

The Construction Industry in London and Diversity Performance



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Marc Craw, Professor Linda Clarke*, Professor Steve Jefferys,
Monika Beutel, Kalapi Roy, Maria Gribling*

Working Lives Research Institute, London Metropolitan University

*Westminster Centre for Employment Research, University of Westminster

Working Lives Research Institute
London Metropolitan University
31 Jewry Street
London EC3N 2EY

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Foreword by Lee Jasper

The programme of large-scale public and private sector led investment that will take place in London's economic development and built environment, over the medium term, presents very significant opportunities for the construction industry. Major construction projects currently being carried out or commencing soon include: London Stratford City, Heathrow Terminal 5, the Thames Gateway area, the East London Line extension, and the Olympic and Paralympic Games 2012, to name a few.

However the supply of adequately skilled labour is a key issue for London construction firms. A majority of companies are experiencing difficulties in recruiting and the demand for skilled and experienced labour is set to grow even further over the next 20 years. With self-employment being the prevalent form of work in the industry, labour shortages impact on both direct employment and sub-contracting arrangements.

These difficulties are, in my view, compounded by the poor diversity performance of the construction industry to date. The construction industry must make the promotion of a diverse workforce and supply chain an urgent imperative. Action to deliver greater equality of opportunity to under-represented groups: women, Black, Asian and minority ethnic communities, and disabled peoples will be an integral part of developing a sustainable labour market for the industry.

This report was commissioned to help construction industry lead bodies, regional public authorities and employee representatives to understand the many complex and interlinking factors that determine the diversity performance of the industry in London. It is through partnership and co-operative action between the these bodies and employers, that the industry can become more diverse, providing equal opportunities for individuals and groups as well as benefiting the industry by increasing the available pool of skilled labour.

As Europe's most diverse city, with a huge range of developing opportunities in construction in the near future, London and its Mayor are in an ideal position to take the lead in making this happen.

Lee Jasper

Policy Director – Equalities and Policing



Executive summary

Introduction

In April 2006, the Greater London Authority (GLA) and London Development Agency (LDA) with the support of CITB Construction Skills and the Southern and Eastern Region Trade Unions Congress (SERTUC) commissioned research on the diversity performance of the London construction industry. The Working Lives Research Institute at London Metropolitan University conducted the research from May to September 2006.

The research examined the employment of Black, Asian and Minority Ethnic (BAME) people, women and disabled people in 'manual' occupations in construction, and the engagement of small and medium-sized enterprises (SMEs) owned or run by these target equality groups.

Project Objectives

The research objectives were to:

- identify the business case for diversity in the construction sector
- establish an understanding of why the construction industry's workforce in London is less representative than other sectors of all London's communities
- highlight the processes, procedures and business support that could be used to deliver improved workforce and supplier diversity
- assist the Mayor of London and the LDA in formulating policy actions, in partnership with other strategic agencies and construction forums, which will have a sustained impact on the equality of opportunity in the construction industry
- review existing construction developments and projects in order to determine best practice interventions on diversity.

Methodology

The research entailed a short exploratory study of the construction industry in London using qualitative semi-structured interviews to gather an overview of the industry and focus on four case study sites:

- Heathrow T5 – infrastructure
- Wembley – infrastructure/regeneration
- Greenwich Peninsula – infrastructure/regeneration
- Islington – housing renovation, repair & maintenance

In total, 56 interviews with key stakeholders and site-specific participants were carried out. They represented a wide range of organisations, including developers, local councils, managing contractors, subcontractors, training bodies, employment initiatives and unions. Eight interviews with workers or trainees from the target equality groups were also conducted.

Research Findings

Case for Diversity

- There is broad acceptance of the case for diversity by developers and major contractors, in particular for welcoming new labour supply and improving community relations.
- The industry tends to emphasise supply-side factors, such as the lack of interest or commitment of some groups, to explain the lack of diversity. There is little understanding of how its structure and behaviour shapes demand and creates barriers to diversity.
- Some diversity-related measures have lost impetus over periods of the project development, lacked resources and commitment, and achieved little performance improvement.
- The industry is at an early stage in the 'diversity journey' where immediate costs may obscure longer-term benefits; it may therefore be helpful for public authorities to provide the lead as well as incentives to encourage wider understanding and application of diversity measures and plan to facilitate their integration.

Reasons for Lack of Diversity

- Fragmentation of the industry into complex chains of managing contractors and subcontractors acts to diffuse the diversity agenda and hampers overall responsibility.
- Competitive tendering processes for packages of work emphasise tight costs and timescales, and leave little attention or resources for diversity-related measures.
- Informal networks of work experience, recruitment and subcontracting act to privilege established partners and methods and exclude under-represented target equality groups.
- Inadequate links between training provision and employers' needs, combined with limited apprenticeship and work experience placements,

result in barriers for groups in formal training to access work experience and employment opportunities.

- The prevalence of self-employment and temporary agency workers, with varying terms and conditions of work, result in less stability and limited overall responsibility for workforce development.
- Long, irregular shifts, work hours and travelling times result in a preference for mobile workers and exclude groups with domestic and other responsibilities alongside their employment.
- Historical and cultural dominance of white men in construction has sustained direct, indirect and institutionalised discriminatory processes, behaviour and attitudes in some parts of the industry towards BAME people, women and disabled people.
- A lack of coordination and consistency by public authorities in promoting diversity-related measures with the industry has limited their impact.

Processes to Deliver Diversity

- Planning: Section 106 agreements between local authorities and developers to include clear and consistent obligations for implementing and monitoring diversity-related measures.
- Contracting: Through invitations to tender and contract clauses, developers/clients to place diversity requirements on contractors.
- Subcontracting: Criteria relating to the track record of subcontractors in relation to diversity to be incorporated in subcontracting.
- SMEs: Forward planning by industry and integrated business support schemes across London to identify opportunities and build capacity of minority-led SMEs so that they can win contracts.
- Training: Employer engagement on industry needs and apprenticeships, work experience placements and trainee sites to develop pathways for a wider of pool of entrants to construction.
- Recruitment: Workplace coordinators with contractors and integrated labour initiatives across London to develop transparent and inclusive methods of recruitment, which will help diverse groups benefit from sustainable employment.

- Employment: Promotion of direct employment with consistent terms and conditions through agreements between developers, contractors and unions.
- Working hours and conditions: Arrangement of stable hours and safe conditions in line with the Working Time Directive, and occupational health schemes, to encourage a more diverse workforce.
- Discrimination: Awareness raising and training across tiers of management and workforce to respect diversity and take action in cases of discrimination.

Issues for Formulating Policy Actions

- The complexity of government bodies and relationships, combined with the industry characteristics suggests that joint action by these bodies with clear lines of responsibility will be required to ensure impact.
- The definition of 'local', usually based on local authority areas, is problematic due to the overall integration of London businesses and labour market.
- There is a need for harmonised and integrated approaches, for instance:
 - Planning, contracting and subcontracting processes should have linked diversity requirements to ensure overall responsibility and consistency.
 - Training, work experience and recruitment processes should have linked pathways to facilitate entry into the industry.

Conclusions and Recommendations

The overall conclusions of the research are summarised here.

- Regional government authorities have a key role to play in work with industry and other forums to promote the case for diversity, provide incentives and co-ordinate initiatives.
- The anticipated growth in construction activity and the needs of diverse groups with higher economic inactivity and unemployment mean that the London construction industry and its diversity performance are at a critical juncture. It is crucial that the principles of the business case for diversity are now translated into practice.
- There are a large number of diversity-related measures in operation presently, as well as in the past. It is important that they are consolidated and become mainstreamed into the construction industry, rather than operate as adjuncts to the core business.
- The 2012 Olympic and Paralympic Games development offer a unique opportunity to set a best practice example on diversity for the industry overall. Longitudinal research is necessary to evaluate and adapt diversity measures over the course of the project.

1. Research background and methodology

1.1 Introduction

Promotion of a diverse workforce and supply chain that affords equal opportunities to under-represented groups – including women, ethnic minorities and disabled people – is now a key agenda for the London construction industry. The diversity performance of the industry overall has been poor to date, but a business case for diversity has taken form to highlight the benefits of improvement. The award of the 2012 Olympic and Paralympic Games has also acted to focus attention on how the London economy and labour market can benefit from major construction projects. The demand for skilled and experienced labour in the industry will grow over the next 20 years. The challenge to business and government is how to implement effective plans and processes for meeting the demands of the industry for trades people from the resident London population in all its diversity, rather than continue to rely on the established white male and transitory male migrant workforces.

In April 2006, the Greater London Authority (GLA) and London Development Agency (LDA) with the support of the Construction Industry and Training Board – ConstructionSkills (CITB) and the Southern and Eastern Region Trade Unions Congress (SERTUC) commissioned research on the diversity performance of the London construction industry. Working Lives Research Institute at London Metropolitan University conducted the research from May to September 2006. The project examined the employment of Black, Asian and Minority Ethnic (BAME) people, women and disabled people in ‘manual’ occupations in construction, and the engagement of small and medium-sized enterprises (SMEs) owned or run by these target equality groups. The wide remit and short timetable of the research dictated a short exploratory study with four case studies to give an overview of the London construction industry.

The report is set in the following sections:

Section 1 outlines the research objectives and methodology, the definitions used by the research team and the challenges faced in the fieldwork.

Section 2 profiles the construction industry and workforce in London using available statistics and also discusses some of the problems with measuring economic and labour market activity.

Section 3 reviews the literature on the diversity performance of the construction industry. The case for diversity is outlined together with an

overview of how the industry is structured and evidence of the experiences of BAME, women and disabled people.

Section 4 provides a description of each of the case studies.

Section 5 sets out the findings from the fieldwork interviews with general stakeholders and case study participants. The results from the four case studies are compared and common points are summarised and good practice examples are highlighted.

Section 6 analyses the implications of the findings in relation to the five objectives of the research.

Section 7 outlines the conclusions of the research and sets out recommendations.

1.2 Research Objectives and Information Sought

The objectives of the research as set out in the original tender specification were as follows.

- To identify the business case for diversity in the construction sector, and to provide real examples of how diversity improves business function, efficiency and profitability in the sector. This would include case studies of successful initiatives by employers and/or business support agencies.
- To establish an understanding of why the construction industry's workforce in London is less diverse than other sectors in London in terms of employing people from BAME groups and women, including an examination of the impact of the sector's structure of self-employment and micro-enterprises on employment and diversity issues.
- To identify the processes, procedures and business support that could be used to deliver improved workforce and supplier diversity on key construction development/regeneration sites across London.
- To assist the Mayor and the LDA in formulating policy actions, in partnership with other strategic agencies and construction forums, which will have a sustained impact on equality of opportunity in the construction industry, particularly in relation to the employment of construction workers and the engagement of SMEs owned by people

from BAME communities, women and disabled people, on major capital projects across London.

