National Audit Office

REPORT

Increasing construction skills

Department for Education and Department for Work & Pensions

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Increasing construction skills

Department for Education and Department for Work & Pensions

Report by the Comptroller and Auditor General

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Gareth Davies
Comptroller and Auditor General
National Audit Office

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Contents

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Key facts

The government has set ambitious building and infrastructure commitments

1.5mn
new homes to be built by the end of this Parliament

Up to 5mn
homes to upgrade by 2030 through the Warm Homes Plan, e.g. through solar panels and heat pumps

£725bn
minimum funding for infrastructure over the next decade

But these rely on a construction workforce with significant shortages

317,000, 130,000 and 445,000
extra construction workers needed for: building 1.5 million homes; the Warm Homes Plan; and infrastructure commitments by 2030

45%
of construction vacancies in 2024 that were hard to fill because applicants lacked the required skills, the highest rate of any sector

In response, the government announced a package to increase construction skills

Up to 60,000
aspiration set by the government in March 2025 for extra construction workers by 2029

£625mn
funding committed by the government to achieve this aspiration

Success of the package relies on employers and industry placements

Around two-fifths
of the government's worker aspiration depends on improving student employability through providing short-duration industry placements for eligible further education students

42%
of further education construction students who achieved a qualification in 2020/21 and in employment in 2021-22 were working in a relevant occupation, compared with 75% for construction apprentices

There have been challenges in the first year since the government announced its aspiration

Sep 2025
responsibility for adult skills policy transferred from Department for Education to the Department for Work & Pensions (DWP)

74
number of young people starting construction foundation apprenticeship in 2025/26, as at April 2026, against DWP's assumption of 1,000

Throughout this report, central government financial years are written as, for example, '2025-26' and run from 1 April to 31 March. Academic years are written '2025/26' and run from 1 September to 31 August for schools and 1 August to 31 July for colleges.

Summary

1 The construction sector plays a vital role across society and the wider economy by building and maintaining homes and critical infrastructure, such as schools, roads and hospitals. In June 2025, there were 1.9 million construction jobs covering roles such as electrical installation, plumbing, bricklaying and surveying. More than five out of every six people joining the construction workforce do so from another career. The sector also recruits people completing a qualification or apprenticeship. In 2024-25, there were 174,960 people starting further education construction courses and apprenticeships. Construction employers, nearly all small and medium sized businesses, identify and then look to recruit the workers they need.

2 Skills England is responsible for identifying skills gaps in priority sectors and assesses construction as one of 10 priority sectors for the government to achieve its growth aspirations. The government expects demand for construction workers to expand significantly by 2030. In March 2025, the government announced an initial £625 million funding package for up to 60,000 more skilled construction workers by 2029. This brings together initiatives designed to encourage more students to move into construction roles, improve their employability and increase the number of courses available. It also aims to improve employer engagement, critical to training and employing workers, and the quality and capacity of those providing training and qualifications, such as further education colleges.

3 The Department for Work & Pensions (DWP) has been responsible for adult skills policy (excluding higher education), alongside funding apprenticeships and adult qualifications, since September 2025. Responsibility transferred from the Department for Education (DfE) to bring adult skills and employment support together. DfE remains responsible for overseeing higher education and skills for 16- to 19-year-olds. Mayoral Strategic Authorities (MSAs) in devolved areas are accountable for shaping local skills with employer representative bodies.[1]

1 MSAs are bodies formed by collaborating councils, led by an elected mayor, to manage regional functions.

Scope and purpose of the report

4 This report assesses the government's progress since launching its construction skills package. It examines:

- challenges facing the sector, roles and responsibilities, and the government's understanding of current and future skills gaps (Part One);
- the package of funded initiatives announced by the government (Part Two); and
- how well the government has set itself up to deliver initiatives (Part Three).

Other than apprenticeships, we do not look at skills developed through on-the-job training and have not audited the government's understanding of, or response to, factors beyond skills, such as pay and the availability of materials which may impact whether building and infrastructure commitments are met. Appendix One describes our audit approach and evidence base. We conducted fieldwork between October 2025 and May 2026, spanning the early stages of the package. This report considers construction skills in England.

Key findings

Meeting demand for a skilled construction workforce

5 **Government modelling shows its commitments require an unprecedented expansion of the construction workforce.** Government departments have multiple commitments which rely on construction skills. They have individually estimated the number of workers required for each commitment. This includes: 317,000 more workers to build 1.5 million new homes by the end of this Parliament; 130,000 to upgrade up to five million homes by 2030 through the Warm Homes Plan; and up to 445,000 workers by 2030 to contribute to an infrastructure funding commitment of at least £725 billion over the next decade. Achieving this will be challenging as construction has the highest sectoral rate of hard-to-fill vacancies due to skills shortages (45% in 2024) (paragraphs 1.3, 1.5 to 1.8, and Figure 2).

6 **The package of construction initiatives partially addresses the workforce expansion needed to meet government's commitments.** HM Treasury's approved package of initiatives aims to provide up to 60,000 workers. It is not designed to address all construction worker shortages. Departments have not modelled different scenarios, or how many workers with varying skills enter the sector from different routes. This impacts their ability to understand how the skills system may need to adapt or the range of skills that may be needed. HM Treasury recognises that addressing the gap also depends on other factors, including improved productivity, pay, and industry actions. If the government and industry do not address gaps or clarify their priorities, greater competition for scarce skilled workers may increase prices and threaten delivery of commitments (paragraphs 1.8, 2.1, 2.2, 2.4 and 2.5).

7 **The government acknowledges the critical importance of employers' engagement with the skills system.** Employers are pivotal to achieving government's aspirations. For example, industry placements, foundation apprenticeships, Teacher Industry Exchange, and capital initiatives all rely on employers. The Construction Skills Package Board (the Board) has identified that the current economic conditions pose a delivery risk for these initiatives. Employers' confidence to recruit workers, and offer apprenticeships or placements, depends on market conditions influenced by the available work. For 2025, the Construction Skills Mission Board, which represents industry, had identified large parts of the industry facing challenging trading conditions. This included increases in materials and labour costs which contributed to fewer vacancies and more employers entering administration. The Board has identified mitigations, including working with the Mission Board and developing an employer engagement strategy with DfE. The package also includes expanding support for employers to recruit and retain apprentices, and a £2,000 employer incentive payment for foundation apprentices. By April 2026, 74 young people had started foundation apprenticeships against an assumption of 1,000 in 2025/26 (paragraphs 1.19, 2.10, 2.11, 2.19, 2.26 to 2.31 and 3.10 to 3.11).

8 **DfE and DWP negotiated local construction skills targets with MSAs.** They balanced their view of what was needed against MSAs' views on what they could achieve locally. The government is devolving a quarter of planned package funding, around £161 million, to seven MSAs with Integrated Settlements across six package initiatives. While this gives spending flexibility, MSAs have agreed with the government outcomes frameworks and targets for: people starting and completing courses; industry placements; and construction professionals teaching in further education. The government reduced its initial targets after updating its analysis on the numbers needed. For example, it agreed 16% to 24% reductions for five MSAs for people successfully completing courses and reduced industry placements targets by around 10% overall. Where MSAs proposed lower targets, they agreed higher targets with government. The government and MSAs acknowledge that targets are ambitious, given labour market conditions, and agreed to review arrangements in 2027/28. During negotiations, DfE and DWP revised their analysis of the employment outcomes needed nationally to meet the government's construction aspirations. They now assume that substantially higher proportions of people completing courses would start jobs in construction (paragraphs 3.6 to 3.9).

Overseeing the portfolio

9 **The government developed the package at speed, leading to uncertainty about what could be delivered and when.** In early March 2025, HM Treasury asked DfE to develop investment options to address concerns around skills shortages and their impact on the government's construction commitments. The Chancellor of the Exchequer then approved a £625 million skills package, for up to 60,000 workers, on 19 March 2025. After sharing a draft delivery plan with HM Treasury in April, DfE approved its first business case for a package initiative in May 2025. In June 2026, government had one business case to finalise, for an initiative planned to start in 2026/27 (paragraphs 2.2 and 2.3).

10 **Ahead of most initiatives starting, the government had established a clear framework to monitor performance, spending, risks and dependencies.** From March 2025, DfE began reporting to HM Treasury progress for each initiative, holding a programme board (April) and considering progress and risks through a portfolio board (from May). Six months after the government announced the package, DWP took over responsibility from DfE and held its first Construction Skills Package Board meeting in December. By April 2026, after commissioning advisory support for effective oversight across the government's sector skills packages and before starting most construction package initiatives, DWP had improved its proposed portfolio reporting approach. It had a clearer framework to capture milestones, risk and performance information consistently for most initiatives. The Board's delivery confidence then also improved to 'Amber', reflecting its view that while risks remain, plans were in place to mitigate risks as far as possible. In May, it had complete milestone information across eight initiatives and is developing plans to publish updates on its progress (paragraphs 3.3 to 3.4 and Figure 8).

11 **The government knows it needs to set out how it will review package assumptions and prioritise its resources.** Effective prioritisation across initiatives relies on timely, high-quality spending and performance data to understand how initiatives are performing. In May 2026, the Board started exploring how it could review assumptions across the package and has committed to review spending. For 2025-26, the government reported spending £78 million of its £80 million budget. We have not audited this figure. The government will need to make quick decisions, based on best evidence, as it works to a demanding timetable of up to 60,000 more workers by 2029 (paragraph 3.5 and Figure 9).

Providing skilled construction workers

12 **Through the package, the government is expanding some initiatives with a good track record.** Based on positive results for people taking up courses and then moving into jobs, the government allocated £100 million to Skills Bootcamps and £75 million to Free Courses for Jobs. It assumes 15,900 and 2,700 more workers, respectively, from these initiatives. The Construction Industry Training Board (CITB) is also expanding its employer support team, which has been effective to date. DWP assumes this will lead to 1,400 more construction workers. These initiatives depend on providers successfully expanding courses, students and participants applying, and employers wanting skilled workers (paragraphs 2.12 to 2.14, and 2.30 to 2.32).

13 **The government is taking sensible steps to develop innovative initiatives designed to address longstanding problems.** The government is introducing two innovative initiatives which, by their nature, are supported by less evidence of what works. For Construction Technical Excellence Colleges, DfE reviewed previous domestic and international programmes and adopted a co-design approach with selected colleges to share best practice over the first year. Also, DfE is facilitating a 'ground up' development approach with stakeholders and MSAs, to test proposals for a teacher and industry exchange before submitting a full business case (paragraphs 2.24 and 2.29).

14 **The government has ambitious plans for expanding industry placements for further education students.** The government hopes that around two-fifths of its 60,000 more workers will come through its industry placements initiative. DfE has some limited evidence from construction T Levels that placements lead to positive student outcomes. It hopes placements will almost close the gap in employment outcomes between further education and apprenticeships. Skills England estimates that 42% of building and construction further education students, qualifying in 2020/21 and working in 2021-22, were in a relevant occupation. This compares with 75% for apprentices. The package includes £98 million to expand industry placements. DfE's assumptions for the initiative are ambitious. It assumes: every eligible student will participate; that 122,000 placements can be provided between 2026/27 and 2028/29; and that placements will result in 25,600 more construction workers. DfE is exploring how to evaluate implementation and early outcomes (paragraphs 1.11, 2.16 to 2.20, 3.10 and Figure 7).

