the inclusion of underrepresented groups particularly women and minoritised Londoners through targeted outreach and tailored support pathways.
- 3.4. The GLA will work with employers, training providers and unions to ensure more accessible recruitment and workplace practices. This includes through inclusive curriculum design, and alignment with apprenticeship and training delivery.
- 3.5. Existing Skills and Employment programmes have carried out Equalities Impact Assessments. These will be conducted where any new approach is developed to allocate funding to innovative approaches.

4. Other considerations

Key risks and issues

4.1. The key risks and issues are laid out below:

Risk	Mitigation
Expanded training does not address employer demand, and therefore does not lead to an increase in talent to meet need.	The GLA will work to address this risk by developing the training programme in close collaboration with employer partners; and by supporting their engagement and alignment with training delivered throughout the programme, to additionally support sustainable training and recruitment pathways. The GLA will also work with existing training providers to develop their existing construction provision in accordance with employer requirements and ongoing engagement.
There is not enough capability and capacity within the sector to deliver an expanded construction training programme.	The GLA aims to address this by building on and maximising the productivity of existing training delivery sites. Additional training-site expansion will be scoped through partners in the GLA family (including Places for London and development corporations) to identify and use sites for training as part of development pipelines.
Target groups of Londoners do not engage with the offer; and therefore do not	To mitigate this, the GLA will see what promotional activity or campaigns it can deliver (including through partnerships), to increase engagement in careers in construction and

support an increase in	participation in training. This would take learning from the
trained, diverse talent.	London Multiply programme's campaign.

Links to Mayoral priorities

- 4.2. The Mayor's target is to rapidly accelerate building new homes in London, in partnership with the government.
- 4.3. The London Growth Plan sets out an ambition for investment to decarbonise London's infrastructure. This is based on the Mayor's preferred pathway to net zero by 2030, which estimates £75m of investment is needed. This will create thousands of jobs, many of which will be in construction and the wider built environment. The London Growth Plan sets out a priority for the Inclusive Talent Strategy to coordinate training that focuses on filling these jobs.
- 4.4. The skills package will support the objective, set out in the Mayor's Equality, Diversity and Inclusion Strategy, to help increase the diversity of workforces in vital sectors (including construction), by focusing training and employment opportunities on minoritised Londoners.
- 4.5. It will support activity under the London Plan, through training in skills to enable building affordable homes to buy and rent. It will also support delivery of sustainable economic growth that benefits Londoners across the capital.
- 4.6. The Supporting Londoners to Benefit from Growth programme, focused on building talent pipelines into construction as a well-established sector, recognising its importance for London's growth and transition to net zero. The skills package will support Londoners to get the skills they need to improve their lives, and gain access to good work and career opportunities.

Subsidy control

- 4.7. Officers have considered subsidy control guidance, set out by the government, regarding the Subsidy Control Act (2022) in respect of these proposals. The majority of additional construction funding (around £3m for Bootcamps, and around £1m for FCFJ) will be allocated via an open and competitive process. All training organisations will be able to submit a bid in line with issued Prospectus or competition documents.
- 4.8. The FCFJ additional construction funding of £3.7m, allocated to ASF grant providers (as per Appendix A), does not constitute a subsidy. This is because all further education colleges and local authorities in London were given the opportunity to submit a request for funding in 2019. The ASF GLA Funding and Performance Management Rules allow for occasional additional funding to be allocated to grant providers. Accordingly, no enterprise has been afforded an economic advantage. The funding does not, therefore, fall within the definition of a subsidy under the Subsidy Control Act 2022. GLA officers also ran an expression-of-interest process for all ASF grant providers located in London, that have delivered at least £50,000 of construction skills in the 2023-24 academic year. They must also have adequate facilities to support quick mobilisation for an increased delivery to start in September 2025.

Conflicts of interest

4.9. There are no conflicts of interest to note from those involved in the drafting or clearance of this decision form.

5. Financial comments

5.1. Approval is sought to receive (from the DfE) and spend an additional £4,763,582 of FCFJ funding, and an additional £2,965,329 of Wave Six (2025-26 financial year) Skills Bootcamps funding, for an expanded construction skills package for London, as set out in this decision form.