- To review existing construction developments and projects in order to determine best practice interventions on diversity and draw lessons from these interventions to influence future policy and procedures on construction and diversity.

The research focuses on the equality target groups, namely people from Black, Asian and Minority Ethnic communities (BAME), women and disabled people. Issues relating to age, faith and sexuality were also considered where they arose.

The research sought information on diversity performance in relation to the following themes:

- the case for equal opportunities and diversity as understood and practised in the industry
- planning processes by public authorities and developers in general and for specific sites
- contracting arrangements between developers and managing/major contractors, including methods for monitoring and compliance.
- subcontracting arrangements between managing/major contractors and subcontractors, including SMEs
- training, education and work experience provision for people looking to work in the industry and for current workers
- recruitment methods in the industry by different types of employers, including the use of initiatives targeted at diverse or local groups
- employment terms and conditions for workers, including direct versus self-employment and union representation
- workplace conditions, in particular health and safety
- specific barriers and opportunities faced by BAME, women and disabled people.

The research largely concentrated on exploring the factors that shape industry demand for workers and suppliers. The research started from the premise that there is a potential supply pool of willing, capable workers and SMEs from the target equality groups that could contribute more to meeting industry demands. While supply side issues are recognised as important, the industry tends to assume that poor diversity performance is only attributable to these issues – that is, to a lack of adequate training and skills amongst some groups and/or a lack of willingness on their part to apply for construction jobs or choose a construction career. Although part of the context for the research, the supply side dimensions were not focused upon. Instead, how the structure of the industry and attitudes and behaviour of the key actors shape demand was explored.

1.3 Definitions

The industry and population group definitions used by the research team are outlined in this sub-section. The way that interviewees actually understood and defined them varied in practice, however, which is further explored in the analysis of the findings.

Construction Industry Occupations

The research focuses on ‘manual’ occupations in the construction industry. Businesses in the construction sector also employ a large number of staff in professional, managerial, administrative and other occupations, but they were not specifically investigated. Labour Force Survey and Census statistics give evidence to suggest that there is more diversity in these occupations compared with the manual occupations.

The Standard Occupational Classifications 2000 (SOC2000) used by the Office for National Statistics (ONS) includes several related specifically to construction. Those in the skilled trades (52, 53), operative (81) and elementary (91) occupations, which are the focus of the research, are shown in Table 1.1 below.

Table 1.1: Standard Occupational Categories 2000 related to construction skilled trades, operatives and elementary trades

52 Skilled metal and electrical trades			
5241	Electricians, electrical fitters		
53 Skilled construction and building trades			
5311	Steel erectors	5316	Glaziers, window fabricators and fitters
5312	Bricklayers, masons	5319	Construction trade n.e.c.
5313	Roofers, roof tilers and slaters	5321	Plasterers
5314	Plumbers, heating and ventilation engineers	5322	Floorers and wall tilers
5315	Carpenters and joiners	5323	Painters and decorators
81 Process plant and machine operatives			
8141	Scaffolders, staggers, riggers	8143	Rail construction and maintenance operatives
8142	Road construction operatives	8149	Construction operatives n.e.c.
91 Elementary trades			
9121	Labourers in building and woodworking trades	9129	Labourers in other construction trades n.e.c.

Source: Office for National Statistics, GLA (2006)

Note: n.e.c. = not elsewhere included

The distinction between ‘skilled’ trades on one hand and operatives or ‘elementary’ trades on the other is not necessarily so clear in practice, but has continued to structure vocational training and employment. It is a legacy of the history of development of the industry. Specific unions represent the ‘skilled’ trades and access to them is controlled through the apprenticeship and certification systems. Those employed outside the traditional skilled trades are also recruited by the trade unions, but have different controls over access.

Construction Subcontractors

There is a wide range of suppliers and subcontractors that provide materials and/or labour to main contractors for construction projects. The emphasis in the research is placed on ‘building subcontractors’ that provide manual labour involved in the actual on-site building work, as opposed to suppliers solely of equipment or materials.

Target Equality Groups

For the purposes of this study, the main target equality groups are BAME people, women and disabled people. A complex range of personal and societal factors determines how individuals identify with or are identified as being part of a group. How discrimination impacts on different groups will also vary. Discrimination implies the power to dominate and subordinate people on the basis of race, gender, disability or any other

characteristic. Processes of discrimination in the labour market occur either 'directly' where minority group workers are deliberately or consciously treated worse, or 'indirectly' where market structures or the organisational rules, procedures and practice act to disadvantage minority workers (Jefferys, 2006).

Black, Asian and Minority Ethnic (BAME) Groups

The 2001 census categories provide the common system for categorising ethnicity. These are based on five main groups – White, Black, Asian, Mixed and Other – within which there are 16 sub-categories. Ethnic minority groups are commonly defined as all those apart from White British i.e. including White Irish and White Other. In this research, the focus is on the population represented by the Black, Asian, Mixed and Other categories i.e. the non-white categories. They are summarised as Black, Asian and Minority Ethnic (BAME) Groups.

The reason for focusing on BAME groups arose from the recognition that wgroups have predominated in the skilled trades in particular. There is evidence to suggest that White Irish and White Other workers also work in the London construction industry in large numbers. Throughout the 20th century, the construction industry in the UK was a major employer of male Irish migrants, and contractors and workers from Irish backgrounds are still a presence in the industry. White Other groups of workers include people on working holiday visas from the 'Old Commonwealth' (Australia, Canada, New Zealand and South Africa). The research therefore looked to explore how processes of racial discrimination may restrict BAME groups from entering into and progressing in the construction industry. The focus was informed by the large body of literature on how BAME groups have been subject to racial discrimination based on the history of ideas of difference and minority status¹. This is not to say that some White groups may not also experience exploitation or disadvantage.

Women

The position of women in society has been shaped by a history of gender stereotyping, and despite progress towards equality, a large body of evidence shows that they continue to be discriminated against in terms of opportunities and earnings. The traditional reliance on women to carry out the bulk of domestic chores and care (for children, elders and others) also continues to influence and restrict opportunities in their working lives. These factors apply across the economy and labour markets, but hold particularly strongly in some sectors and occupations such as construction due to the pattern of irregular and long work hours and changing sites.

The basis of this research was that women should have the equal opportunity to work in any manual occupation, but that in reality they have needed to take different approaches to contesting, negotiating or accommodating their position in a predominantly male workforce.

Disabled People

Disability can encompass a wide range of people with physical, sensory or learning conditions, but whether they identify themselves or are identified by others as 'disabled' depends on various factors. There are two main models of disability; the medical model and the social model. The former has tended to dominate thinking. For example, the Disability Discrimination Act (DDA) defines a disabled person as someone who has a physical or mental impairment that has a substantial and long-term adverse effect on his or her ability to carry out normal day-to-day activities. This emphasises how an individual's body limits his or her abilities. In contrast, the social model emphasises that it is the way that society responds to a condition that creates disability. The social model is advocated by public authorities; for instance the GLA has adopted it for all its work and functions (GLA, 2005).

An additional factor with regard to construction is that the work itself has been a major cause of disability or ill-health, for example due to accidents and musculoskeletal disorders. This means that the disability concerned may actually be attributable to the industry and it is important to distinguish between those with disabilities who have been accommodated ('enabled') by the industry and those who have been or are in danger of being forced out ('disabled').

Other Equality Groups

Although not the main focus of this project, the research was alert to diversity issues in relation to sexuality, age and religion where they arose in the context of the fieldwork.

Local Area

Implicit in the research is also the question of the extent to which construction employs people from the 'local' labour market. The use of migrant labour is a long-standing part of the industry. The emphasis in the study is on the employment of workers or engagement of SMEs from the target equality groups. However, a secondary factor is whether they are residents of London. The specification of the 'local' area of a construction project often equates to one or more of the 33 London local authorities. This relationship is explored in the research, although the overall geographic area of interest is defined as the Greater London region.

1.4 Methodology

The methodology applied to this research was qualitative, due to the exploratory nature of the project objectives in order to develop a deeper understanding of the issues and processes. Some quantitative data on construction sector activity and employment, and local demographics and labour market was used only to help set the context for the study. Semi-structured qualitative interviews were conducted with a purposive sample of interviewees with widely varying remits and roles. The wide remit and short timetable of the research meant that the findings are illustrative of the issues but cannot be generalised for the target equality group or industry as a whole.

The research focused on four case studies of different types and in different parts of London:

1. Heathrow Terminal 5
2. Homes for Islington Decent Homes Programme and Repair and Maintenance
3. Greenwich Peninsula Regeneration
4. Wembley Stadium and Regeneration

As far as possible, information was sought in relation to all the major themes for each of the case studies. However, each case study also concentrated on some particular aspects so that examples of good or poor practice could be explored more deeply.

Semi-structured interviews were carried out with a wide variety of stakeholders and site participants. In total, 56 interviews were completed, of whom nine were general stakeholders with an overview of aspects of the London construction industry, 14 were in relation to the Heathrow case study, 10 for the Islington case study and 12 each for the Greenwich and Wembley case studies. The majority of interviewees were managers or coordinators for industry contractors, public authorities or developers². Six workers and two trainees from the target equality groups were also interviewed to give a first-hand insight into their experiences. Table 1.2 sets out the number of interviewees by their role.

Table 1.2: Number of interviewees by type of role

Type of Interviewee	Number
Private sector developers/clients	6
Public sector developers/clients	3
Local planning authorities	2
Local government economic development	2
FE colleges and training support bodies	5
Local employment schemes	5
Local business support schemes	1
Occupational H&S schemes	2
Recruitment agencies	1
Managing contractors	3
Site contractors	5
Renovation/repair & maintenance contractors	2
Minority-led SMEs	2
Minority advocacy groups	2
Union organisers	3
Union convenors	4
Workers/trainees	8

The topic guide used is provided in Appendix A. Most interviews were conducted face-to-face and averaged about an hour in length. Given the variety of interviewees and scope of the research, the interviews were conducted quite flexibly to probe most effectively into those topics that reflected each person's areas of expertise and/or interest.

The 56 interviews provided a good volume of information for addressing the research objectives. Given the timetable and scope of the project, the methodology used was appropriate. The four case studies and the general stakeholders provided insightful examples and an overview of the London construction industry.

The limitations of the methodology also need to be recognised, however:

- The research did not involve a large-scale survey of the industry. The extent to which the examples and opinions from the selected interviewees reflect the wider industry is therefore uncertain.
- The broad range of topics and variety of interviewees in the research meant that only a small number of people in each type of role could be included. The basis for comparing and judging the effectiveness of particular initiatives is therefore limited. For example, the results offer an indication of what has worked or not in terms of local employment and business support initiatives, but a more systematic approach would be necessary to specifically evaluate each one.