15 **The package includes initiatives to address providers' constraints around space and staff.** Providers' capacity to offer courses has been a long-standing challenge. Construction courses often require more space than a classroom-based course. Colleges cannot access commercial borrowing, restricting their options to increase capacity. High vacancy rates for construction teachers (7.2 per 100 compared with 3.5 per 100 across all further education subjects in 2024/25) also restrict providers from offering courses. In 2025, 60% of colleges reported limiting construction apprenticeships or closing courses, and 56% of colleges reported waiting lists for construction courses. The funding package includes £160 million of capital to address space constraints, and several initiatives that could lead to more teachers (paragraphs 1.14 to 1.16, 2.23, 2.26, 2.28 and Figure 9).

Conclusion

16 At this early stage of the construction skills package, the government needs to manage significant risks to achieve its aspiration for up to 60,000 more construction workers by the end of this Parliament. Through the package, the government is trying to tackle long-standing construction skills shortages through a welcome mix of well-evidenced and more innovative initiatives. However, success is uncertain and also depends on how potential workers, providers and employers respond to the demand for construction skills.

17 Delivering the construction skills package, alongside industry actions and other interventions, will influence whether the government meets its major housebuilding, warm homes and infrastructure commitments. The government has now put in place a clearer framework and better data to understand performance across the package. As it learns from how the package progresses, the government will need to review assumptions and be prepared to reprioritise across its portfolio of initiatives. It also needs to develop a consistent, complete approach to understanding workforce demand and supply.

Recommendations

18 To address continuing construction skills shortages, and work towards the government's aspiration for up to 60,000 more skilled construction workers by 2029, DWP, working with DfE, should:

a strengthen how it oversees and maximises value for money from the construction skills package by ensuring that decisions on risks, dependencies and prioritisation be considered across the portfolio;

b consider how it could respond to lower-than-expected performance once data become available by, for example, considering a range of different situations; this could include stopping or modifying initiatives and reallocating funding; and

c provide greater transparency around progress towards its aspiration by publishing annual updates on construction skills package initiatives indicating the funding distributed, activities undertaken and the likely impact on additional workers, making clear where information is not available.

19 More widely, we recommend the following.

d MHCLG, DESNZ, NISTA, DBT and CITB should work together to develop their underlying approach to published workforce modelling to allow consistent estimates of construction workforce needs, regularly updated, and aligned with best practice around uncertainties, highlighting limits on how models can be used and considering various scenarios.

e To identify areas of focus, Skills England should work with relevant departments, to assess how the expected numbers, levels and skills of new construction workers joining after gaining qualifications align with the occupational skills needed both now and in the future.

Part One

The supply of and demand for construction workers

1.1 The construction sector plays an important role in England's economy. It faces a significant workforce challenge, with government commitments increasing demand for skilled workers. This part of the report describes the workforce; roles and responsibilities; and challenges in providing skills and courses.

The construction sector and its workforce

1.2 The construction sector plays a vital role across society and the wider economy by building and maintaining homes and critical infrastructure such as schools, roads and hospitals. In June 2025, the construction sector provided 1.9 million jobs, 6% of all jobs in England. The sector includes occupations and skills such as electrical installation, plumbing, bricklaying, surveying and architecture (**Figure 1** overleaf).

1.3 The construction sector is highly susceptible to economic shocks. It experienced the sharpest drop in Gross Value Added (the difference between income and costs) across sectors during the 2008 financial crisis and was significantly disrupted by the COVID-19 pandemic. Between September 2008 and September 2025, the number of construction jobs fell by 3%, compared with a 15% increase in all jobs over the same period. The Construction Industry Training Board (CITB) estimates that resignations exceeded recruitment in 10 of the 15 years to 2023. Construction had the highest rate of vacancies that were hard to fill because applicants lacked the required skills (45% compared with a 27% national average) in 2024.

1.4 The construction sector faces wider workforce challenges. It has an ageing workforce, with 24% of construction workers aged over 55 in 2023 compared with 13% in 2000. Around 20% of workers are expected to retire within the next 10 to 15 years. Potential recruits can be deterred by a perceived lack of flexibility, while diversity is poor. In 2025, just 18% of construction workers in England were females and 10% of the workforce were from a Black, Asian or ethnic minority background.

Figure 1

Illustration of the construction sector skills and trades needed for housebuilding, as at 2026

Building a home requires various construction skills such as plumbing, painting and decorating, carpentry, roofing and bricklaying

All living spaces

Painter and decorator
To decorate walls

Heating and ventilation engineer
To install heating equipment and pipework

Carpet fitter and floor layer
To install carpets and floors

Electrician
To install power, lighting and electrical cabling

Glazier and window trades
To install windows

Exterior of house

Groundworker
To set out and prepare the surfaces ready for structural work to begin, installing drainage systems, concreting, laying driveways and footpaths

Structural engineer
To design structure to withstand stresses and pressures from environmental and human impact

Bricklayer
To build exterior of house by laying bricks

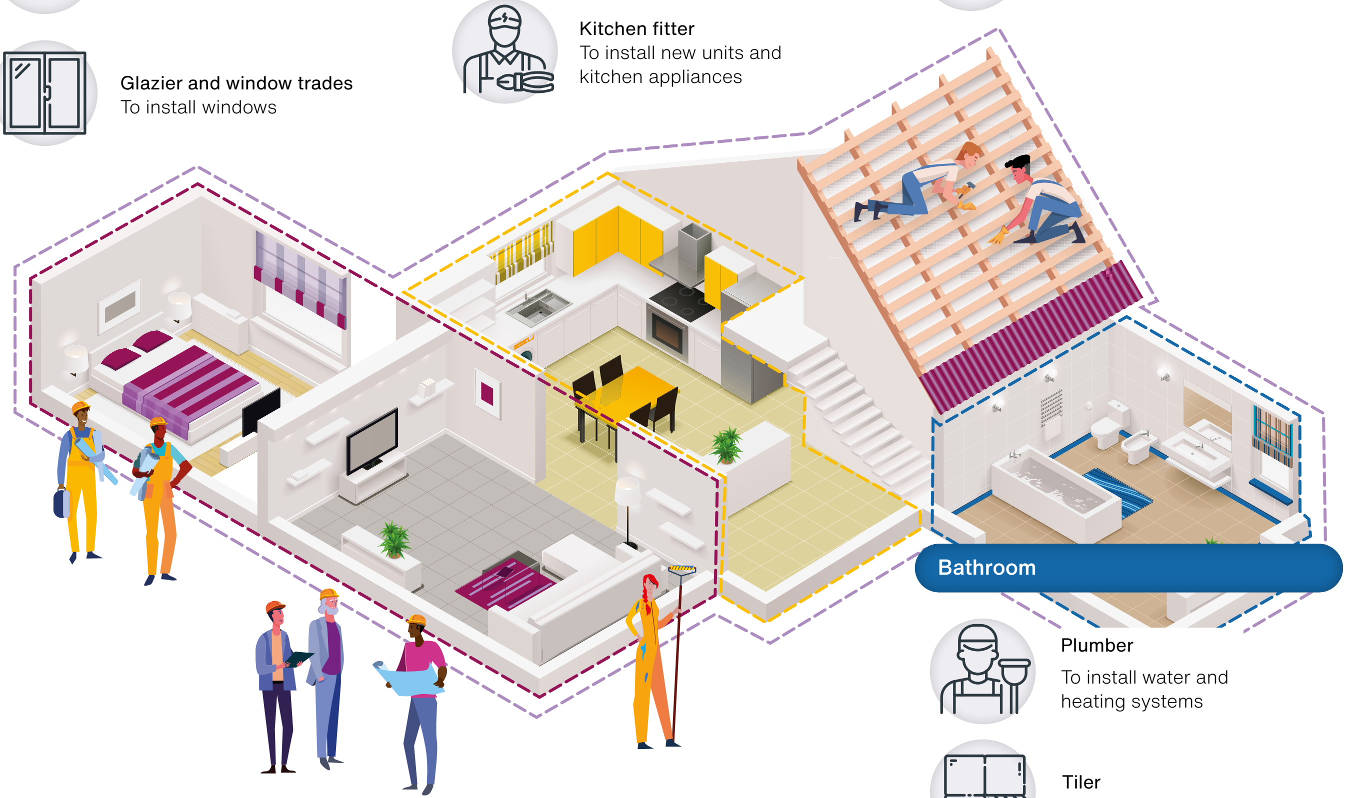
Carpenter
To make and fit door frames, roof timbers and partition walls

Architect
To design house and prepare instructions for construction team

Roofer
To slate and tile roofs and fit guttering

Kitchen

Kitchen fitter
To install new units and kitchen appliances



Bathroom

Plumber
To install water and heating systems

Tiler
To fix tiles to walls

Note

1 This figure is for illustration purposes. The trades and professions shown are not exhaustive and will vary according to the requirements of a build.

Source: National Audit Office analysis of published documents

Demand for skilled workers

1.5 Government commitments have created demands for skilled construction workers. Skills England is responsible for identifying skills gaps in priority sectors and has identified construction as one of 10 sectors critical to the government achieving its aims for the highest sustained growth across G7 nations. Commitments include the following.

- **Building 1.5 million new homes,** overseen by the Ministry of Housing Communities & Local Government (MHCLG), by the end of this Parliament.
- **Upgrading up to five million homes by 2030 through the Warm Homes Plan,** for example through solar panels and heat pumps, led by the Department for Energy Security & Net Zero (DESNZ).
- **Funding at least £725 billion for infrastructure over the next decade,** as outlined by the National Infrastructure and Service Transformation Authority (NISTA). This includes £6.3 billion for expanding prisons, almost £20 billion for rebuilding schools and up to £24 billion for new hospitals. In March 2026, NISTA brought together and published data on infrastructure commitments across government to provide greater clarity and certainty for businesses and help them plan.

1.6 For each commitment, departments separately estimated the additional construction workers required (**Figure 2** overleaf). This was to help illustrate the scale of challenge rather than as a workforce planning tool. Departments estimated that, before accounting for workers leaving construction jobs, they needed: 130,000 more workers for the Warm Homes Plan; 317,000 for 1.5 million new homes; and up to 445,000 for infrastructure by 2030. The growth required to meet two or more of these commitments would be unprecedented.[2] The Department for Business & Trade (DBT), through its role overseeing the government's construction portfolio, has published with Skills England a combined departmental estimate. However, given its timing, this uses out-of-date estimates on infrastructure commitments and does not cover the Warm Homes Plan. DBT estimates up to 755,000 extra workers may be required by 2030 to meet construction demand.

1.7 CITB publishes an annual estimate of the workers needed to meet future construction needs. Its estimate, from June 2025, did not seek to model the full scale of meeting government commitments. It assumed only 1.2 million additional homes built and approximately 770,000 homes retrofitted by 2030 but estimated this would require 207,400 more workers between 2025 and 2029. CITB predicted shortages across all occupations, with around half of the workers needed in skilled trades and on-site roles, and half in managerial, professional and office-based roles. Some departments told us their estimates had not used CITB's modelling due, in part, to intellectual property restrictions given a third party developed the model.