- 5.2. The DfE has awarded additional £2,965,329 funding for Wave Six (2025-26) of the Skills Bootcamps for Londoners programme. This is to support an increase in skills bootcamps that will deliver construction training.
- 5.3. The DfE has also awarded additional funding of £4,763,582, through the FCFJ facility for the 2025-26 academic year. This funding is in addition to the overall 2025-26 academic year ASF budget approved under MD3357. This additional funding, while allocated to the GLA under the FCFJ facility, is unringfenced; it can therefore be spent on any adult skills-related activity over any period, including through different delivery models. The key condition is that it leads to an uptake of construction skills courses, and helps to address the demand in London for skilled construction talent.
- 5.4. This will be contained within the ASF (FCFJ) and Skills Bootcamps programme budgets.

6. Legal comments

- 6.1. Under section 30(1) of the Greater London Authority Act 1999 (the GLA Act), the GLA has the power to do anything that it considers will further any one or more of its principal purposes, which are:
 - promoting economic development and wealth creation in Greater London
 - promoting social development in Greater London
 - promoting the improvement of the environment in Greater London.
- 6.2. In deciding whether or how to exercise the general powers, section 30 (4) requires the GLA to have regard to the effect that the proposed exercise of the power would have on:
 - the health of persons in Greater London
 - health inequalities between persons living in Greater London
 - the achievement of sustainable development in the UK
 - climate change, and the consequences of climate change.
- 6.3 In taking the decisions requested of him, the Mayor must have due regard to the Public Sector Equality Duty contained in section 149 of the Equality Act 2010. To this end, the Mayor should have particular regard to section three (above) of this report.
- 6.4 If the Mayor makes the decisions sought officers must ensure that:
 - they are satisfied that their proposals correspond with the basis (and any conditions) on which the funding was awarded to the GLA by the DfE, before placing any reliance on that funding
 - any current grant-funding agreement(s) to be varied to accommodate officer's proposals are varied in accordance with the provisions of those agreements, to reflect the proposed award of additional funding before any commitment to provide the additional funding is made
 - to the extent that any of the expenditure (in addition to that relating to the variations noted at section 6.6(b), above, concerns
 - the purchase of services, suppliers or works: they are procured in liaison with TfL Procurement, in accordance with the Contracts and Funding Code; and appropriate contract documentation is put in place between and executed by the GLA and contractors before those services begin
 - o the award of grant funding: such award is made fairly, transparently in accordance with the GLA's equalities requirements, and with the requirements of GLA's Contracts and Funding

Code; and funding agreements are put in place between and executed by the GLA and recipients before any commitment to fund is made.

7. Planned delivery approach and next steps

7.1. The next steps are outlined below:

Activity	Timeline
Allocation process for FCFJ funding to existing grantees	July 2025
Announcement of construction skills package	July 2025
Allocation for bootcamps funding	July – August 2025
Allocation to scale other existing employer-led models of construction training	Autumn 2025
Delivery start date	1 September 2025
Delivery end date (Bootcamps)	31 March 2026
Delivery end date (FCFJ)	31 July 2026 (possibility to extend to July 2027)

Appendices and supporting papers:

- **Appendix A** GLA Free Courses for Jobs (FCFJ) additional construction skills allocation for academic year 2025-26
- **Appendix B** Skills Bootcamp Wave Six Variation to the Grant Funding Agreement to support additional Skills Bootcamps delivery in Construction Skills
- **Appendix C** Free Courses for Jobs allocation letter.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will be published either within one working day after it has been approved <u>or</u> on the defer date.

Part 1 - Deferral

Is the publication of Part 1 of this approval to be deferred? YES

If YES, for what reason: This decision contains commercially sensitive information that should not be published until the new academic year, when the amended allocations have been formally confirmed with providers.

Until what date: 1 September 2025

Part 2 - Sensitive information

Only the facts or advice that would be exempt from disclosure under the FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form? NO

ORIGINATING OFFICER DECLARATION:	Drafting officer to confirm the following (✓)
Drafting officer:	
<u>James Lee / Lubomira Chirmiciu</u> has drafted this report in accordance with GLA procedures and confirms the following:	✓
Sponsoring Director:	
<u>Tunde Olayinka</u> has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.	✓
Mayoral Adviser:	
<u>Howard Dawber</u> has been consulted about the proposal and agrees the recommendations.	✓
Advice:	
The Finance and Legal teams have commented on this proposal.	✓
Mayoral Delivery Board	
This decision was agreed by the Mayoral Delivery Board on 21 July 2025.	✓

CHIEF FINANCE OFFICER:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature Date
Fauthannial 25 July 2025

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor.

Signature Date

25 July 2025

pp. Richard Watts, Deputy Chief of Staff