- The complexity, mobility and fragmentation of the construction industry meant that it was difficult to delve deeply into the tiers of subcontractors that operate on different sites. Unravelling how small firms are contracted to undertake packages of work and how they find and engage their workforce would require a more dedicated piece of research.
- Interviews with the female and disabled construction workers were difficult to arrange due to the relatively small numbers of these groups of workers actually on sites. No disabled workers and only one woman were interviewed.
- Interviews with further education college managers and trainees were also difficult to arrange due to the fieldwork coinciding with the summer break.
- The research concentrated on the issues faced by BAME, women and disabled people, and only explored those in relation to age, faith and sexuality where they came up. In practice, apart from a few comments on age, they did not arise and there was not time or scope to pursue these questions.

2. Profile of construction in London and the UK

2.1 Overall Construction Activity and Employment Relations

A profile of the construction industry is sketched out using recent sources. Headline statistics are drawn out below from *Laying the Foundations: London's Construction Industry* (GLA, 2006) and Sloan (2004), except where another source is noted:

- From the Annual Population Survey 2005/06, approximately 220,000 workers are estimated to be employed in the London construction industry (drawn from Office for National Statistics).
- Private commercial developments are more than 31% of London's construction activity compared with 18% nationally.
- Private industrial development constitutes 2% of London construction activity but 4% nationally.
- Private housing development makes up only 7% of London construction activity but 13% nationally.
- Repair and maintenance of existing stock accounts for 37% of construction activity in London but 44% nationally.
- Between 1992 and 2003, the increasing value of London's construction was largely driven by the growth in new non-housing development (in particular private commercial work) and increases in repairs and maintenance spending.
- It is estimated that there are 90,000 construction businesses in London, of which nearly 90% are self-employed workers and fewer than 19,000 are registered for VAT.³
- Small firms with fewer than 14 workers represent almost 94% of the industry in the Britain, employing 39% of all workers and carrying out 20% of the work done. Similar proportions could be expected to apply to London, although the predominance of private commercial developments may mean slightly higher average firm size.
- Large firms employing over 600 people represent less than 1% of all construction firms but account for 20% of direct employment (Bingham *et al*, 2006).
- The supply of adequately skilled labour is a key issue for London construction firms; the CITB Construction Skills Employer Needs Survey

for 2004 found that nearly 50% of companies had experienced difficulty recruiting that year (CITB, 2004).

- The construction industry has the highest proportion of self-employed workers of any industry in the UK; approximately 40% of London's construction workers are reported as self-employed.⁴ This is a critical and highly contentious characteristic of the manual employment in the UK industry, which is attributable to tax and insurance incentives offered to contractors to employ in this way through a special Construction Industry Scheme (CIS) certification. The number of self-employed persons in construction in the UK increased from 625,000 to 692,000 between the first and the last quarter of 2004, while total labour force increased from 1,659,000 to 1,754,000 over the same period (DTI, 2005). CIS cards represents shared tax incentives for both employers and workers, in effect a government tax or employment subsidy, leading some researchers to classify self-employment (in the UK) as a 'legal and taxation fiction' given that the workers themselves are in a legal sense 'employed' (Harvey, 2002). According to a spokesperson for the CIS from the HM Revenue & Customs, there are about 800,000 'active' subcontractors in the CIS Scheme. This number is broken down into approximately 200,000 subcontractors with tax certificates and about 600,000 with registration cards (Gribling and Clarke, 2006).
- There is a considerable amount of 'cash in hand' construction undertaken in the informal economy – it is estimated that close to a half of the UK informal economy is located in the construction sector⁵ (Small Business Council, 2004; Gribling and Clarke, 2006).
- The workforce is highly mobile, in London in particular. A survey of over 8,000 workers by IFF (2005) for CITB and DTI found that only 40% of the London construction workforce was from London or the South East. Another 7% were originally from the East of England, 10% from Ireland and 20% from outside the British Isles.
- There are low levels of training and accreditation in construction relative to other industries. Less than a third of construction firms have training plans or a training budget, and only 30% of construction workers are qualified to NVQ Level 2 or higher (London Assembly, 2005). CITB-ConstructionSkills has aimed to use the Construction Services Certification Scheme (CSCS) to achieve a fully qualified workforce by 2010⁶.

2.2 Ethnicity of London Construction Workers

London is the most diverse city in the UK in terms of ethnicity, with latest estimates indicating that some 30% of the working age population are from BAME groups, as shown in Table 2.1.

Table 2.1: London Working Age Population by Main Ethnic Group, 2001 to 2004

Group	Number (000s)	Percentage
White	3,445	70%
Mixed	131	3%
Black	656	13%
Asian	533	11%
Other	189	4%
Total	4,953	

Source: Office for National Statistics population estimates by ethnic group

Note: these estimates have been produced by ONS as 'experimental statistics' building on the 2001 Census.

Available data indicates that higher proportions of BAME people face work deprivation than White people. Employment, unemployment and economic inactivity rates in London from the Annual Population Survey data for 2004/05 are shown in Table 2.2.

Table 2.2: Employment, Unemployment and Economic Inactivity Rates of White and BAME populations in London, 2004/05

	Total	White	BAME
Employment rate – working age	69.1%	74.6%	57.9%
Unemployment rate – 16+	7.1%	5.2%	11.7%
% who are economically inactive – working age	25.5%	21.2%	34.3%

Source: Office for National Statistics, Annual Population Survey

Note: 95% confidence intervals ranging up to $\pm 2.5\%$ in the case of the BAME population rates apply to these statistics

The 2001 Census provides the most data by occupation group and geographic area, although it is now rather dated. Data protection laws also prevent breaking down the data by four-level SOC and London authority due to the small residual numbers by ethnic group. Three-level SOC data for London is summarised in Table 2.3.

Table 2.3: Manual Construction Occupations by Ethnic Group in London, 2001 Census

	White	Black	Asian	Mixed	Other	BAME
524 Electrical Trades	76.5%	11.3%	9.2%	1.7%	1.3%	23.5%
531 Construction Trades	86.9%	4.3%	7.3%	1.1%	0.4%	13.1%
532 Building Trades	87.6%	8.4%	2.0%	1.6%	0.4%	12.4%
814 Construction Operatives	90.8%	4.8%	2.8%	1.3%	0.3%	9.2%
912 Labourers	86.2%	7.3%	3.9%	1.7%	0.9%	13.8%

Source: Office for National Statistics, Census 2001

The Census data indicate that BAME people were under-represented in manual construction occupations; only in electrical trades did the BAME proportion of the total workforce approach a similar level to the general population. Although still under-represented overall, the data indicates that Asian workers were most prevalent in the construction trades, whereas black workers were more common in the building trades and labourers.

More recent surveys have also found that BAME people are under-represented in the construction workforce. For the UK overall, the Labour Force Survey four-quarter average for Summer 2004 to Spring 2005 inclusive found that only 2.8% of the construction industry workforce were from non-white ethnic minorities, compared with 7% of the total economically active population. In relation to London, this source estimated that the proportion of BAME workers was 15.7%, which was a higher proportion than in the rest of the country but still under-represented compared to the total London population. The proportion of BAME workers amongst the manual occupations was also lower (14.4%). The IFF survey (2005) of over 8,000 manual trade workers in the UK, found that only 11% of the London sample were from BAME backgrounds. Briscoe (2006) commented that BAME people own a relatively low proportion of all construction SMEs. However, in terms of training London has a disproportionately high share of ethnic minority first year construction trainees; over 35% of all those recorded by Further Education colleges in Britain (CITB, 2005).

The IFF survey (2005) found that BAME respondents were much more likely than white respondents to be working as labourers or general operatives – 36% compared to 15%. This difference was only partly explained by the finding that BAME workers were more likely to be new to the industry (23% had worked in the sector for 2 years or less, compared with 14% of white workers). A relatively large proportion of BAME workers (19%) were working for an agency – this employment

relationship is most common for labourers or general operatives. Significantly fewer BAME workers had a construction skills card or certificate. These findings indicate that BAME workers may have fewer opportunities than white workers to progress to more permanent work in skilled occupations, although further research would be necessary to statistically test this hypothesis. Statistics for London by ethnicity and occupation are currently not available since the sample size in the Labour Force Survey is not large enough to disaggregate sufficient data for London to produce confident estimates.

Available statistical sources probably underestimate the numbers of migrant workers in construction. Overall, it is typically estimated that approximately 20% of the construction workforce in London were born overseas (IFF, 2005; London Assembly, 2005). In particular the numbers of construction workers from the East European A8 states since May 2004 have increased rapidly⁷. Between May 2004 and December 2005, there were 345,000 applications to the Worker Registration Scheme by nationals of these countries, of which 15% were based in London. Some recent migrants from across the world, in particular those with more precarious immigration or financial situations, may also be under-counted due to the greater likelihood of them being employed in the informal economy and undeclared work, often in poorer conditions with little job or social protection (Byrne *et al*, 2005).

2.3 Gender of London Construction Workers

The level of access and employment of women to the labour force in general is lower than that of men. BAME women are likely to face even lower rates of economic activity and employment. Employment, unemployment and economic inactivity rates of men and women in London from the Annual Population Survey data for 2004/05 are shown in Table 2.4.

Table 2.4: Employment, Unemployment and Economic Inactivity Rates of Male and Female populations in London, 2004/05

	Males	Females
Employment rate – working age	74.8	63.0
Unemployment rate – 16+	7.7	6.3
% who are economically inactive – working age	18.9	32.6

Source: Office for National Statistics, Annual Population Survey

Note: 95% confidence intervals ranging up to $\pm 1.0\%$ apply to these statistics

Data for the construction industry as a whole indicate that women are under-represented. From the Labour Force Survey four-quarter average for Summer 2004 to Spring 2005, women accounted for 10.2% of the construction workforce in the UK compared with 46% of the economically active population (an equivalent proportion applied to London). This proportion has not changed in recent years – since 1990 it has remained broadly stable between only 10% and 12% (Briscoe, 2006).

Furthermore, available data reveals that the great majority of those women who are working in the construction are in professional, managerial, administrative or other office-based occupations. Census data for 2001 provides a detailed breakdown of employment by gender and occupation. As shown in Table 2.5, out of a total London workforce of 135,282 in manual construction occupations, only 1,414 (1%) were women. They were not notably more present in particular occupations; in fact, a large number (close to 300 female workers) were included under ‘not elsewhere categorised’, which suggests that they were not affiliated to a trade group.