2 Based on records of construction employment from the 1920s to the present day.

Figure 2

Departmental estimates of construction workers needed to meet government building and infrastructure commitments, as at June 2026

Government building and infrastructure commitments create significant demand for construction workers, but estimates have not been produced on a similar basis

	Construction workforce needed to deliver:			
	1.5 million new homes	**Warm Homes Plan**	**Infrastructure Pipeline**	**1.5 million new homes + housing quality, building safety & cladding + Infrastructure Pipeline + future non-government demand**
Time period	July 2024 to June 2029	2023 to 2030	2025-26 to 2029-30	2025 to 2030
Estimate of extra workers required over time period	317,000	130,000	Between 395,500 and 445,200	Between 201,000 and 755,000
Produced by	Ministry of Housing, Communities & Local Government (MHCLG)	Department for Energy Security & Net Zero (DESNZ)	National Infrastructure and Service Transformation Authority (NISTA)	Department for Business & Trade (DBT) and published by Skills England
Date produced	June 2025	January 2026	March 2026	June 2026
Geographical coverage	England	Whole of UK	Pipeline reflects the policy responsibilities of the UK government. Excludes infrastructure projects in devolved nations which relate to devolved responsibilities	Whole of UK, except housebuilding and cladding remediation, which is England only
Available breakdown of estimate	By occupation	By region and economic sub-sector	By region, occupation and economic sector	By occupation

Notes

1. This figure covers three key government commitments. It is not intended to cover all commitments.
2. In relation to housebuilding, Skills England's Sector Skills Needs Assessment includes an estimate of 333,000 extra workers between 2024 and 2030. This assumes a housebuilding increase consistent with delivering 1.5 million homes this Parliament and that net additions remain constant at this level from the end of the Parliament. The 317,000 estimate included above is a subset of this estimate covering the period 2024 to 2029, in line with the 1.5 million homes commitment for this Parliament.
3. As DBT is responsible for construction across government, it developed a cross-cutting estimate (published by Skills England). Given its timing, this does not cover the Warm Homes Plan and does not use the latest NISTA modelling. In addition to commitments on 1.5 million new homes and the Infrastructure Pipeline, the estimate covers government-created demand related to housing quality, building safety and cladding. This relates to demand for: Building Safety Cladding Remediation as per MHCLG's Remediation Acceleration Plan; and demand for Registered Building Inspectors and residential planning capacity linked to housebuilding commitments and wider planning considerations as part of the broader MHCLG National Planning Policy Framework.
4. The DBT estimate range represents high and low scenarios. These are that non-government demand: declines; remains constant at 2024 levels; grows as per the Construction Industry Training Board's (CITB's) Construction Workforce Outlook; and grows as per Experian's UK Construction Forecast, summer 2025.
5. The Warm Homes Plan includes a commitment to upgrade up to five million homes by 2030. Jobs estimates here are for the increase in direct jobs between 2023 and 2030.
6. NISTA has published the total workforce required to deliver the Infrastructure Pipeline. The table covers the construction worker estimate only. Between 395,500 and 445,200 represents the 95% confidence interval for construction workers. NISTA publish the figure, with the estimate produced by the CITB and a third-party contractor.
7. MHCLG, DESNZ and NISTA estimates do not or are not intended to account for workforce resignations. DBT's model does not account for workforce inflows/outflows from other economic sectors.

Source: National Audit Office analysis of documents from: Department for Energy Security & Net Zero; Ministry of Housing, Communities & Local Government; Department for Business & Trade; and National Infrastructure and Service Transformation Authority

1.8 The government's approach to modelling workforce demands has limitations, which impacts how estimates can be used to make decisions.

- **The high level of uncertainty associated with estimates is not fully transparent:** Modelling guidance recommends communicating uncertainties, but only NISTA's model presents confidence intervals. MHCLG's estimates are highly sensitive to assumptions on the workers needed to build a home and the pace of housebuilding over the timetable. Also, DBT's and NISTA's models either directly or indirectly rely on Office for National Statistics Labour Force Survey data, which lost their designation as official statistics in November 2023 due to quality issues and low response rates.
- **Differing methodologies:** Models cover different time periods and geographies, meaning they cannot be easily compared or combined.
- **Incomplete modelling:** MHCLG's, DESNZ's, DBT's and NISTA's models do not, or are not intended to, fully account for those leaving construction, so they underestimate recruitment needs. Also, DBT's model aims to provide an overall estimate but, given its timing, was produced before the latest NISTA modelling and does not cover the Warm Home Plan.
- **Limited scenario planning, including on productivity:** Modelling guidance recommends planning against a full range of scenarios, but MHCLG's, DESNZ's and NISTA's models are based on fixed assumptions.[3] Skills England states other plausible scenarios could be considered. For example, government models either do not consider the impact of productivity or, in the case of DBT, assume it will have no impact. Construction worker output per hour lags 13.5% below the UK economy-wide average, and the Gross Value Added across England grew at five times the construction rate in the 25 years to 2023. The sector could make more use of modern methods of construction, including robotic and automated systems, to improve productivity. In 2026, CITB reported that using off-site construction methods had stalled. In 2024/25, of the 152 further education providers offering construction courses, eight offered courses in modern methods of construction.
- **Demand modelling not linked to supply:** The government has not fully modelled how many workers with varying skills enter the sector from different routes to understand how the skills system may need to adapt to meet demand. In June 2026, Skills England published analysis of education leavers moving into construction jobs although this covers only a small minority of joiners and is not broken down by occupation.

3 National Audit Office, Good practice guidance, *Framework to review models*, January 2022.

Providing skilled workers through education and skills

1.9 Although CITB estimates that more than five out of every six people join the construction workforce from another career, the sector also recruits people after they have gained a qualification (**Figure 3**). Construction faces strong competition for recruits from other sectors like IT, finance and renewable energy. While secondary schools are legally required to promote non-academic routes to pupils, the Department for Education (DfE) has not historically tracked or enforced schools' compliance with this requirement. In a 2025 Chartered Institute of Building survey, 47% of young people agreed that construction careers were not covered in the careers advice they received at school.[4]

1.10 There are different routes for gaining a construction qualification, with some options educational and others, such as apprenticeships, combining work and training. In 2024/25, there were more than six times as many starts in further education construction courses than apprenticeships, with 174,960 overall (**Figure 4** on page 20).

1.11 Government data show outcomes differ for students taking apprenticeships compared with further education qualifications. Although more further education students successfully complete their courses (91% compared with 58% in 2024/25), apprentices have more success gaining a construction job. Skills England estimates that 75% of building and construction apprentices who achieved a qualification in 2020/21 and were working in 2021-22 were in a relevant occupation. This compares with 42% of those in further education. Skills England told us this reflected the stronger work component in apprenticeships, which it believes industry strongly prefers. However, other factors may also explain the difference as further education students and apprentices have different demographic profiles.

4 The Chartered Institute of Building, *Attitudes Towards Construction Careers – A Chartered Institute of Building (CIOB) survey of young people and parents' attitudes, perceptions and views towards construction careers in 2025*, March 2025.

Figure 3

Summary of potential pathways into construction jobs, as at 2026

There are a range of routes available to young people and adults to enter jobs in construction

Further education

Alternative to sixth form after GCSEs for young people. Adults can also undertake courses to upskill or retrain.

Learning can take place in classrooms and more practical environments.

150,500 construction starts (2024/25)

Funding: by the government for all students aged 16 to 19 years. For those aged 19+, fees may be paid by individuals, employers or the government depending on the type of course

Apprenticeship

Paid job with a programme of off-the-job learning. All new full-time apprentices must spend at least 20% of their normal working hours in off-the-job training.

24,500 construction starts (2024/25)

Funding: employer and government funding

T Levels

Alternative to A levels lasting two years. Focused on technical skills with an industry placement of at least 45 days.

4,900 construction enrolments (2024/25)

Funding: by the government for students aged under 19

Higher education

Courses, usually taught in university or specialist colleges, for students who have completed A levels or equivalent.

67,500 architecture, building and planning enrolments (2024/25)

Funding: the government offers loans to students which are repaid after course completion and earning a certain amount

Informal routes

Career changers from other sectors, which could be closely related.

Funding: not applicable

Notes

1 Young people are required to stay in education or training until the age of 18. This can include full-time education, an apprenticeship, or part-time education while working or volunteering.

2 The Construction Industry Training Board estimates that more than five out of every six people join the construction workforce from another career.

3 The T Level entrants figure includes entrants to the T Level foundation year.

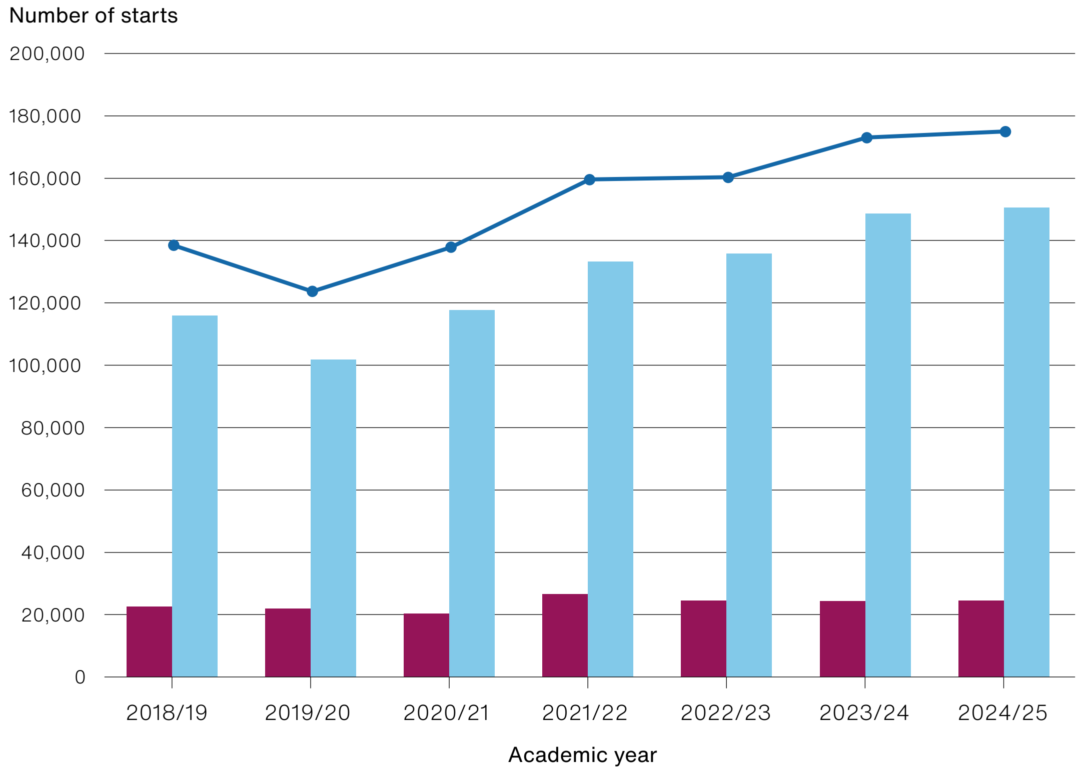
4 Data on starts/enrolments are rounded to the nearest 100.