Table 2.5: Female Employment in Manual Construction Occupations in London, Census 2001

Occupation	Total	Female	% Female
5241 Electricians; electrical fitters	18,925	209	1.1%
5311 Steel erectors	554	6	1.1%
5312 Bricklayers; masons	5,248	20	0.4%
5313 Roofers; roof tilers and slaters	3,107	15	0.5%
5314 Plumbers; heating and ventilating engineers	13,964	70	0.5%
5315 Carpenters and joiners	21,354	127	0.6%
5316 Glaziers; window fabricators and fitters	3,317	34	1.0%
5319 Construction trades n.e.c.	17,193	150	0.9%
5321 Plasterers	3,260	16	0.5%
5322 Floorers and wall tilers	3,646	16	0.4%
5323 Painters and decorators	16,523	168	1.0%
8141 Scaffolders; staggers; riggers	2,213	13	0.6%
8142 Road construction operatives	1,483	27	1.8%
8143 Rail construction and maintenance operatives	784	12	1.5%
8149 Construction operatives n.e.c.	9,279	294	3.2%
9121 Labourers in building and woodworking trades	12,960	180	1.4%
9129 Labourers in other construction trades n.e.c.	1,472	57	3.9%
Total	135,282	1,414	1.0%

Source: Office for National Statistics, Census 2001

Note: n.e.c. = not elsewhere categorised

More recent data also indicates that the women are particularly under-represented in the trades. Analysis by Briscoe (2006) of the 2002 Labour Force Survey found that of those women working in the sector, 30% were in administrative occupations, 21% in secretarial occupations and 13% in corporate management. Less than 5% of all women were employed in skilled trades and only about 1% in operatives and manual occupations respectively. Overall, from the Labour Force Survey four-quarter average for Summer 2004 to Spring 2005, only 0.9% of the UK manual construction workforce and 1.3% of the London manual construction workforce were women. The IFF survey (2005) of over 8,000 workers across the UK substantiates this finding; only 53 were female respondents (0.6%). These statistics show that women face 'extremely intense horizontal gender segregation [amounting to] the virtual total exclusion of women from manual occupations in construction' (Byrne *et al*, 2005: 1027).

2.4 Disabled London Construction Workers

There are few statistics on the employment of disabled people in the UK construction industry and they are not consistently defined. The closest measure in the 2001 Census was people with limiting long-term illness (LLTI) – that is a health problem or disability that limits daily activities or work. In London, 11.7% of the working age population had a limiting long-term illness. Table 2.6 shows what proportions of people employed in the manual construction occupations had a limiting long-term illness.

Table 2.6: Manual Construction Occupations by Limiting Long-Term Illness in London, 2001 Census

Occupation	% Workers with LLTI
524 Electrical Trades	5.5%
531 Construction Trades	6.9%
532 Building Trades	7.3%
814 Construction Operatives	6.4%
912 Elementary Construction Occupations	8.5%
Total	6.6%

Source: Office for National Statistics, Census 2001

The Census data indicates that people with LLTI were most prevalent in the elementary construction trades. Although under-represented overall, the proportion of people with LLTI in the construction manual occupations (6.6%) was also higher than across all occupations in London (5.9%).

The Labour Force Survey applies a different definition of long-term disabled. It estimates that approximately 19% of the working age population has a long-term disability. From the Labour Force Survey four-quarter average for Summer 2004 to Spring 2005 inclusive, 13.6% of UK construction workforce and 13.7% of London construction workforce was reported to have a disability.

It is anticipated that there would be marked differences in the extent of disabilities by occupation, since site working conditions may prohibit people with serious physical disability from undertaking manual work (Briscoe, 2006). Clarke (2006) found that the proportion of disabled workers increased as the skill levels decreased. In assessing the presence of workers in the industry with 'limiting long-term' illness', it is suggested that there may be under-reporting and that the prevalence 'would no doubt be very much higher if all construction workers, past and present, with a limiting long-term illness continued to be employed in the sector' (Bingham, 2006). A recent occupational health screening of 1,300 construction workers in the East Midlands found that 34% had some form of disability (Clarke, 2006). The rate of workers who have been injured at work or suffered work-related ill health and have been compelled to exit from the industry is unknown. The accommodation of disability by the industry merits further exploration given that workers are at a higher risk of accident than in any other industry. Moreover, focusing solely on the parity of disabled workers in construction with disabled workers in the general workforce neglects consideration of the high proportion of disabled people who previously worked in construction and who are no longer in employment. The overall difference in employment rates of disabled people of 48% compared to 81% for non-disabled people (Ormerod & Newton, 2006: 215) warrants consideration of how some excluded disabled people may be able to access employment in higher numbers in construction.

3. Equality and diversity – a literature review

3.1 Equal Opportunities and Anti-Discrimination Law

The anti-discrimination legislation that applies in the UK and its compliance with European Union (EU) treaties, regulations and directives has been extensively reviewed in the literature and will only be briefly summarised here. Ruff (2006) provides a useful overview in relation to the construction industry. In general, the law imposes a negative obligation on employers in the sense that they should not discriminate against applicants or employees on the basis of sex, ethnicity, disability, religion, sexuality or age⁸ rather than positively discriminate in their favour (for example, affirmative action programmes as practised in the US cannot be applied in the UK). However, the disability discrimination legislation does permit an employer to treat disabled employees more favourably than others by taking measures to enable them to work. Ruff (2006) points out that positive discrimination should be distinguished from positive action, which is permitted in limited circumstances in the UK such as where an employer wishes to encourage under-represented groups to apply for training or employment. For example, where a construction firm is experiencing skills shortages it is lawful for it to provide a targeted training course for a particular group of the population.

The race relations legislation in the UK requires public authorities to consider taking positive action. Local councils are required to produce race equality schemes. Bodies like the CITB also have a legal duty to promote equality of opportunity for ethnic minority groups. There is no legal requirement for the private sector to take positive action. With regard to employers, they should have regard to the relevant Code of Practice on the implementation of legislation and are liable for acts of discrimination by their employees in the course of their employment (irrespective of whether this was to their knowledge or approval). They are also liable for discrimination by a person acting on the employer's behalf, such as a subcontractor, and when employees discriminate against a contract worker (Ruff 2006). Therefore, employers need to defend themselves by showing that steps have been taken to prevent discrimination, such as an equal opportunities policy and a system for addressing concerns.

Although the private sector is not directly bound by the duty to promote equality, it can be influenced when working under contract for public authorities. Public authorities can require external private contractors to have appropriate policies and practices and include these requirements in invitations to tender, contract clauses and monitoring systems (CREME,

2006). Main contractors can also be required to pass on these requirements to subcontractors. Contract clauses can also set out the sanctions where contractors do not comply with the requirements during work. In the UK, this approach has started to be advocated more strongly for public authorities. The Task Force for Race Equality and Diversity in the Private Sector (2004) highlighted some examples, including the positive impact that the Mayor's Office for London has had on the supply chains of its external contractors, but on the whole found that this approach was still relatively underused.

3.2 The Case for Diversity

In recent years there has been a shift in emphasis from equal opportunities and anti-discrimination law to 'diversity management' as the best approach to promoting employment of under-represented groups. This approach was developed in the US and Canada and has subsequently become more influential in the UK and Europe. Various public and professional bodies have published guides promoting this case for diversity, for example the LDA (2006), CREME (2006), CIPD (2005) and The Task Force for Race Equality and Diversity in the Private Sector (2004).

The difference between 'equal opportunities' and 'diversity management' approaches has been characterised by some commentators (for example, CIPD, 2005; Wrench, 2003) as the difference between an ethical, social and moral case and a business case. CIPD (2005) argues that the externally driven legislative approach to equal opportunities has not succeeded and can even hinder progress. In contrast, diversity management is seen as an internally driven strategic approach focused on the direct benefits to business. As a consequence it is espoused as holding the potential for mainstreaming anti-discrimination and equality practices into business activity. It is also suggested that this approach avoids backlash from traditionally privileged groups due to the emphasis on valuing difference that applies to all rather than just under-represented groups (CIPD, 2005). The business case is also recommended for holding the potential for realising ecological and demographic benefits.

Elements of the business case for diversity cited by the various bodies cited above include the following:

- developing a broader recruitment pool
- adding value to the supply chain due to improved cost efficiency, quality, speed, flexibility, innovation, creativity and learning

- winning new customers and improving community relations
- winning public sector contracts
- fulfilling corporate social responsibility objectives
- encouraging local economic development
- improving business process and the financial bottom line.

Nonetheless, they also recognise barriers to the development of diversity, such as:

- lack of monitoring
- lack of management buy-in and drive to overcome problems
- inadequate commitment of resources
- resistance to change by established interest groups
- inability to identify suitable suppliers and concerns about their ability
- perception that it is only a supply-side issue.

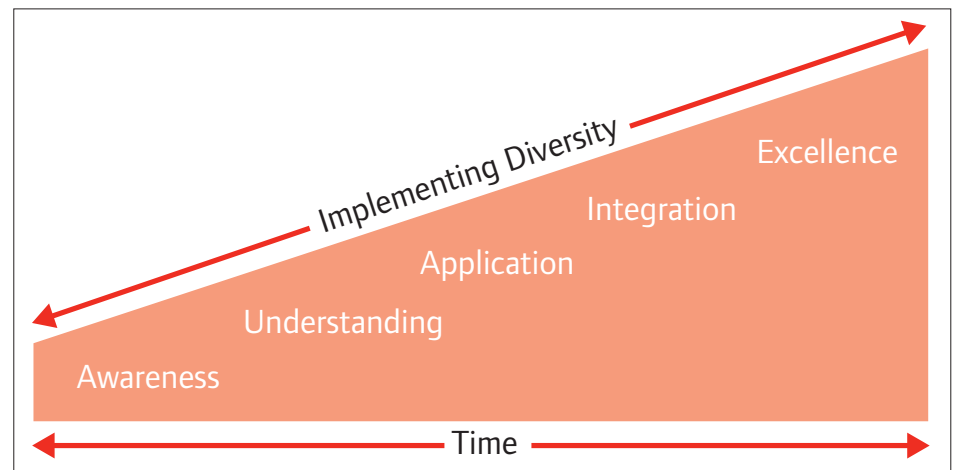
The notion that diversity in business leads directly to benefits to the financial bottom line is too simple. Empirical evidence on the relationship between diversity initiatives and company financial performance remains sparse and the links are complex and difficult to quantify (DTI, 2005). At odds with the documents promoting the case, a recent survey commissioned by the CIPD (2006) found that legal pressures are the single most important drivers for diversity in organisations, followed by measures 'to promote and retain best talent' and 'corporate social responsibility'. 'Improved business performance' was rated much lower as a driving factor for change.

The shift in emphasis to diversity management built upon a business case for change has also been subject to trenchant critiques. For example, Wrench (2003) uses case studies from across Europe to highlight that the language and rationale of diversity management is attractive to business in principle, but that it typically results in little real action in practice to combat inequalities and may distract attention from the equal opportunities legislation. Evidence from the US also indicates that the benefits of the business case may be overstated; in practice it can have a negative impact on business processes by impeding established work patterns and group coherence (Wrench, 2003). The implication is that the social case for diversity and legal methods for creating change must remain of importance alongside the business case.

In reality, the approaches to equal opportunities and diversity are interconnected and it is not a question of one or the other. The business

case for diversity can encompass social and ecological dimensions and can be adapted to apply to different sectors. The National School of Government in the UK has developed a Diversity Excellence Model, which sets out a number of steps for guiding businesses towards improve performance. Diagram 3.1 provides a useful graphic for conceptualising the diversity journal over time through a series of stages.

Diagram 3.1: The Diversity Excellence Model TM



Source: National School of Government, Diversity Excellence Model

As CIPD (2005) acknowledges, at this stage there is a lack of research examining the impact of diversity upon business in the UK (although its 2006 survey has provided some more information). The Task Force for Race Equality and Diversity in the Private Sector (2004) also found that there was a perceived lack of government leadership and confusion over a plethora of initiatives, poor connectivity with other policies, insufficient awards for achieving change, and limited resources for advice and information. Public authorities within the Mayor's Office for London umbrella are developing initiatives for promoting the case for diversity, for example the Diversity Works for London programme was created to support and advise businesses on how to enhance their diversity performance. Research for the LDA has also highlighted various initiatives and policies to promote the start-up and ownership of SMEs by people from diverse groups and encourage greater supplier diversity (Smallbone *et al*, 2006).

There are four key areas upon which the business case for diversity is usually based – workplace, marketplace, investors and community factors (Opportunity Now, 2001). Different businesses and sectors may give them

different emphases. The business case is often put in relation to organisations, particularly large organisations. It is more difficult to formulate the case for a whole industry, particularly one like the construction industry with a very diverse and complex structure (see characteristics outlined in Section 2). A recently prepared report for the Department of Trade and Industry about the IT industry (Women in the IT Industry, 2005) proposes a 'diversity cost matrix' but acknowledges that it is difficult to translate this into a practical tool for individual companies. A diversity cost matrix for the construction industry does not yet exist but there have been other measures directed at promoting diversity in construction.

3.3 Measures for Promoting Equality and Diversity in Construction

Over the last 20 years there have been various government initiatives for promoting diversity within the construction industry, which are reviewed by Rhys Jones (2006). During the 1980s there were efforts to foster greater equality using local authority contract compliance rules (Rhys Jones, 2006). The call for greater diversity was highlighted in 1994 through the investigation *Constructing the Team* by Sir Michael Latham, which contributed to the formation of the first unified representative body to strategically represent the fragmented industry. Since Labour came to office in 1997, the organisational structures have evolved through different forums and working groups, and toolkits have been prepared to promote diversity by industry bodies. The CITB-ConstructionSkills has a strategic role in promoting the business case for diversity and widening participation in education and training. Some of its initiatives include the production of a diversity plan and policies for particular groups such as the 'Apprentice Disability Policy', a 'positive images' campaign to attract young women and BAME people and promotion of the image of the industry amongst ethnic minority community leaders and education specialists. The employers confederation, the Construction Confederation, and member companies of the Major Contractors Groups have also sought to work via the CITB in promoting diversity. The Federation of Master Builders aims to represent small builders and improve standards.

There are four unions with members in construction, but overall trade unions represent a declining proportion of employees (approximately 17%) and are fragmented and fairly weak (DTI, 2005). However, trade union density varies considerably within different parts of the construction sector, with much stronger representation on major projects and among certain areas of repair and maintenance. Furthermore, trade

union influence extends beyond its membership through their role in national collective bargaining agreements that govern considerable parts of the industry, affecting large parts of the workforce regardless of their union membership. Likewise, in the area of health and safety, trade unions have considerable influence over the workplace despite varying degrees of on-site membership. Trade unions have also played a positive role in attempts to improve diversity in construction, in particular through challenging discrimination in the workplace against women and those from ethnic minority groups. Indirectly too the unions have played an important role in their attempts to secure the implementation of the Working Time Directive through representation at numerous employment tribunal cases. Achieving a better work-life balance in the industry through shorter working hours and proper holidays is critical to improving diversity and involving the local workforce.

The overall assessment of Rhys Jones (2006) is that while diversity awareness has risen, behavioural change in the private construction sector remains slow. Researched examples of how construction firms have voluntarily formulated and implemented successful strategies are rare. Chadney (2006) discusses one case study of a construction contractor where commitment from the top, a realistic and pragmatic approach, awareness raising about the limitations of established patterns of working, and supporting changing behaviour and communication patterns were all aspects of their success. Barriers to change, such as the defensiveness of the 'white males together' culture, are recognised but not subjected to deeper analysis. Furthermore this case study largely relates to management staff instead of manual workers and indicates that most of site work is subcontracted, so diversity in the areas of interest to this research is not addressed.

As discussed in Section 3.1, public authorities can place requirements on private sector businesses when they are responsible for contracting them directly. The conclusion of a recent feasibility study for the LDA by Ottaway Strategic Management (2006) was that there are vast opportunities for London's public procurement to impact positively on diversity through their purchasing power. Public authorities are major procurers of new build and infrastructure, for example new hospitals, schools and transport systems. The GLA Group launched a sustainable procurement policy in 2006, which encourages supplier diversity, but at the time of this research its impact could not yet be assessed.

Local housing authorities and arm's length management organisations (ALMOs) contract renovation of social housing, such as the Decent Homes Programmes, and the on-going repair and maintenance of social housing. Registered Social Landlords (RSLs) also play a major role in social housing and have a duty to promote equality and eliminate discrimination.

Most critical to improving diversity have been the local authority building departments, known as Direct Labour or Service Organisations (DLOs), though their output has been severely curtailed through privatisation and reductions in new public housing. They still contribute to 5.3% of all building repair and maintenance and 10% of public sector output, down from 27% in the late 1980s, and employ some 55,000 workers (Bingham *et al*, 2006). Nevertheless through exemplary and proactive equal opportunity and diversity policies they have come to play a prominent and disproportionate role in their contribution to training for the industry and in integrating women, ethnic minorities and disabled persons (Clarke *et al*, 2006). In an authority such as Leicester, for example, one in 12 of the 4,980 strong workforce are women, employed in all trades, and women constitute 30% of apprentices and those from ethnic minorities 23% (*ibid*). London authorities such as Hackney continue to train, recruit and employ higher proportions of women and BAME than found in the private sector. The DLOs provide an example of how the shift to more fragmented contracting and employment relation is detrimental to equality and diversity. Prior to the introduction of compulsory competitive tendering processes for housing repair and maintenance work in the 1980s, local authorities had managed these directly and tended to have relatively stable and protected workforces with relatively higher number of workers from the target equality groups, including a total of 266 tradeswomen in just seven inner London boroughs and 100 in Haringey alone (Rhys Jones, 2006; Clarke *et al*, 2006). The shift to contracted services from the private sector introduced a degree of fragmentation and a loss of diversity (Escott and Whitfield, 1995).

The main mechanism through which public authorities interact with the construction industry is the planning system. Local planning authorities have a pivotal role in formulating overall development frameworks and agreeing specific development applications. Section 39 of the Planning and Compulsory Purchasing Act 2004 requires them to prepare local frameworks and coherent strategies aimed at contributing to sustainable development, which includes the maintenance of high and stable levels of economic growth and employment (see ODPM, 2004). All new

developments require planning agreement from local authorities. Section 106 (s106) of the Town and Country Planning Act 1990 is the principal mechanism through which planning obligations are placed on private sector organisations with a development interest. Infrastructure and facilities are usually the main requirements secured through s106 legal agreements. However, local planning authorities can also negotiate financial contributions and practical commitments from private developers towards supporting training and access to employment schemes for the local population, which may include particular under-represented groups such as women and ethnic minorities.

Through contracting and planning agreements, public authorities can also promote equality of opportunity for SMEs and consultancy firms owned or managed by target equality groups. Local business initiatives and databases have been developed to help developers/clients to contact them and give them the opportunity to tender for work.

Public authorities represent a wide and complex range of organisations. In London alone there are a group of regional government authorities under the Mayor of London umbrella, 33 local authorities and a patchwork of Learning Skills Councils, NHS Trusts and other authorities linked to national government departments. There are many different employment, training and business support initiatives and schemes for different geographical areas. The Mayor of London plays a strategic role in developing the London economy and improving employment and business opportunities for all Londoners. London's Construction Flagship Initiative, which is part of the London Skills Commission-led Framework for Regional Employment and Skills Action (FRESA), has identified diversity as one of its priority areas.

A common criticism of public authorities is that there is a lack of consistency, coordination and sustainability in their approach and the many initiatives that they sponsor. For example, in terms of s106 agreements, each local planning authority may take a different approach and the obligations placed on developers can vary. Research has recommended that a standard approach and standard clauses should be used across local planning authorities (ALG, 2004), but how this can be implemented is unclear. The Mayor of London does not have powers to require or enter into s106 agreements and can only seek voluntary commitments. Although all London boroughs have included the Mayor's London Plan in their development frameworks, this may not cascade down consistently to individual s106 agreements. Planning departments

and local economy departments in London boroughs may also have disparate agendas. Greed and Reeves (2006) give reason to conclude that the male-dominated planning profession may not give much weight to diversity issues like gender discrimination. With regard to public procurement, Steele and Todd (2006) cast doubt on the level of commitment by public authorities and registered social landlords to fostering minority-led SMEs in construction.

Research by Sheffield University and the Halcrow Group (2006) for the Department of Communities and Local Government on planning obligations found that there was considerable variation in the practice of negotiating them between apparently similar local authorities and comparable sites. Monitoring on the delivery of contributions was also a concern. Economic modelling also found no relationship between socio-economic conditions (such as unemployment and deprivation) and planning obligations. Instead of the current system of negotiated s106 agreements, the government has consulted on applying standard tariffs to s106 agreements or replacing them with a planning gain supplement. The main difference between them is that the tariff would still be attributed to the local area whereas in the latter elements such as employment and training initiatives would be excluded from scaled-back obligations and instead the standard PGS would be collected and then allocated to public authorities. (HM Treasury, 2005; Planning, 2 June 2006).

The LDA and other public bodies have funded or supported a wide range of initiatives addressing diversity in different areas of London. This research has not systematically surveyed them, but several examples are listed below:

- Building London Constructing Futures (BLCF) – ESF-funded programme of workplace coordinators based with a number of major contractors in London projects
- Building One Stop Shop (BOSS) – programme of training and recruitment support for construction sites in West London
- Construction Web – partnership across NE London LAs for coordinated s106 initiatives
- Gateway to Construction – assisted entry to apprenticeships programme
- Building Futures – graduate apprentice programme from priority groups
- SME Capacity Building – Supply London programme to provide support for construction SMEs, including minority-led SMEs
- Forging the Future – training and support to women in seven NE London boroughs

- Section 106 Agreements and Local Labour Agreements – work with the London Councils (former Association of London Government) and local authorities on best practice
- NHS Capital Development – work to develop a Community Benefits in Procurement toolkit for NHS procurement
- Construction Works – training centre.

A number of projects are also coming forward through the LDA Opportunities Fund in the first round of 2006/07. Besides the LDA, there are also numerous public initiatives funded or supported through local authorities, Learning Skills Councils and other bodies.