Source: National Audit Office analysis of Department for Education documents and published statistics

Figure 4

Further education and apprenticeship starts for construction in England, 2018/19 to 2024/25

There were 174,960 starts in further education (FE) courses in construction and construction apprenticeships in 2024/25



	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Apprenticeships	22,530	22,000	20,210	26,470	24,470	24,340	24,470
FE education and training	115,960	101,720	117,650	133,120	135,840	148,660	150,490
Total	138,490	123,720	137,860	159,590	160,310	173,000	174,960

Notes

1 Data cover those aged 16 and over, and enrolled in the Construction, Planning and the Built Environment subject area.

2 Apprenticeship starts are the count of apprenticeships started at any point during the stated academic period. Apprentices starting more than one apprenticeship will appear more than once.

3 Further education students are counted once for each unique learning aim started with a provider in that academic year. Only funded aims are counted. All learning aims are counted, including those with no assigned level.

4 FE education and training includes classroom-based learning, tailored learning, T Levels, Skills Bootcamps, and traineeships.

5 Data are rounded to the nearest 10.

Source: National Audit Office analysis of Department for Education internal statistics

Aligning demand and supply

1.12 The proportion of those completing entry-level construction courses and qualifications per 10,000 head of population differ regionally. This ranges from 22 people per 10,000 successfully completing further education and apprenticeship courses in the North East in 2024/25, to 5 per 10,000 in the South East, South West and East of England. It is not clear how variations in regional supply and demand could affect the government's commitments, including its assumptions about the numbers getting sector jobs after completing courses. Demand can be considered in different ways:

- Skills England's data on vacancies assessed as hard-to-fill show regional variation, with all regions having employers reporting gaps, indicating all regions have opportunities for highly skilled workers.[5] In 2022, the North West had the highest proportion of vacancies seen as hard to fill given skills (66%), compared with London with the lowest proportion (38%).
- The value of construction output could be used as a proxy to compare regional demand for both skilled and entry-level workers. Output per head of population is lowest in the North East and almost half of the level of the region with the highest rate – London.
- Where the government has considered the local workforce impact of its wider commitments, this shows different regional impacts. For example, applying ONS population data to NISTA's infrastructure pipeline shows demand per head of population for infrastructure workers is lowest in the East Midlands and highest in the East of England.

1.13 In June 2025, the Construction Leadership Council set up the Construction Skills Mission Board (the Mission Board) as an industry-led, government-sponsored body to help address sector skills challenges. It aims to provide 100,000 new construction workers a year by the end of this Parliament. Its vision is a demand-led skills model that allows every person who completes construction training to get a sustainable job. In starting to work towards this vision, the Mission Board has started mapping students' skills against demand in some local areas. It is also considering:

- an IT platform to help estimate future regional demand for workers and align this to the traineeships, apprenticeships and upskilling funding available;
- a unified way for construction workers to show their competence to employers through 'skills passports', which would need government support to be introduced; and
- with CITB, ways to better align skills requirements, policy and regional provision of skills through Mayoral Strategic Authorities (MSAs), Local Skills Improvement Plan (LSIP) areas, and other local bodies. They expect this to address poor alignment between training provision and employer demand for skills, duplication of initiatives, and weak coordination between funding and organisations delivering skills.

5 A skill-shortage vacancy is a vacancy that is hard to fill due to a lack of skills, qualifications or experience among applicants.

Constraints on course provision

1.14 Acute staffing and space shortages have led to unmet student demand for construction courses. In a 2025 Association of Colleges survey, 60% of colleges reported limiting construction apprenticeships or closing courses, and 56% reported waiting lists for construction courses.[6]

1.15 Teacher recruitment and retention remains a challenge. In 2024/25, of 100 construction-related teaching positions, 7.2 were vacant, compared with 3.5 of 100 positions for all general further education college subjects. In 2025 we reported that further education teachers' pay and conditions were widely regarded as less competitive than both secondary schools and industry.[7] DfE is funding various initiatives, including incentives for teachers of up to £6,000 a year in their first five years. As of May 2025, building and construction teachers accounted for almost 30% (1,725 out of 5,984) of those with approved incentive claims within further education.

1.16 With construction courses requiring more than three times the space of a classroom-based course, space limitations have impacted the courses offered. Also, facilities and equipment are expensive and need to be continually updated to keep pace with technological change. Since 2022, colleges have been less able to invest in increasing physical capacity, because their reclassification from private to public sector entities means they can no longer access commercial borrowing for capital projects. They now rely on disposals, reserves and private investments. However, as at July 2025, further education colleges reported a £257 million reduction in cash reserves from 2022-23 to 2025-26, and for 2024-25, 26% of colleges were forecasting a deficit. In January 2025, a review for the Built Environment Workforce Governance Board recommended that providers should be supported with the upfront investment costs for new facilities and equipment in priority skills.

6 Association of Colleges, *Enrolment survey report*, October 2025.
7 Comptroller and Auditor General, *Teacher workforce: secondary and further education*, Session 2024-25, HC 854, National Audit Office, April 2025.

Roles and responsibilities for providing skills and courses

1.17 Following a machinery of government change in September 2025, the Department for Work & Pensions (DWP) and DfE now lead on skills with a joint minister operating across departments. With the change, DWP took from DfE responsibility for apprenticeships, adult further education, skills, training and careers, and sponsorship of Skills England. DfE's Accounting Officer has held responsibility for this spending to date, until departments' 2026-27 Main Estimates receive Royal Assent, expected in July. DWP has statutory authority to spend resources, capital and cash from the provision through the Vote on Account agreed by Parliament. In 2024-25, DfE spent £2.7 billion on apprenticeships (rising to £3.1 billion expected spend for 2025-26) and £1.5 billion on adult education. DfE retained responsibility for higher education and further education, skills, training and careers for 16- to 19-year-olds. Through this change, the government aimed to strengthen its approach by bringing together adult skills and employment support.

1.18 The government must work with many bodies responsible for providing local skills (**Figure 5** overleaf). This includes:

- providers such as general further education colleges, sixth forms, and independent training providers who deliver courses;
- strategic authorities, including MSAs, with devolved responsibilities;[8] and
- those developing LSIPs which bring strategic authorities, including MSAs, with employer representative bodies and other stakeholders to ensure local skills and training align to local labour market needs; in 2023, 27 out of 38 LSIP areas identified construction skills as a priority.

1.19 Construction employers also play a vital role in offering work experience, entry-level roles and training opportunities for employees. However, in 2024 employer investment in training per construction trainee was at its lowest in the last 10 years. The October 2025 white paper *Post-16 Education and Skills* recognised the need to make training investment more attractive, by ensuring flexible education and training opportunities that are easy to access and give individuals the competencies needed.

8 MSAs are bodies formed by collaborating councils, led by an elected mayor, to manage regional functions.

Figure 5

Main organisations involved in providing construction skills, as at May 2026

Several central and local government bodies, together with training providers and employers, have a role providing construction skills

Central government bodies	**HM Treasury** Leads on economic policy and agrees funding settlements with departments.	**Department for Work & Pensions (DWP)** Responsible for apprenticeships and adult further education, skills, training and careers.	**Department for Education** Responsible for higher education and further education, skills, training and careers for those aged 19 years and under.
	Ministry of Housing, Communities & Local Government Distributes skills funding to Mayoral Strategic Authorities (MSAs) through Integrated Settlements.	**Skills England** Responsible for understanding skills needs, standards for apprenticeships and technical qualifications, simplifying access to skills and working with others to increase skilled workers in priority sectors, including construction.	**Construction Industry Training Board (CITB)** Across England, Scotland and Wales, helps the sector attract, develop and retain the construction workforce talent.
Regional, local or frontline bodies or organisations	**Strategic authorities in devolved areas, including MSAs** Develop and implement Local Skills Improvement Plans (LSIPs) with employer representative bodies. Commission adult skills.	**Training providers** Provide teaching, training and assessment. Work with local employers to secure industry placements for students and apprentices.	**Employers** Host apprenticeships and provide industry placements and work experience.

Notes

1 In 2024/25, there were 527 training providers delivering government-funded qualifications and skills programmes in the Construction, Planning and the Built Environment subject area. This included 271 independent training providers, 152 further education colleges and 92 other bodies including universities and local authorities.

2 As at May 2026, there were seven MSAs with devolved responsibility for increasing construction skills who receive funding through Integrated Settlements: Greater London Authority; Greater Manchester Combined Authority; Liverpool City Region Combined Authority; North East Combined Authority; South Yorkshire Combined Authority; West Midlands Combined Authority; and West Yorkshire Combined Authority.

3 LSIPs bring together strategic authorities, including MSAs, with employer representative bodies to ensure local skills and training align to local labour market needs. In non-devolved areas, local authorities may contribute to LSIPs and deliver adult skills provision.

4 Skills England is an executive agency of DWP. CITB is an arm's-length body sponsored by DWP.

Source: National Audit Office review of Department for Work & Pensions, Department for Education, Skills England, Construction Industry Training Board and Ministry of Housing, Communities & Local Government documents and data

1.20 Small and medium-sized enterprises (SMEs) dominate the construction sector. In 2025, 99.9% of businesses were SMEs (those employing fewer than 250 people), while 94% had up to nine employees. Skills England has highlighted SMEs are under-served by the government's skills system, which often prioritises larger employers. The government has looked to address this. For example, to try and improve SMEs' involvement in construction skills it:

- approved three new apprenticeship units (short courses) in construction in March 2025. In 2025, Skills England found that many SMEs saw apprenticeships as too costly, complex and administration heavy.[9] Also, in response to 'strong demand' from SMEs for individuals to have multiple building trade skills, it is developing a General Builder apprenticeship. The government expects around 300 enrolments annually;
- is undertaking a project to simplify how SMEs navigate the skills system, to promote modular, low-burden training. However, it has not set out a baseline for the numbers of SMEs currently participating or quantified what would constitute success; and
- is working with CITB and the Construction Leadership Council to better align occupational standards and competencies for apprenticeships.[10] It expects this to reduce confusion across the sector around which standards apply, with 13 out of 49 overlapping standards identified in February 2026 being aligned by 60% or less.

9 Department for Education, *Skills England, Sector skills needs assessments – Construction*, June 2025.
10 The Construction Leadership Council (CLC) works between industry and government to identify and deliver actions supporting UK construction in building greater efficiency, skills and growth.

Part Two

The construction skills package

2.1 In March 2025, the government committed to train up to 60,000 more construction workers by 2029. The Department for Work & Pensions (DWP) and the Department for Education (DfE) aim to deliver this through the construction skills package (the package). This part of the report sets out how DfE and HM Treasury (HMT) developed the package, and progress and the risks associated with each initiative.