3.4 Structural Barriers to Equality and Diversity in Construction

There are several characteristics of the structure of the construction industry that impede the advance of equality and diversity. Firstly, the great majority of businesses in the industry are small and medium-sized enterprises (SMEs). Their pervasiveness is a key obstacle to integration, as small firms ‘tend to rely on traditional practices and have neither the capacity nor the will to open up employment to excluded groups’ (Bingham *et al*, 2006; Beck *et al*, 2003). They are generally more resistant to change due to concern over the potential administrative load and training costs (Rhys Jones, 2006). The companies that have made a commitment to diversity tend to be larger ones with more resources, but even they have to engage in the extended chain of subcontracting with smaller firms (Rhys Jones, 2006; Bingham *et al*, 2006).

The fragmentation of the construction industry and its supply chain is another factor that inhibits change. There are a variety of contractual relationships through which firms are engaged and workers are employed. The informal economy is also a major component of the industry, which may be outside formal systems of regulation and monitoring and have unaccountable management practices. The industry has also been characterised as having a ‘competitive combative culture’ (London Assembly, 2005). The desire to minimise costs in order to win contracts may mean that programmes for diversity are a low priority.

Construction in Britain can be described as an industry in which apprenticeships and ‘learning on the job’ survive as the key means of training, wages tend to be output-based and labour is employed casually from one project to another (Byrne *et al*, 2005). The assumption of full-time, permanent employees made by much legislation does not reflect the reality of the increase in flexible, casual, part-time, fixed-term and self-

employed arrangements (Sargeant, 2006). In UK law there is a distinction between employees and workers – the essential difference is that the former work under a contract of employment whereas the latter may be under any other contract to perform personally some work or services for an employer. These latter may be treated as self-employed, have a CIS card, and not receive the benefits of employment protection applicable to employees. As profiled in the previous section, nominally self-employed workers constitute a large proportion of the total workforce. In effect, self-employment can be an illusion for many workers since they are dependent on one contractor for their supply of work and income and are legally ‘employed’ (Sargeant, 2006). That the line between self-employment and direct employment can be somewhat blurred in the construction sector. It is evident in the fact that a slight majority (55%) of those surveyed by IFF (2005) across the UK indicated that they were self-employed but also reported that they were employed on a permanent contract with their current paymaster. Close to one in five (18%) of the ‘self-employed’ said they had been working for the current contractor or firm paying them for over ten years. The implication is that the ‘self-employment’ relationship may contribute to lowering incentives to promote greater diversity.

The recruitment processes in the construction industry have tended to entrench the predominance of white males. Exclusionary practices including the selection of apprentices, recruitment based on preference for work experience over formal training qualifications, informal recruitment methods, an output-based wage structure, extended work hours and discriminatory culture on worksites have continued to act as barriers to entry, retention and progression by under-represented groups (Beck *et al*, 2003). The next section of the report moves on to review the literature in more detail on the experience of women, ethnic minorities and disabled people in the construction industry.

3.5 Women in Construction

In the UK there is a general perception in society that women do not aim to work in the construction industry. The Equal Opportunities Commission (2004, 2005) has found that women tend to lack information and advice about the training and career options in the industry, which was perceived to consist of conventionally ‘male’ jobs. Dainty *et al*, (2004) found that very few women had been advised to join the construction industry by friends and family, and so had a poor understanding of it. Nonetheless, there is evidence that more women are taking up training with a view towards working in the construction industry. In London nearly 9% of first

year trainees in construction courses in further education (FE) colleges are female, which is higher than in other regions (CITB, 2005). London also has a far higher proportion of older trainees than any other region.

Although still relatively small proportions overall, evidence indicates that considerably more women train in construction than are employed in the industry (Byrne *et al*, 2005)⁹. One of the major limitations is the relationship of formal education and training to practical work experience and employment. Established training and recruitment practices, including the overall lack of places in the modern apprenticeship system, have been found to entrench the predominance of men (EOC 2004, 2005). Studies have shown that women tend to have higher levels of formal qualifications than their male counterparts but that many do not succeed in gaining employment (Beck 2003; Wall and Clarke, 1996). The construction industry is characterised by a relatively low skills equilibrium where formal qualifications are not accorded much value. Instead, workers who have acquired skills on the job qualify informally as semi-skilled or skilled (Byrne *et al*, 2005). Work experience is critical to gaining employment, so formal qualifications earned in colleges do not necessarily lead to entry into the industry unless they are complemented by practical work placements. This can be a problem for people in general looking to enter the industry, but women often face more difficulties due to discriminatory practices in recruitment for work placements (Byrne *et al*, 2005).

FE colleges may have well-equipped workshops and make efforts to link up with employers for site experience and/or even set up site training schemes, but this may still not suffice (Clarke and Wall, 1998). A more experience-orientated route is the modern apprenticeship programme, which places greater emphasis on practical training and knowledge gathering on the construction site with only limited classroom training. However, the fragmentation of the industry has undermined the commitment of employers to apprenticeships and means that it is increasingly difficult for anyone to find an apprenticeship place – with longer-term effects on the level of skills in the industry. Funding support is also largely limited to young apprentices. CITB (2004) found that of all those in construction-related training, 62% are in Further Education (FE) colleges and 38% are in modern apprenticeships based with an employer. Women in particular are more likely to be in FE colleges than men. As a result, the CITB has now established programme-led apprenticeships whereby the employer receives £2,000 for providing work experience for potential trainees from FE colleges, with 150 planned for the London area.

Studies indicate that women are excluded from site experience and employment in the manual occupations at the point of entry. Byrne *et al*, (2005) suggest that trade, familial and social ties determine the preferences of recruiters in informal networks, where white men select white men in order to 'share the wealth' of employment. Employers share information on openings using word of mouth or by phoning people from known lists of names acquired over time (Beck, 2003). The informal, casual methods of hiring that filter in favour of white men can be described as indirect discrimination, but direct discrimination against women is similarly present in recruitment. Research has found that employers will prefer not to recruit women for a number of reasons, such as that industry colleagues would perceive this negatively or that it would slow down production due to the inability of women to cope with the work or environment (Beck, 2004). The overall effect is that the construction site is defended as a stereotypically masculine space (Wall, 2004). Beck (2003) argues that although construction employers' associations have acknowledged in principle that industry misconceptions about women need to be changed, in practice gender stereotypes continue to be a key reason for not recruiting women. Only in cases of proactive recruitment campaigns or enforcement of equal opportunities policies has there been some headway. For example, the DLOs set up by local authorities for building work were effective in the past in employing relatively large numbers of women in manual occupations (Michielsens, Clarke and Wall, 1997; Byrne *et al*, 2005; Beck, 2003).

Many of the women found in the manual trades have tended to be employed where collective agreements determine employment and wage conditions, including in local authorities (Byrne *et al*, 2005). As discussed in Section 3.3, however, 'self-employment' and wages based on performance, output or tasks are more common in the industry than those linked to skills or qualifications. Women are rarely engaged on piece work (Byrne *et al*, 2005). Conditions of work tend to be characterised by long and/or flexible hours and mobility between distant sites, which are more likely to act as barriers to women. Industry studies have revealed that the demands of childcare and other domestic responsibilities, for which women still tend to bear the greatest burden, result in greater 'work-life interference' that disadvantages women in particular (Lingard and Francis, 2006; Dainty and Bagilhole, 2006). The success of DLOs in employing women is in large part attributable to the fact that they provide local employment and stable employment conditions in areas such as repair and maintenance. It is in this respect no coincidence that the organisation 'Building Work for Women', which helped newly qualified tradeswomen to

access construction employment, concentrated its attention on this area, where many tenants showed particular preference for women.

If they manage to enter the industry, the male-dominated workplace environment may be hostile to women and resistant to change. Sexist behaviour and harassment on site are not uncommon. One study found that most of the female participants had experienced poor treatment and felt isolated and unable to turn to senior colleagues for help (Dainty and Bagilhole, 2006). Tasks on site are typically based on teamwork and co-operation is highly valued to complete jobs – sexism may therefore make work difficult for women due to the lack of support and good relations that are otherwise vital (Beck *et al*, 2003). Those women who remain in the industry and are satisfied with their workplace relations may therefore have had to prove themselves to be exceptional at their jobs in the face of harassment (Wall, 2004).

3.6 Black, Asian and Minority Ethnic (BAME) Groups in Construction

The under-representation of some BAME groups in the UK construction industry has been explained by a perception that it has a poor image and is not a career option to aspire to. Steele and Sodhi (2006) comment that the industry is widely considered to be mono-cultural, and this combined with a perceived lack of status, poor opportunities for progression and absence of peer group role models, may mean that it is not valued as a vocation and training is not pursued as a result.

Nonetheless, evidence suggests that many young BAME people may be interested in working in the industry. Skills acquisition is one of the major forms of exclusion, however. The proportion of FE college trainees from BAME groups is consistent with the overall population, but the rate of retention and completion is relatively low (Byrne *et al*, 2005; Beck 2003). Training courses often remain incomplete as full qualifications are only earned with work experience on sites. As discussed in relation to women, the link from formal training to practical work experience and employment is also more likely to fail BAME people. More of them are likely to train through FE colleges, rather than through the modern apprenticeship programme that affords more practical experience and a base of knowledge for progression into full employment. Relatively few apply for and are granted apprenticeships by individual employers (Byrne, 2005). In 2000, only 1% of applications to the modern apprenticeship programme were from BAME people (Beck, 2003). The EOC (2004, 2005) investigation of modern apprenticeships also points to BAME exclusion.

White male social networks are often used for the recruitment of workers, which act as barriers against the entry of non-white workers in construction (Byrne *et al*, 2005). Recruitment is invariably informal, by word of mouth and through informal social networks, often mediated through subcontractors and providers of gang labour and often taking place in pubs. As part of the predominant group, access can be comparatively easy for skilled white males. Nonetheless, due to the pressing need for labour, BAME workers may be readily taken on for short-term unskilled work such as manual labouring. Pick-up points and/or commuting routes for casual labour have been a long-standing feature of construction (Byrne *et al*, 2005). These informal methods of recruitment are at best unreliable and generally serve for relatively unskilled work. The opportunities for job retention and development into skilled trades for BAME workers employed through these routes are therefore more likely to be circumscribed.

Furthermore, even when BAME applicants have completed the relevant qualifications, ethnic minorities often lose out to less qualified white people in the construction industry. Steele and Sodhi (2006) contend that equality of opportunity tends not to be taken seriously in the industry, and that racism is not often acknowledged as a possible issue in hiring. Racist recruitment and retention patterns are prevalent in an industry in which 'white male values are the norm and are rewarded' (Steele and Sodhi 2006). Negative racial stereotypes held by white managers can influence their proclivity to take on BAME applicants. State employment agencies are also rarely involved in construction industry hiring outside of some 'periods of heightened (business) activity' (Byrne *et al*, 2005). Steele and Sodhi (2006), however, argue that public bodies need to stipulate that the industry develops and implements equal opportunity policies and/or monitors industry performance in terms of positive action.