Overview of the package

Developing the package

2.2 In early March 2025, HMT asked DfE to 'urgently' develop investment options to increase the number of skilled workers for a potential announcement before the Spring Statement towards the end of the month. HMT was concerned that skills shortages would impact the government meeting its construction commitments. At that point, this covered the Ministry of Housing, Communities & Local Government's estimate of additional workers needed to build 1.5 million homes, with further workforce estimates still to be finalised (Figure 2). HMT asked for options which could grow the workforce rapidly, maximise delivery in 2025-26, and consider how the government and industry could share capital costs. HMT and DfE explored options before the Chancellor of the Exchequer approved, on 19 March, a £625 million package of initiatives, which both expanded existing initiatives and introduced new ones, for up to 60,000 more construction workers.[11] DWP and DfE are both accountable for delivering the package by the end of the current Parliament.[12]

11 DfE secured £40 million more capital funding for 2029-30, which falls outside the period to achieve the aspiration.
12 In September 2025, DWP took over responsibility for apprenticeships and adult further education, skills, training and careers from DfE. Responsibility for higher education, and further education, skills, training and careers for those aged 19 years and under remains with DfE.

2.3 The pace of HMT's and DfE's work to announce the package left uncertainties around feasibility. The government announced the package on 23 March 2025 and DfE shared a draft delivery plan with HMT on 17 April 2025 (**Figure 6** overleaf). Also, at the point of the announcement, DWP's and DfE's business cases for individual initiatives were yet to be approved. DfE's first business case approval following the announcement was in May 2025 for foundation apprenticeships. As at June 2026, one business case, for the Teacher Industry Exchange initiative, which was in a 'test and learn' phase to start in 2026/27 was yet to be finalised. Although DfE and HMT consulted the Construction Skills Mission Board (paragraph 1.13) and the Construction Industry Training Board (CITB) in the month before the announcement, they had limited time to consult other important stakeholders, such as providers and Mayoral Strategic Authorities (MSAs).

The government's aims

2.4 The government designed the package to tackle skills shortages (**Figure 7** on pages 30 and 31). Alongside a communications campaign, the package brings together funding for nine initiatives, largely based on expanding existing initiatives, to address three sector challenges. Of the initiatives:

- four aim to increase the number of construction courses, including through targeted funding and new apprenticeships (paragraphs 2.7 to 2.15);
- four aim to increase quality and capacity through industry placements, expanding teaching space and getting the construction sector more involved in teaching (paragraphs 2.16 to 2.29); and
- one focuses on supporting employers to invest in training (paragraphs 2.30 to 2.32).

Figure 6

Significant events in government's development and implementation of the construction skills package, December 2024 to March 2026

Government announced the construction skills package in March 2025, before estimates of workforce needs arising from wider commitments on the Warm Homes Plan and infrastructure were produced

Dec 2024

The government published *Plan for Change: Milestones for mission-led government*, which includes a milestone to build 1.5 million homes over this Parliament.

Feb 2025

DfE held policy session into how the skills system can support the increase in the skilled housebuilding workforce needed to deliver 1.5 million homes.

Mar 2025

Chancellor of the Exchequer informed of Ministry of Housing, Communities & Local Government (MHCLG) estimate of total additional workforce needed for building 1.5 million homes.

Mar 2025

HM Treasury commisioned Department for Education (DfE) to design a construction skills package.

Mar 2025

The Government announced a package to train up to 60,000 more skilled construction workers by the end of this Parliament.

Apr 2025

DfE shared draft delivery plan for construction skills package with HM Treasury.

Apr 2025

DfE held a Construction Package Programme Board meeting.

Jun 2025

Construction Industry Training Board published *Construction Workforce Outlook* for 2025-29.

Jun 2025

First meeting of the Construction Skills Mission Board. Board has an aim to generate an extra 100,000 construction workers a year by the end of this Parliament.

Jun 2025

National Infrastructure and Service Transformation Authority published *UK Infrastructure: A 10 Year Strategy*.

Sep 2025

Responsibility for apprenticeships and adult further education and skills transferred from DfE to Department for Work & Pensions (DWP).

Oct 2025

Department for Business & Trade produced cross-cutting estimate of extra construction workers required by 2030.

Dec 2025

DWP Construction Skills Package Board held its first meeting.

Jan 2026

Department for Energy Security & Net Zero published *Warm Homes Plan* and associated workforce estimate.

Mar 2026

National Infrastructure and Service Transformation Authority published updated version of pipeline including analysis of workforce needs.

Dec 2024 | Jan 2025 | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan 2026 | Feb | Mar

Note

1 Before starting working on the package, DfE and MHCLG sent ministers joint advice on the construction workforce, which included early estimates of workforce demand for 1.5 million homes.

Source: National Audit Office analysis of government documents and announcements

2.5 The government's package will not, and was not intended to, address or provide all the skills needed for the government to meet its commitments set out in paragraph 1.5. DfE told us the package was designed as a first step. HMT considers that addressing the remaining gap requires improved sector pay and conditions, increased worker hours, productivity-enhancing construction methods and migration policy changes. CITB warns sector capacity constraints will "limit the volume of work that can be delivered and push up prices as firms compete for scarce labour and skills". Without prioritisation, government commitments may face greater competition for scarce labour, impacting their delivery.

2.6 Some of the government's assumptions for achieving up to 60,000 more construction workers are ambitious. It assumes, for example, that industry placements for people in further education would lead to more people working in relevant occupations, increasing from 42% to 67%. This almost closes the gap with those on apprenticeships. DfE recognises this as optimistic and, positively, is planning to review assumptions. The government has already updated its assumptions for certain apprentices progressing into construction jobs. It had assumed that not all those on foundation apprenticeships, or apprenticeships resulting from expanding CITB's New Entrant Support Team, would progress into construction jobs.[13] In June 2026, DWP decided to count these apprentices as new workers from when they start their apprenticeships. In 2024/25, 58% of construction apprentices successfully completed their apprenticeships.

13 For foundation apprenticeships, the government first assumed that 10,000 apprentices would lead to around 4,500 workers. For apprentices supported by CITB, it assumed that around 1,400 apprentices would lead to around 800 workers.

Figure 7

Summary of the Department for Work & Pensions' (DWP's) and the Department for Education's (DfE's) construction skills package (the package) initiatives, as at May 2026

Around two-fifths (42%) of the government's worker aspiration depends on improving student employability through providing optional industry placements for eligible further education students

Initiative	Accountable department	Summary	Funding	DWP's and DfE's estimate of additional students, apprentices or participants required to achieve aspiration	Estimated contributions to government's aspiration for up to 60,000 additional workers	Proportion of additional workers
			(£mn)			(%)
Objective: increasing course supply						
Enhanced High Value Course Premium	DfE	Funding to encourage providers to offer level 2 and 3 construction qualifications, safety training for students and arrange industry placements	90	18,100	4,800	8
Foundation apprenticeships	DWP	A new level 2 apprenticeship for young people to gain the skills for an entry-level occupation, with a £2,000 incentive payment for employers	38	10,000	10,000	16
Skills Bootcamps	DWP	Short courses equivalent to qualification levels 2 to 5 available for eligible adult participants to upskill or retrain	100	34,600	15,900	26
Free Courses for Jobs	DWP	Free further education level 2 and 3 construction qualifications for eligible adult students	75	10,200	2,700	4
Objective: increasing quality and capacity						
Construction Technical Excellence Colleges	DfE	Developing specialist colleges, appointed by DfE, in each region to invest in: • staff training, construction course curricula, employer partnerships and support other regional colleges; and • equipment and facilties to increase learner places across colleges	100	2,900	700	1
Project-Based Capital	DfE	Funding to increase capacity for providing courses through larger capital projects, requiring a financial or in-kind contribution from employers	80	N/A – enabler	N/A – enabler	N/A – enabler
Teacher Industry Exchange	DfE	Scheme for industry professionals to teach in further education colleges and for teachers to spend time in industry to refresh their skills	20	N/A – enabler	N/A – enabler	N/A – enabler
Industry placements	DfE	Introducing optional industry placements to level 2 and 3 further education students to support their progression into jobs	98	122,000	25,600	42
Objective: engaging employers						
Construction Industry Training Board New Entrant Support Team (NEST) expansion	DWP	Expansion of NEST which supports employers to offer apprenticeships and retain apprentices	16	1,400	1,400	2
Communications campaign	DfE	Marketing to raise awareness of support available to employers and promoting training opportunities	8	N/A – enabler	N/A – enabler	N/A – enabler
Total			**625**		**61,100**	**100**

Notes

1 The package includes nine initiatives and funding for a communications campaign.

2 In September 2025, responsibility for apprenticeships and adult further education, skills, training and careers transferred from DfE to DWP.

3 The qualification levels shown in this figure broadly indicate the depth and complexity of skills being taught. Skills Bootcamps do not award qualifications. Level 2 qualifications equate to higher-grade GCSEs, and level 3 qualifications to A levels and T Levels. Levels 4 and 5 sit below undergraduate degrees, and their equivalents, which are level 6.

4 Foundation apprenticeships are available to young people aged 16 to 21 and those aged 22 to 24 who have special educational needs and disabilities, are in care or have been in care, or are in prison or have been in prison.

5 Student, apprentice, participant and worker figures have been rounded to the nearest 100. Proportion of worker figures are based on 61,100 workers and do not sum to 100% due to rounding.

Source: National Audit Office review of Department for Work & Pensions and Department for Education documents

Initiatives to increase course supply

Extending provider funding for 16- to 19-year-olds through the High Value Course Premium

Summary: Incentivise providers to address common barriers students face in securing construction jobs

Estimated construction workers: 4,800

Budget allocation: £90 million

2.7 In addition to core funding, since 2020, DfE has given providers more funding (currently £600 per student) to help students progress into earning higher wages through courses, including construction, which promote productivity. This High Value Course Premium (the premium) will cover 73 level 3 construction qualifications from September 2026.[14] It also covers DfE extending the premium to 68 level 2 qualifications and introducing top-up funding, through an enhanced premium, for both levels.

2.8 Through the enhanced premium, up to £400 (67%) more per student, DfE aims to incentivise providers to address barriers students face in securing jobs. Providers have flexibility in how they use funding to meet local needs. However, to keep the £400 top-up, they must fund health and safety qualifications, so students can access construction sites, and arrange industry placements so they are more ready for jobs. In 2020/21, DfE surveyed providers receiving just the premium. Between 33% and 47% reported that premium funding allowed them to: increase student places; invest in facilities, equipment or staff recruitment and training; and grow their offers across eligible subject areas.[15]

2.9 DfE has identified a risk that the expected growth in student numbers could exceed the fixed £90 million enhanced premium budget. If numbers are higher than DfE's assumed 18,100 students, based on historic trends, this may lead to budget gaps which DfE told us it will consider alongside wider funding decisions.[16] Also, DfE identified value for money concerns given the 'critical dependency' on successfully increasing the number of industry placements to realise the benefits. Providers may face difficult decisions around whether to spend the £400 up-front to support students, and risk funding being recovered, or to delay and avoid affordability risks should the government recover funding. DfE plans to calculate the value of recovered funding for 2026/27 in spring 2028.

14 Level 3 courses are broadly equivalent to A levels and level 2 courses are broadly equivalent to higher-grade GCSEs.
15 Department for Education, *Survey report: further education funding for high cost and high value provision*, September 2022.
16 To determine initial provider funding, DfE is using enrolments data from 2024/25 and applying a 15% uplift to student numbers to account for demographic increases and the expected growth in construction enrolments. At the end of 2026/27, it will retrospectively adjust allocations to reflect the actual number of students enrolled.

Foundation apprenticeships

Summary: Eight-month apprenticeships to provide young people with the skills for an entry-level occupation, allowing them to earn a wage and make informed career choices

Estimated construction workers: 10,000

Budget allocation: £38 million, comprising provider funding and employer incentive payments

2.10 Employers and providers had more limited time to prepare for foundation apprenticeships than the government planned for.[17] The Institute for Apprenticeships and Technical Education (IfATE) ran a consultation from November 2024, developed course content and assessment plans from January 2025, and approved qualifications in April 2025.[18] DfE planned to announce foundation apprenticeships in early April. However, its announcement was delayed until May 2025. Providers then had three months to prepare, which included engaging employers to recruit apprentices, encouraging prospective applicants, and establishing teaching arrangements. As at April 2026, 74 young people started foundation apprenticeships across seven providers, against DWP's assumption of 1,000 in 2025/26.

2.11 DWP and DfE have identified a risk that foundation apprenticeships may not be financially viable for employers due to the additional on-the-job support apprentices often need. To mitigate, DfE introduced a £2,000 employer incentive payment. Apprentice numbers remain too low to test the impact this has on employers' behaviour. DWP's assumption for 10,000 foundation apprentices starting by 2028/29 presents a challenging trajectory. In May 2026, it started a 'test and learn' approach to increase employers' awareness of the apprenticeships and address barriers to take-up.

17 Foundation apprenticeships are available to young people aged 16 to 21, or to those aged 22 to 24 who have special educational needs and disabilities, are in care or have been in care, or are in prison or have been in prison. Three foundation apprenticeships in construction are available: Building service engineering; Onsite trades; and Finishing trades.

18 In June 2025, IfATE closed and its functions transferred to Skills England. From September 2025, DWP took responsibility for apprenticeships.

Skills Bootcamps

Summary: Short courses for eligible adult participants to upskill or retrain in priority sectors, including construction

Estimated construction workers: 15,900

Budget allocation: £100 million

2.12 Skills Bootcamps, courses lasting up to 16 weeks, support those aged 19 years or over to upskill or retrain in priority sectors with skills shortages, including construction. Between 2022-23 and 2023-24, DfE oversaw progress in the numbers participating in construction Skills Bootcamps and achieving positive outcomes, for example: securing a new job or apprenticeship; increasing their salary and/ or responsibilities; and, for those self-employed, having new opportunities or business contracts. Those starting courses doubled from 3,250 to 6,800; those completing courses increased from 81% to 83% (the third highest rate across available courses); and of those who completed, the proportion achieving positive outcomes increased from 76% to 83% (the second highest rate across available courses).[19] In summer 2027, DWP will publish an evaluation examining the labour market impacts.

2.13 As the package depends on a large increase in those starting bootcamps, these trends are encouraging. To achieve 15,900 more workers, DWP has assumed, based on historic trends, 34,600 participants enrolling between 2025-26 and 2028-29. This is an average of 8,650 each year. DWP has not identified specific risks around expanding construction bootcamps. However, it has identified a programme-level quality risk while rapidly scaling up provision. It has identified various mitigations, including maintaining its central oversight, overseeing contractors effectively, and monitoring the quality of provision.

19 Department for Education, *Evaluation of Skills Bootcamps: 2022-23 (Wave 3) Completions and Outcomes Report*, May 2025.

Free Courses for Jobs

Summary: Free further education qualifications for eligible adult students

Estimated construction workers: 2,700

Budget allocation: £75 million

2.14 DfE oversaw increases in the number of adults gaining qualifications from Free Courses for Jobs in construction between 2020/21 and 2023/24.[20] Through the package, it decided to extend eligibility to level 2 courses. As at May 2026, 57 level 2 and 20 level 3 construction qualifications were available, including diplomas, technical certificates and BTECs. Through government-funded provision, around 3,000 students enrolled on courses in 2023/24 and 2,350 achieved a qualification. However, numbers fell in 2024/25, with 1,230 enrolments and 1,450 achieving qualifications after starting courses in previous years. Devolved strategic authorities can also fund courses, with 890 enrolments in 2023/24 and 720 in 2024/25.[21]

2.15 DfE identified a 'critical' risk that these qualifications may not lead to more workers given industry placements are not required, which it is seeking to address. Its 2022 evaluation reported 18% of surveyed providers found the funding allowed them to increase their capacity to teach adult students by between 10% and 50%, with a further 7% of providers reporting increases of over 50%. Also, 16% reported offering building and construction courses for the first time.[22]

20 To be eligible, participants must be unemployed or earning below £25,750 a year.
21 DfE does not publish data from strategic authorities on achievements.
22 Department for Education, *Evaluation of the Level 3 Free Courses for Jobs offer*, July 2022.

Initiatives to increase quality and capacity

Industry placements

Summary: Introducing optional industry placements for all further education students from September 2026 to increase their employability

Estimated construction workers: 25,600

Budget allocation: £98 million, comprising funding for providers' costs in arranging placements and reimbursing employers' costs

2.16 To help improve further education students' progression into construction jobs, DfE will fund providers, or MSAs where funding is devolved, to arrange optional industry placements.[23] DfE's assumptions are ambitious. It assumes 122,000 placements, lasting at least three weeks, between 2026/27 and 2028/29 will lead to 25,600 workers. It also assumes all eligible students will complete a placement, almost closing the gap between further education students and apprentices progressing into construction jobs.

2.17 DfE believes placements could improve students' readiness for jobs by, for example, demonstrating their skills to employers and strengthening CVs. Although this assumption is unproven, DfE has gathered some limited evidence on students' progression from construction T Levels, which involve mandatory 45-day placements.[24] Its wider analysis indicates that, of students undertaking qualifications at level 3 or below, 36% did some form of work experience or placement in 2023/24. However, it does not know the value of these. DfE estimates a benefit:cost ratio of £3.80 for every £1 spent if it achieves its aspirations and placements are of high quality. However, its less optimistic scenario, 20,000 lower-quality placements per year at a higher cost per placement, would offer 'borderline poor or only marginally positive value for money'.

2.18 DfE is exploring options to understand local implementation and early outcomes, including through a process evaluation and student feedback. DfE plans to explore whether it can measure the impact of industry placements using available data to compare the outcomes of students who complete placements with those who do not. However, data limitations, no control group, and difficulties isolating the effect of placements from other initiatives make impact evaluation challenging.

23 This includes students undertaking Diplomas and Technical Certificates.
24 Of 140 surveyed students starting construction T Levels in 2021 and completing their course, 69% were studying, working or completing an apprenticeship in the same general field. Department for Education, *Technical Education Learner Survey 2024: progression of the second T Level cohort*, March 2025.

2.19 The extent to which placements will help employers address long-term skills gaps is not yet proven. They may face costs from supervising and training students, which may limit their appetite to host placements. DfE will allow employers to reclaim reasonable expenses. For non-devolved areas, in 2026/27, providers will receive £414 per student upfront, with a further £128 after placements are completed. Employers can also claim expenses of up to £727 after placements are completed. This funding broadly aligns with that for T Level placements. DfE will revisit its funding approach in later years based on student numbers and to address any under- or over-spending. Through its negotiations with MSAs, the government included a lower assumption of 75% of eligible students doing a placement. MSAs' targets increase over time in line with the government's assumptions on increases in eligible students.

2.20 Recently, in May 2026, DfE assessed its confidence in delivering industry placements as 'Amber/ Red' ('problematic'). It has identified a 'critical' risk of insufficient eligible students to achieve its aspirations and expects other initiatives to increase student numbers.

2.21 DfE has developed its risk management approach over time. When approving the initial business case in November 2025, its Investment Committee found several areas that did not meet expected standards, including not having a risk register, given uncertainties resulting from machinery of government changes. It approved the business case and encouraged the team to focus on risk management. While DfE included delivery risks and mitigations in its initial and then final business case (approved in March 2026), it finalised a risk register aligning with government standards in April. This draws together when risks may materialise, considers their potential impact, and assigns risk scores. DfE told us that risks were communicated through governance and it finalised its approach when issuing funding to MSAs.

Enabling initiatives

2.22 The package includes three 'enabling' initiatives intended to address challenges, as set out in paragraphs 1.14 to 1.16, getting enough teachers with the right skills, alongside teaching space, which impact across initiatives.

Construction Technical Excellence Colleges (CTECs)

2.23 DfE has established one cross-regional and nine regional technical excellence colleges in construction to help deliver more courses that meet employer needs and to improve quality. The funding consists of the following:

- £80 million in capital, of which £5 million is for expanding specialist facilities and equipment in CTECs and £75 million for increasing capacity in CTECs and those providers partnering with CTECs. The capacity funding is delivered alongside project-based funding. DfE assumes expanding capacity will lead to an additional 2,900 students starting courses, and then 700 more workers, alongside supporting the initiatives to increase course supply detailed above.
- £20 million in resource funding for CTECs to improve the quality of construction courses and teaching standards through developing and standardising specialist curricula, Continuing Professional Development and closer working with providers in their area.

2.24 To meet the government's desire to open CTECs from 2025/26, DfE got approval to move away from its usual approvals process and set challenging timetables for their selection and setup. DfE launched the competition before its Investment Committee's and HM Treasury's approval of devolved capital funding for 2025-26 (given in October 2025). DfE ran the competition between 12 June and 4 July 2025, warning bidders that funding could not yet be guaranteed. DfE announced successful bidders in mid-August 2025. CTECs managed to develop and submit their initial delivery plans in less than two months over the busy enrolment period. Revenue funding in 2025-26 depended on approval of business cases and CTECs providing costed delivery plans. For 2025-26, DfE recognised a risk CTECs may not spend funds effectively, achieve value for money, or realise benefits.

2.25 As DfE's CTEC initiative is innovative, in line with good practice, DfE reviewed evidence from similar programmes to mitigate delivery risks. During the design phase, it reviewed six previous UK programmes and several international models, which identified questions around branding, employer engagement, collaboration, the need for revenue funding to support activity, and financial sustainability. Also, DfE is co-designing the first year with CTECs, using this phase to help inform rolling out similar technical excellence colleges across other priority sectors and improve the design of the CTEC policy as it develops.

Project-based capital fund

2.26 Eligible further education providers not within a MSA could apply for up to £5 million capital funding per project (from an £80 million fund spread equally across four years from 2025-26). DfE expects employers to be actively involved and to help resource and deliver these projects, with projects needing employer support and contributions. DfE's business case expected employers to contribute 25% in 2025-26, with further in-kind investment where appropriate. However, guidance for applicants does not set a minimum employer contribution. It outlines that when assessing bids, 10% of the points would relate to contributions and describes most 'acceptable contributions' as non-financial.

2.27 To quickly target funding according to need, DfE secured approval to devolve £20 million to strategic authorities, including MSAs, in 2025-26. DfE notified authorities of funding amounts through unringfenced grants in December 2025, three months before the financial year end. It provided funds in February 2026, and authorities received the rest of their allocation in May 2026. DfE recommended this devolved approach so it could consider alternative options and methodologies for future allocations, including in non-devolved locations, in the first year. In February 2026, DfE published guidance for providers in non-devolved areas, with an application deadline of mid-April. To minimise bureaucracy for providers and maximise impact, applicants could apply to a unified fund to make a single application for both CTEC capital funding and project-based capital. The total value of bids exceeded the available funding, with employer financial and in-kind commitments being substantially lower. DfE will notify successful applicants in July 2026, who will need to complete projects so course places would be available from September 2027 or September 2028 unless there are exceptional circumstances.