Similarly to the experience of individual workers, SMEs owned by BAME people come up against additional barriers when competing to secure contracts. Steele and Sodhi (2006) cite examples of discriminatory practices towards BAME SMEs, such as a preference for using established methods of communication and inviting only 'known' or 'recommended' contractors, which in effect operate to maintain the 'old boys network'. Lack of transparency and support are other complaints raised by BAME SMEs.

The workplace culture of the construction industry is also widely perceived to be intrinsically racist. A survey for the CITB by Royal

Holloway in 1999 found that nearly 40% of workers had experienced racist attitudes and behaviour like name-calling, and nearly a quarter had suffered bullying, harassment and intimidation (Royal Holloway, 1999: 33-4). In addition to directly racist behaviour, institutionalised racism indirectly acts to maintain the dominant culture. Site construction work is dependent on close teamwork and social exclusion can have a negative impact on a worker's performance. This is especially important in an industry in which pay is based on priced work or output. A further Royal Holloway study found that employers treat non-white workers differently, with white workers usually getting better-priced jobs (Royal Holloway, 2002). Output-based wage structures in this respect act as a means of retaining vertical, race-based segregation within the industry (Byrne *et al*, 2005:1027). It appears that the higher the wage level, the higher the level of white male exclusivity in a firm, and this structure is apparently 'maintained, sustained and protected by subcontractors through the exclusive nature of their workforces and their control over skills' (Beck *et al*, 2003: 24). A study of the experiences of BAME professionals who had managed to work in the construction industry also found that they had to struggle to progress their careers against the odds in an industry in which exclusionary practices are embedded (Caplan and Graham, 2006).

The exclusion of BAME groups in the British construction industry is also demonstrated by their relative over-representation in general operative and labouring work. Horizontal segregation is coupled with vertical segregation, wherein non-white workers are 'concentrated at the bottom of the occupational hierarchy in construction, in the least skilled, less secure, and worst paid positions' (Byrne *et al*, 2005).

3.7 Disabled People in Construction

The social model of disability is useful for understanding how disabled people can be excluded from employment on the basis of cultural barriers as well as physical ones. In the mainstream medical model of disability, the individual and her/his impairment is the focus of adjustments, but the social model shifts the focus to barriers that exclude disabled people, for example from getting an education and finding work (Ormerod and Newton, 2006). Using the social model of disability, 'it is important to be clear about which limitations are caused by an individual's impairment (difference in mind, senses or body) and which barriers are caused by society' (Ormerod and Newton, 2006: 211). Shifting the focus away from an individual's impairments leads to concern with adjustments to physical barriers as well as barriers in culture and attitudes. Where the goal is equality or inclusivity, the social model of disability leads to focusing on

the dismantling of barriers that exclude individuals from work and training. There is, however, debate on the level of resources that need to be allocated to making the adjustments necessary. Increasing the employment and training of disabled people has received minimal commitment to date from employers' associations, unions and training organisation in the construction industry (Bingham, 2006).

Employers' obligations are described in the Disability Discrimination Act (DDA) 1995 (amended 2005). Whereas until 2000, businesses with fewer than 15 employees were exempt, currently, all small businesses are required to abide by the law, regardless of how few people are employed by the business (Ormerod and Newton, 2006). Understanding the implications of the DDA remains a problem among small businesses, and among micro businesses in particular (Roberts *et al*, 2004 cited by Ormerod and Newton 2006).

Direct discrimination under the DDA covers:

- discrimination on grounds of a person's difference/disability, and
- unfavourable treatment compared to the employer's treatment of a person without disability.

In other words, the employer is expected to provide equal treatment to disabled and non-disabled job applicants, and to disabled and non-disabled workers. Where a worker or applicant is disabled by a barrier, the employer is expected to make 'reasonable adjustments' to accommodate them. The duty to make reasonable adjustments applies not only to employers but also to placement providers (Ormerod and Newton, 2006). Examples of making reasonable adjustments in the construction industry, though not specifically in manual trades, include:

- 'A student with learning disabilities on placement to a building-surveying firm is given personal instruction on health and safety procedure rather than written information'.
- 'A disabled student on placement to a building control department has a personal support worker. The placement provider facilitates this by providing an extra workstation for the support worker' (Ormerod and Newton, 2006).

Health and safety is commonly reported as the reason for non-recruitment or dismissal of those with disabilities (Ormerod and Newton, 2006). However, 'clear guidance... is needed by employers on what constitutes a

health and safety risk for disabled people and those with poorer health' (Ormerod and Newton, 2006: 220).

Barriers in the construction industry that work to exclude disabled people can be assessed in terms of standard practices of training and recruitment and the wage structure. Bingham (2006) gives examples to show that in practice the industry can selectively use its preferences for training, site experience or established networks to avoid recruiting disabled people.

4. Case study profiles

4.1 Heathrow Terminal 5

Terminal 5 (T5) is one of Europe's largest construction projects, comprising of 16 major projects and over 147 sub-projects. At the outset of construction of Terminal 5 at Heathrow, BAA estimated that some 5,000 workers would be required at the construction peak, with 47% of them within 75 km of the site (Experian, 2006). In practice, the total number appears to have been closer to 8,000 and due to turnover the actual number of workers employed at one time or another would have been higher still. The number of workers seen by the Occupational Health Centre provides an indication of the scale of activity; during one month in 2005 well over 1,000 medical assessments were required.

As a large-scale project, T5 has required a wide range of suppliers and subcontractors. The developer/client agency BAA had a direct contractual relationship with 'First Tier' suppliers through the T5 Agreement. The First Tier suppliers have then been responsible for the appointment and management of 'Second Tier' suppliers and subcontractors, but in doing so they too have been expected to operate in accordance with the principles of the main T5 Agreement. Through this agreement BAA accepted all of the risk for the construction project. This approach aimed to allow the contractors to concentrate on the project and solving problems rather than trying to avoid possible litigation for problems arising and time delays. Collective agreements between BAA, contractors and unions established procurement guidelines for the project state that 'wherever possible' there should be direct employment (BAA, 2004a). The majority of workers are directly employed on T5 and there is monitoring to ensure that 'self-employed' CIS4 cards are not used with breaches reported. This does not mean that work has not been subcontracted out nor that temporary labour with agency cards is not used.

The Heathrow Employment Forum was set up in 2002 to deliver a Local Labour (LL) Strategy for Heathrow and T5. A mapping project in 2003 set out targets. The LL Strategy aimed to ensure that local people had the opportunity to benefit from the employment generated by the new terminal. Severe recruitment difficulties and skill gaps were anticipated at all levels, so the strategy aimed at including women and some of the ethnic minority groups that account for a substantial proportion of the population in parts of the local area such as Southall and Hayes, as well as at 'upskilling' the existing workforce. BAA made a commitment during the Public Inquiry into Terminal 5 to invest £150,000 in each of the following 10 years towards the strategy. There were four components; education, training, employment and support for local businesses. The

priority area incorporates the London Boroughs of Ealing, Hillingdon and Hounslow and the Borough Councils of Slough and Spelthorne. Also, a wider local labour area with a greater potential to supply construction labour was considered, covering Berkshire, west London (Brent, Ealing, Hammersmith & Fulham, Harrow, Hillingdon and Hounslow), and the part of Surrey that lies within the M25. A number of benefits were seen to be associated with the LL strategy, including: improved travel-to-work patterns (e.g. a regular bus from Hatton Cross) with related reduced reliance on private car use; the opportunity to tackle social exclusion in some of the areas of relative deprivation close to the airport; involvement of ethnic minorities, women, and other groups that have traditionally been under-represented in the construction industry; and cost savings for contractors from accommodation allowances to workers who reside outside the area.

The LL scheme has been managed on-site by a workplace coordinator employed by MACE to focus on five core groups: BAME, women, over 50s, refugees, and disabled. This coordinator is part of the Building London Creating Futures (BLCF) programme. Over the course of three years, 150 have been employed on T5 as a result of the scheme, employment being defined as a minimum of 13 weeks. These have included five women (two plumbers, two electricians, one in logistics); two of whom were still on site with two more women currently waiting placements. Thirty percent of those employed have come from minority ethnic groups. At the time of the research, 30 people were preparing to be assessed for NVQ2 by an on-site assessor, the preference being for people to gain work experience on site rather than obtaining college relief.

The LL Strategy aimed to ensure that training was organised, funded and run in a collaborative way between the Learning and Skills Council, BAA, CITB-ConstructionSkills, the employers based on-site and local training providers. BAA used skills forecasts and helped set up a skills centre for apprentices in traditional trades (eg painting and decorating, drylining, bricklaying and carpentry). The centre trains about 50 a year, though originally intended to have a capacity of 80 apprentices per year from the local area. It is run by Carillion, which does not employ workers on the T5 project itself. CITB funds the centre on the basis of NVQ2 completions. BAA also supported several local colleges and training centres including Hays Skills Centre and Feltham College. In addition, Construction Learning World was set up on-site originally by Laing O'Rourke to accredit standards, coordinate on-site assessment training and ensure follow up to NVQ2 with a training provider. In practice, at the time of the research

Laing O'Rourke had not yet set up its own training centres and there had been few apprenticeships offered. The BAA bursary scheme subsidising 10 construction-related graduates a year with a grant of £5,000 and the opportunity to do paid work placement on the T5 site had been more successful, although it had also not achieved the numbers planned.

4.2 Wembley Stadium

The new Wembley stadium is being built in the London borough of Brent. Construction commenced in 2002 and it was estimated that over 2,000 jobs would be created during the construction. In practice, it is estimated that as many as 8,000 people have been actually employed at one stage or another. The developer of the stadium is Wembley National Stadium Limited (WNSL) and the main contractor of the building is Multiplex. Quintain Estates and Development plc is transforming the area around the stadium, and the LDA and Quintain are working together on new housing development and further job creation. The case study focused largely on the stadium development but also included some interviews regarding the surrounding regeneration area development.

A large number of organisations have been involved in recruiting and training local people to access employment opportunities in Wembley. For the purposes of this case study, the local employment of current residents in Brent is a main focus. The London Borough of Brent has one of the most diverse populations in the UK in terms of ethnicity (54% from non-White backgrounds).

The section 106 planning agreement between Brent council and WNSL set out that 'best endeavours' would be made to use local labour. The Building One Stop Shop (BOSS) is the main local training and employment initiative, which operates from offices near the site, and links contractors and workers by providing CSCS assessment facilities, advertising vacancies, facilitating short training courses, mentoring and putting forward applicants. BOSS supports residents from Brent and other neighbouring London boroughs such as Harrow, Ealing, Hillingdon, Hammersmith and Fulham, and Hounslow. Over the course of the project, approximately 80-100 people from Brent had successfully gained employment through BOSS on the Wembley stadium. Many of them were from BAME groups, but only very few women and no disabled people had come through this route. Over the course of the project, different managers in Multiplex have held the remit for supporting the use of local labour and businesses.