Teacher Industry Exchange

2.28 DfE aims to increase the capacity and quality of construction teaching by developing and strengthening partnerships between employers and providers. Its funding aims to support industry professionals teach in colleges and for teachers to spend time in industry so their skills and knowledge remain relevant. Where MSAs have Integrated Settlements, DfE has agreed targets amounting to around 8,600 teaching days by 2028-29 (paragraph 3.6). It expects to finalise targets for other areas in summer 2026.

2.29 As an innovative, untested scheme, DfE recognises it will need to refine estimates over time. It has adopted a 'test and learn' approach to the design and roll-out in 2025-26, spending 10% of the £20 million budget.[25] It is facilitating a 'ground up' development approach, testing proposals with MSAs and other stakeholders before developing its full business case. DfE has identified risks around providers being able to release teachers, as well as employers not having the capacity, particularly given other initiatives and financial pressures. Its planned mitigations include sharing guidance to promote effective practice.

25 We have not audited this figure.

Initiative to engage employers

CITB New Entrant Support Team expansion

Summary: Expanding support to employers to offer apprenticeships and retain apprentices

Estimated construction workers: 1,400

Budget allocation: £16 million, comprising administration costs and apprenticeship grant funding for employers

2.30 In line with good practice, CITB ran a three-month regional pilot in 2022 to test a dedicated support team, consider apprentice recruitment challenges, and identify employers' barriers. It found that employers needed support after hiring apprentices and that regional contact and tailored support improved employer engagement.

2.31 In response, CITB established its New Entrant Support Team (NEST) in 2023, with 31 staff, including 26 advisers, by 2024.[26] Between 2023-24 (its first full year) and 2025-26, CITB more than doubled the number of apprentices recruited through employers from 2,300 to 5,400. In 2025-26, it also recorded delivering apprentice mentoring training to 467 employer contacts. While wider factors may explain improvements, between 2020-21 and 2024-25, CITB identified a six percentage point increase in apprentices' retention rates (to 87%) for CITB-supported apprenticeships, and a three percentage point increase in achievement rates (to 58%).[27] CITB identified its technology investment as a factor in improving how it reports activity, communicates, and targets employer engagement. It also found its approach to be effective in engaging smaller employers who often face challenges delivering training independently.

2.32 Having increased the number of employers supported, and therefore apprentices, CITB is well placed to meet increased demand. Through the package, CITB has committed to recruit 29 more advisers. It estimates that, once fully resourced, the team could support 7,000 apprentices starting apprenticeships by 2028. As at December 2025, CITB had recruited five additional advisers to meet increased demand. However, as current employer demand is 'subdued' due to a lack of confidence in future construction work and the cost of employing apprentices, and demand is not outstripping its resources, it has paused recruitment.

26 CITB's support for employers includes: checking their suitability to deliver apprenticeships and building their awareness of their and apprentices' responsibilities; registering vacancies to attract applicants; supporting access to government funding and grants; and mentoring.

27 CITB expects achievement rates to improve further as apprentices starting in 2023 complete their apprenticeships.

Part Three

Delivering the package

3.1 Since September 2025, the Department for Work & Pensions (DWP) and the Department for Education (DfE) have had responsibility for providing up to 60,000 more construction workers through the construction skills package (the package), with each department delivering the aspects for which they have policy responsibility. To meet this aspiration, the government needs to work alongside others, including Mayoral Strategic Authorities (MSAs) and employers. This Part describes how well the government has approached managing the portfolio and working with MSAs, alongside the challenges associated with engaging employers.

Developing a portfolio approach

3.2 Effective portfolio management helps prioritise activities to meet strategic objectives. It can reinforce a shared understanding of objectives and a system-wide and longer-term view; improve risk management; and enable complete, comparative information to inform decisions.[28] The government considered different approaches to decide how to deliver the portfolio of initiatives. In line with good practice, it decided that DWP would lead overall delivery, with a dedicated Senior Responsible Owner (SRO). The SROs for each initiative would then be accountable to both their respective Accounting Officer and the overarching SRO.

3.3 The government has significantly improved its performance reporting across the package with DWP introducing, in April 2026, a dashboard to report on milestones, risks, performance and spending (**Figure 8** overleaf). This was seven months after it began oversight and 13 months after government announced the package. Its foundation apprenticeships, Skills Bootcamps and Free Courses for Jobs initiatives had already started, reporting to existing boards. DfE was developing its Construction Technical Excellence Colleges, Project-Based Capital and Teacher Industry Exchange initiatives, with its industry placements and Enhanced High Value Course Premium initiatives starting from September 2026. From May, it brought together initiative-level information on risks, metrics and milestones for the eight initiatives. The Construction Skills Package Board (the Board) has not confirmed how it will report on the Construction Industry Training Board's New Entrant Support Team expansion.

28 National Audit Office, *Good practice guide: Framework to review portfolios*, January 2022.

Figure 8

Timeline of events relating to the government's approach to monitoring the construction skills package (the package), March 2025 to May 2026

By April 2026, the Department for Work & Pensions (DWP) had improved its proposed portfolio reporting approach and by May it was fully reporting progress across eight initiatives

Date	Delivery confidence assessment	Events
March 2025	Not applicable	The Department for Education (DfE) assigned a senior responsible owner (SRO) and began reporting weekly to HM Treasury (HMT) on delivery progress, milestones, risks and mitigations.
April 2025	Not applicable	DfE held a Construction Package Programme Board meeting, considering progress and milestones across package initiatives and overarching risks.
May 2025	Amber/Green	DfE's Skills Portfolio Board considered progress and risks across package initiatives.
July 2025	Amber/Red	DfE's assessment reflected its concerns around holding Mayoral Strategic Authorities (MSAs) to account through devolved funding arrangements.
September 2025	Amber/Red	• Following machinery of government changes, DWP took responsibility for overseeing the package and assigned a new SRO. • DfE highlighted new package risks, including delays, underspending and challenging timescales to confirm devolution arrangements.
October 2025	Red	• Delivery confidence fell given delays in reaching policy decisions around DfE's industry placements initiative, agreeing devolution arrangements with HMT, and staffing shortages.
December 2025	Amber/Red	• The Board first met, with attendees limited to DWP, DfE and Skills England. • Staffing shortages, including in senior roles, remained a delivery risk.
February 2026	Amber/Red	• The Board met for the second time, with an expanded membership. • The government agreed the Board's role, explored data sources to inform reporting, identified overall risks to be managed and explored external communications plans.
March 2026	Not applicable	• DWP-commissioned advisers recommended improvements around performance reporting and governance across the government's sector skills packages (construction, defence, engineering and digital). • The government reached agreement with MSAs on outcomes frameworks and targets.
April 2026	Amber	The Board held its third meeting. It introduced a structured internal reporting approach, on a trial basis, setting out: • metrics and risks across eight initiatives which DWP and DfE are accountable for; • forthcoming milestones across five initiatives, with no milestone information for three; and • forthcoming data availability to inform progress.
May 2026	Amber	The Board considered progress on DWP's Skills Bootcamps initiative and reported on progress, risks and milestones across eight initiatives.

Notes

1 The government's 'Amber/Green' delivery confidence assessment reflects its view that delivery is 'probable'. Its 'Amber/Red' ratings between July 2025 and February 2026 reflect its view that successful delivery is 'problematic' and 'Red' ratings reflects successful delivery is 'unlikely'. 'Amber' ratings reflect its view that risks do remain but plans and processes to mitigate these as far as possible are in place.

2 Wider representation in February Board meeting comprised: the Ministry of Housing, Communities & Local Government; the Department for Business & Trade; and HM Treasury.

3 As at July 2026, there were seven MSAs with devolved responsibility for some elements of package funding: Greater London Authority; Greater Manchester Combined Authority; Liverpool City Region Combined Authority; North East Combined Authority; South Yorkshire Combined Authority; West Midlands Combined Authority; and West Yorkshire Combined Authority.

4 Through the package, DfE is accountable for delivering the Enhanced High Value Course Premium, Construction Technical Excellence Colleges, Project-Based Capital, Teacher Industry Exchange and industry placements initiatives. DWP is accountable for delivering foundation apprenticeships, Skills Bootcamps and Free Courses for Jobs.

Source: National Audit Office analysis of Department for Work & Pensions and Department for Education documents

3.4 The Board has carefully considered what data and information it will rely on to understand performance against the government's aspirations. Given the time it takes for people to progress into employment, the Board must use proxy measures to monitor progress. This includes the number of people starting and achieving qualifications. The Board is confident in the value of data relating to certain groups, such as further education students. For the Project-Based Capital and CTEC initiatives, which largely support additional learners through providing more teaching hours and space rather than extra workers directly, the Board will consider progress against milestones as a proxy. The Board is developing plans to publish progress updates on meeting its aspirations and plans. Publishing this information could improve employers' awareness and confidence in the system delivering the expected worker numbers.

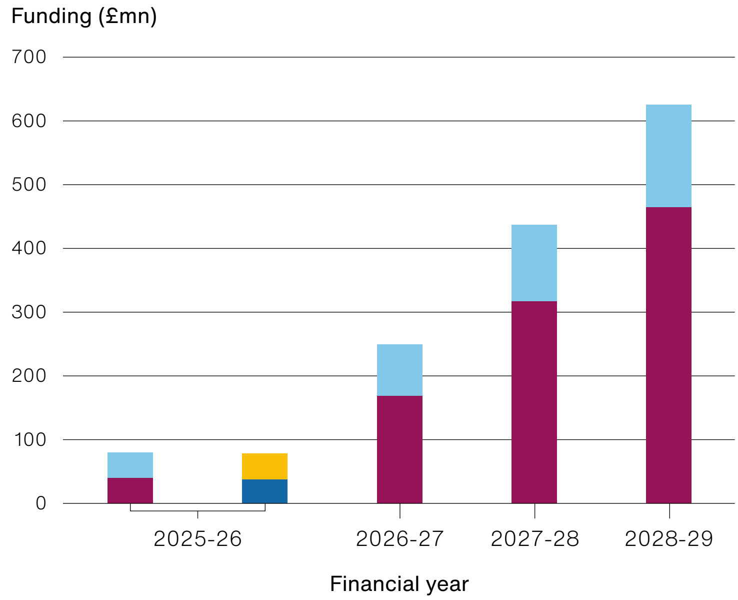
3.5 Effective decisions, including reprioritisation across initiatives, will need complete, timely and high-quality performance and spending data. The Board identified an underspend risk given ambitious assumptions, the time providers need to support increased demand, and the flat funding profile across the investment period. HM Treasury has a right to recover or re-allocate funding from poorer- to stronger-performing initiatives. In May, the Board decided to start exploring how it could prioritise its resources and review assumptions across the package and has committed to review spending. It finalised its costing approach in May, reporting a cost figure of £78 million out of its £80 million budget for 2025-26 (**Figure 9** overleaf). This cost figure reflects central government funding. The Board identified underspends of around £1.5 million for industry placements and £0.6 million for Free Courses for Jobs.[29] We did not audit DWP's and DfE's analysis.

29 DfE's industry placements initiative starts in September 2026. It had a £2 million budget (2025-26) for its construction T Levels Employer Support Fund. This helps employers cover the costs of industry placements. DfE attributes the underspend to low employer take-up. It attributes the Free Courses for Jobs underspend to lower than forecast student numbers.

Figure 9

The Department for Work & Pensions' (DWP's) and the Department for Education's (DfE's) cumulative planned construction skills package (the package) funding, 2025-26 to 2028-29, and actual funding, 2025-26

DWP and DfE plan to provide £625 million funding by the end of 2028-29, comprising £465 million in resource funding and £160 million in capital funding, and have identified providing £78 million funding in 2025-26



	2025-26	2025-26	2026-27	2027-28	2028-29
Resource funding budget	40		169	317	465
Capital funding budget	40		80	120	160
Actual resource funding		38			
Actual capital funding		40			
Total	**80**	**78**	**249**	**437**	**625**

Notes

1 In September 2025, responsibility for apprenticeships and adult further education, skills, training and careers transferred from DfE to DWP. DfE retained responsibility for higher education and further education, skills, training and careers for 16- to 19-year-olds.

2 DfE was accountable for all spending in 2025-26 and will continue to be accountable until departments' Main Estimates for 2026-27 are finalised.

3 DfE is accountable for all capital spending shown in this figure. This includes funding for providers and other bodies to expand facilities and purchase equipment. The government announced £40 million more capital funding for 2029-30, which falls beyond the package scope (to increase workers by the end of 2028-29).

4 DWP and DfE are both accountable for resource spending across the package between 2026-27 and 2028-29 which includes funding for skills initiatives for both 16- to 19-year-olds and adults.

5 From April 2026, the government began devolving around £161 million in funding to Mayoral Strategic Authorities with Integrated Settlements. Other types of planned funding include funding to providers and payments to employers.

6 We did not audit DWP's and DfE's analysis.

Source: National Audit Office analysis of Department for Work & Pensions and Department for Education data

Working with Mayoral Strategic Authorities with Integrated Settlements

3.6 MSAs have a core role supporting increases in construction skills to meet local needs and contributing to the government's national aspirations. From April 2026, the government began devolving around £161 million of un-ringfenced funding (26%) to seven MSAs with Integrated Settlements, across six initiatives.[30,31] MSAs can spend flexibly to address local priorities, although they will need to meet outcomes frameworks and targets negotiated with the government. In 2026, we reported tensions between devolved bodies' autonomy and government departments' responsibilities for managing public money.[32] The government set out its expectation for MSAs to support people into employment and has agreed targets, finalised in March 2026, for 2026/27 to 2028/29 which amount to around:

- 50,100 people enrolling on eligible construction courses, with 38,800 qualifying;
- 8,600 industry professional teaching days delivered in further education settings; and
- 45,300 students completing industry placements (37% of DfE's aspiration for 122,000).

3.7 The government and MSAs recognise the targets as ambitious given current labour market conditions and agreed to monitor implementation together. They are treating the inclusion of construction skills initiatives in the settlement as a pilot, agreeing to review arrangements in 2027/28. Where an MSA is not on track, or the government has value for money concerns, the government will, for example, request information from an MSA to explain performance or consider improvement plans or updated delivery plans. MSAs have agreed to provide quarterly monitoring and evaluation data to support themselves and the government to respond to emerging issues and learn from experience.

3.8 When negotiating targets for increasing construction skills, the government's proposals reflected its initial scenario on what was needed for up to 60,000 more construction workers. This differed from what MSAs proposed they could achieve. For example:

- across five MSAs, the government agreed 16% to 24% reductions in its initial targets for students completing courses; and
- it agreed an overall reduction of around 10% for students completing industry placements across MSAs.

30 As at July 2026, there were seven mayoral strategic authorities (MSAs) with devolved responsibility for increasing construction skills: Greater London Authority; Greater Manchester Combined Authority; Liverpool City Region Combined Authority; North East Combined Authority; South Yorkshire Combined Authority; West Midlands Combined Authority; and West Yorkshire Combined Authority.

31 The initiatives are Skills Bootcamps, Free Courses for Jobs, Teacher Industry Exchange, industry placements, Construction Technical Excellence Colleges and Project-Based Capital.

32 Comptroller and Auditor General, *Devolution in England: funding and accountability*, Session 2024–2026, HC 263, National Audit Office, July 2026.

Some targets agreed with MSAs may still be ambitious. For example, three MSAs proposed lower targets for people completing courses. The agreed targets are between 22% to 60% or 67% higher than they proposed.[33]

3.9 During negotiations, DWP and DfE revised their analysis of the outcomes needed nationally to meet the government's aspiration for up to 60,000 more construction workers. Updated assumptions included consistent national reductions in people starting and then completing courses, relative to the previous scenario. They identified that substantially higher proportions of people completing courses would need to progress into construction jobs with:

- an 18 percentage point increase to 60% of students progressing into construction jobs after completing courses at level 2 and above; and
- a seven percentage point increase to 85% of participants completing Skills Bootcamps progressing into construction jobs.

Getting employers involved

3.10 The Board has identified a delivery risk around current economic conditions facing construction employers, alongside mitigations. Employers' confidence to create vacancies and offer apprenticeships or placements depends on the attractiveness of available incentives and market conditions, for example employers' assessments of work demands and competitiveness for new work. The Board has also identified a risk around the package being complex and confusing for employers to understand, potentially leading to low take-up of incentives and poor performance against the government's aspirations. It has identified a range of mitigations, including working with the Construction Skills Mission Board, developing strong links with DWP's wider support focused on labour markets, and developing an employer engagement strategy with DfE. At the portfolio level, government is still developing its risk management approach.

3.11 The Construction Skills Mission Board told us that, in working towards its aim to link people with job opportunities (paragraph 1.13), it is piloting a strategy to connect networks of stakeholders. This involves bringing together training providers, Construction Technical Excellence Colleges (paragraphs 2.23 to 2.25) and employers contracted by government through major programmes and MSAs. It has highlighted that large parts of the industry faced challenging trading conditions in 2025 caused by 'economic' and 'political' factors. It has highlighted that a reduction in construction work and increases in materials and labour costs has contributed to reductions in vacancies and increases in construction employers entering administration. It has identified that a lack of sustained investment in skills could undermine the sector's ability to meet higher demand.

33 DfE provided two different underlying figures which resulted in the derived proportions of 60% and 67%.

Appendix One

Our audit approach

Our scope

1 This report assesses the government's progress since launching its construction skills package in March 2025. Other than apprenticeships, it does not look at developing skills through other routes, such as on-the-job training. While both the government and industry have set aspirations to increase the number of construction workers, this report focuses on the government's efforts and responsibilities.

2 The context for this report is the government's commitments on housebuilding, retrofitting homes, and infrastructure, which add to demands on the construction sector. We focus on the government's understanding of the construction workforce required to meet these commitments, but do not look at other factors which may influence this, such as pay and the availability of materials.

3 Our independent conclusions are based on the analysis of evidence we collected between October 2025 and May 2026. In forming our conclusions, we used the study methods and evidence sources set out in the paragraphs below. The report:

- describes challenges facing the workforce and assesses whether the government clearly understands current and future skills gaps (Part One);
- examines the package of funded initiatives the government announced for up to 60,000 more skilled workers (Part Two); and
- assesses how well the government has set itself up to deliver these initiatives (Part Three).

Our evidence base

4 To examine these issues, we drew on a range of evidence sources, including interviews with relevant DfE and DWP officials, discussions with wider sector stakeholders such as construction representative bodies, and a review of key documents and quantitative analysis.

Interviews

5 We interviewed DfE and DWP staff with responsibility for the construction skills package including:

- staff responsible for overseeing the package, with a teach-in on the construction skills package;
- the Senior Responsible Owners (SROs) for each of the construction skills package initiatives, excluding the Enhanced High Value Course Premium initiative where we relied on documentary evidence to inform our findings;
- the SRO for the construction skills package in DWP; and
- the Director General for DfE's Skills Group.

We also interviewed officials in other relevant government departments and other stakeholders, including:

- the Chief Executive Officer of Skills England and other staff;
- the HM Treasury team responsible for setting funding for the construction skills package;
- the Evaluation Task Force, a joint unit of HM Treasury and Cabinet Office;
- Greater Manchester Combined Authority;
- West Yorkshire Combined Authority;
- Wigan & Leigh College;
- Association of Colleges;
- Association of Apprentices;
- the industry co-chair of the Construction Skills Mission Board;
- Home Builders Federation;
- National House Building Council;
- National Infrastructure and Service Transformation Authority (NISTA); and
- analytical teams from the: Construction Industry Training Board; Ministry of Housing, Communities & Local Government; Department for Business & Trade; and Department for Energy Security & Net Zero.

Document reviews

6 We reviewed approximately 400 documents, both published and unpublished, including:

- business cases for the construction skills package initiatives;
- minutes, terms of reference and reporting packs for the Construction Skills Programme Board and industry-led Construction Skills Mission Board;
- programme management documents such as risk registers and benefits realisation plans;
- survey on targeted retention incentive for teachers;
- skills guidance shared with employers;
- Construction skills delivery plan;
- DfE policy papers on bringing about more skilled workers;
- Association of Colleges' enrolment surveys;
- Education Select Committee report on further education and skills; and
- behavioural insights on encouraging children to take up technical education.

Quantitative analysis

7 We reviewed publicly available datasets including:

- data on enrolments and achievements for further education, T Levels and Skills Bootcamps;
- further education workforce data, such as retention rates and vacancy rates;
- destination data for further education students and apprentices;
- Employer skills survey;
- construction workforce data, for example, vacancy rates and projections of future workforce requirements by trade; and
- regional data on construction course completions and how this compares to current and future construction output.

Model review

8 Five government departments/bodies have produced models estimating future construction workforce needs. The Construction Industry Training Board (CITB) produces the most wide-ranging estimate of the construction workforce, and we reviewed its model against National Audit Office (NAO) best practice for assumptions, data sources, estimating uncertainty and using the model outputs. The model review has been supported by NAO colleagues with expertise in model review. We also completed a more high-level review of Ministry of Housing, Communities & Local Government's, Department for Business & Trade's, Department for Energy Security & Net Zero's and National Infrastructure and Service Transformation Authority's estimates covering: purpose of estimate, date produced, final output, methodology and data sources, key assumptions, and key caveats. We did not audit the government's understanding of non-workforce factors which might affect its ability to meet its building and infrastructure commitments, such as availability of materials.

College visits

9 We visited Hopwood Hall College in Greater Manchester on 11 February 2026 and Bedford College in Bedfordshire on 25 March 2026. The principal of Hopwood Hall college sits on CITB's audit and risk committee and invited us to visit. The college in Bedford is one of 10 new Construction Technical Excellence Colleges (CTECs) and is the only national CTEC operating across regions. The purpose of the visits was to deepen our understanding about the practical challenges around delivering construction courses, retaining and recruiting teachers, and gaining employment upon completing courses. We interviewed senior leaders and teaching staff, observed practical lessons, toured facilities and spoke with students and employer groups associated with the colleges.

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