4.3 Greenwich Peninsula

Greenwich Peninsula is one of the UK's largest regeneration projects. The national regeneration agency English Partnerships has invested over £217m in the 121 ha former gasworks site for infrastructure, landscaping, transport and master planning works. Mixed tenure homes, community facilities and private sector development have already been built and further work is planned over the next 20 years. Meridian Delta Limited (MDL), a joint venture company comprising Lend Lease and Quintain Estates and Development PLC, is leading the contracted development on the Millenium Square and Anschutz Entertainment Group is leading the re-development of the Dome. McAlpine is the managing contractor for the Dome redevelopment and McNicholas is the managing contractor for the surrounding Millenium Square development. At the time of the research a managing contractor for the housing development area had not yet been appointed.

In total it is estimated that 5,000 new jobs will be created in construction. At the time of the research, the work was in a relatively early stage with groundworks being carried out. The planning agreement recommendations by the Greenwich Planning Board in 2002 included requirements on the applicants to support an education and training framework for encouraging local employment. The applicants proposed to work with existing training and further education providers to ensure that local people had the skills to access job opportunities. Participation and financial contributions towards an on-site recruitment office run by Greenwich Local Labour and Business (GLLaB) was sought. Liaison with local businesses on contract opportunities was also proposed. Within these recommendations, specific reference was made to target equality groups. A section 106 legal agreement was recommended as the mechanism 'to secure training opportunities for improving access to employment opportunities for local people' (London Borough of Greenwich, 2003). The s106 requires the developer and contractors to monitor employment by ethnicity and gender and make 'best endeavours' to support local labour and businesses by working with GLLaB. GLLaB is run from an office on the site and the coordinator has regular meetings with the managing contractors and subcontractors. MDL has appointed a liaison officer to work with local community partners, such as colleges, and contractors.

4.4 Homes For Islington

Homes for Islington (HFI) is the arm's length management organisation (ALMO) that has been formed to manage the social housing in the

borough. As is a common model now, the London Borough of Islington (LBI) continues to hold the remit for strategic direction of housing but HFI has the direct responsibility for contracting the private sector for housing renovation for the Decent Homes programme and for on-going repair and maintenance work.

Repair and maintenance work is carried out through a 10-year contract with Kier Islington, which is a joint venture company set up from the former local authority service. Approximately a third of its workforce live in the borough and nearly a third of the overall workforce are from BAME groups. Diversity is part of the ethos of the company and it was the inaugural winner of the inaugural Contract Journal Diversity Award in 2005. The company runs a range of apprenticeships and work experience placements aimed at encouraging a diverse workforce.

Framework contracts were established by HFI with the contractor at the start of the 2006/07-year. These contracts incorporate targets for apprentices, work experience placements and long-term unemployed placements. A Key Performance Indicator system has also been set up with targets for levels of employment of local labour, BAME groups and women. This was based on a baseline survey and monitoring systems have been introduced to measure progress. Contractors are obliged to work with the local labour initiative Construction Works, which is linked to the BLCF programme and based in LBI, for recruiting apprentices, work placements and workers.

5. Key findings from the research

In this section, the findings from the interviews with general stakeholders and site-specific participants for the four case studies are presented with illustrative details where possible. In the case of Heathrow, Greenwich and Wembley, the case studies entailed major new infrastructure and/or regeneration works where a private developer/client was responsible for contracting construction sector firms that then appointed subcontractors. Consequently, even though the context and works differed, there is scope for comparing the approach taken in these three case studies. The fourth case study on Homes for Islington is markedly different, as it involves the 'arm's length' public authority (ALMO) in contracting construction sector firms for on-going repair and maintenance and renovation work.

5.1 Case for Diversity

This section explores how the case for diversity had influenced the construction employers in the case studies. As discussed in the literature review, the case for diversity can be contrasted between a social case and business case for promoting the employment of target equality groups. The business case has been advocated in recent years with emphasis on the benefits of developing a broader recruitment pool, adding value to the supply chain, winning new customers and contracts, improving community relations and fulfilling CSR responsibilities. By realising these benefits, it is proposed that companies can internally drive change rather than needing to respond to external dictates from government legislation and policy. This section looks for evidence from the case studies' interviews that the business case for diversity has had an impact in practice.

The developers and construction contractors for the major infrastructure and regeneration projects generally expressed support for promoting diversity and equality in the industry, but differed in their views of why they thought it important to their businesses. General references were made to working in a diverse city like London as a reason for a diverse workforce. Some felt that presenting a positive image of the economic and employment benefits of the industry was important to counter negative publicity over the disruption and change that is normally associated with building sites. Corporate social responsibility was also cited as a factor behind promoting diversity, but whether this had an effect was reported to depend on top management buy-in.

The central business case of the benefits of developing a wider and more diverse pool of workers and subcontractors was not clearly referred to by the developers and contractors on the major projects. They did, however,

acknowledge that the increase in building activity in London and the shortage in skilled workers means that there is a need to support more people to enter the workforce. In this regard, the emphasis was placed on the importance of employment, training and support schemes to promote local rather than diverse labour (or diversity was considered a subset of locality). The emphasis on promoting 'local' labour was problematic, as how to define a 'local' area linked to a development was uncertain. In Heathrow T5, the thresholds for travel allowances laid down in collective agreements acted as a relatively clear measure, but there were differences in understanding between employers and unions. In the Greenwich, Wembley and Islington case studies, the local areas were defined by the local authority coverage of the respective local employment initiatives (GLLaB, BOSS and Construction Works). For Greenwich and Islington this was therefore limited to one local authority. Some of the construction employers felt that local authority areas are too small for drawing labour; for instance, the Greenwich Peninsula is closely linked to the Thames Gateway and workers can easily travel to work from across East London. Several interviewees with an overview of the industry also emphasised the mobility of the construction workforce and the integration of the London economy and labour market. Making a case for employment based on particular local authority areas was therefore felt to complicate relationships and hamper coordination.

At the outset of the projects, the developers for the Heathrow, Wembley and Greenwich case studies had set up some processes for promoting local employment, including reference to diverse or under-represented groups. Whether developers were instigators of this agenda and had much influence on contractors varied. For the Wembley and Greenwich case studies, it was notable that developers and major contractors generally related to the local authority as the lead driver behind the agenda, while they saw themselves in a liaison and support role where possible. In the Heathrow T5 case study, the developer appears to have played a greater role in encouraging diversity as part of a forum with stakeholders.

The relationship of developers to managing or major contractors in promoting diverse/local labour was important. It was too early to report on the diversity performance of Greenwich, but what was striking about Heathrow and Wembley was how the diversity/local issues had largely fallen off the agenda over the course of the projects. In both of these cases, the responsible managers in the contractors had limited resources and the role was marginal rather than central to the work. When the projects started in earnest, established networks, agencies and

travelling/migrant workers had been largely used. In the Wembley case study, the relationship between the developer and the managing contractor was fractious on many levels, and the developer complained about having little influence in relation to issues such as diversity. At Greenwich, the liaison coordinator for the developer also emphasised the centrality of cost and time constraints in the competitive market and stressed that contractors cannot be pushed too hard.

Stakeholders with an overview of the industry commented that the approach of major contractors varied – it was suggested that some were genuine in their interest and support for diverse/local labour and businesses, but others just paid lip service. Government initiatives had typically been necessary to create impetus. For instance, several major contractors have supported Workplace Coordinators (WPCs) as part of the BLCF programme.

Good Practice Opportunity: The BLCF Programme with Major Contractors

The Building London Constructing Futures (BLCF) programme has developed the model of workplace coordinators based with major contractors to proactively work towards promoting inclusion and diversity in their labour market recruitment. It has specifically targeted BAME groups, women and disabled people. ESF funding has been used to support the programme. The industry was initially slow to react and needed the funding incentives to accept this role, but the managing contractors are now reported to have realised the benefits of the programme and are looking to mainstream their WPCs as part of their staff (as opposed to continuing to rely on government funding to support their salaries and work). An independent evaluation of the programme in October 2005 found that 1,380 had accessed the programme, 924 training courses had been undertaken and 388 people had sustained employment (all above the targets set, although specific targets for women and disabled people were not achieved). The benefit of this programme was felt to lie where the WPCs are engaged in the demand side of the industry and the majority are internal staff within the major contractors. The new BE OnSite programme with Bovis Lend Lease offers the potential to build on this model by securing more employment opportunities in subcontracted supply chains.

The managing and larger works contractors interviewed had established equal opportunities policies and procedures, but interviewees with an overview of the industry commented that the majority of small contractors, which make up the bulk of the industry, often do not have formal processes and lack commitment to equality and diversity. It was commented that smaller contractors often engage gangs of 'self-employed' workers and/or deliver specialist services, and consequently have little scope or interest for promoting diversity. However, one of the strongest statements in support of diversity came from a minority-led

SME, which identified itself closely with the diverse local community and made an effort to support a diverse workforce. Their rationale reflected a social and ethical case for diversity; ironically the company felt that it had not enjoyed any business benefits: in invitations to tender they could tick the boxes on diversity as well as on delivery, but had not been able to win new contracts.

Compared with the infrastructure and regeneration case studies of Heathrow, Wembley and Greenwich, there was a different dynamic in Islington linked to the markedly different context. The social and business cases for diversity were jointly influential in this case. Firstly, the client body Homes for Islington is an ALMO for the local housing authority and is guided by the public duty to promote opportunities for the local diverse population, which can then be built into contracts. With regard to the repair and maintenance work, the contractor had evolved as a joint venture company from the service previously run by the local authority. Aspects of the public service ethos had carried over; notably it was reported that several managers were from diverse backgrounds and/or worked before for DLOs. The managers in this company also saw the positive advantage of promoting a diverse workforce for reasons such as the community focus of the work where there was a benefit of having operatives who reflected the local tenants. Another equalities advocate also felt that companies in housing renovation and repair and maintenance have seen the tangible benefits from employing female and BAME workers who were sometimes more acceptable to the general population.

The majority of interviewees in the four case studies, when asked to consider why the diversity performance of the construction industry is still generally low, tended to emphasise that there is a lack of supply of BAME and female workers. The reasons were assumed to be a lack of interest on their part in construction careers. While some acknowledged that there might have been discrimination in the past, they assumed that there were no longer any significant barriers that stopped BAME and female workers from entering the manual trades in the industry if they had the aspiration and ability. The high level of industry demand for workers was emphasised as a reason why employers would not discriminate. As a few stakeholders with an overview of the industry commented, this reasoning does not acknowledge how deeply embedded processes of discrimination are in practice.

Another problem was with the understanding of the respective target equality groups. In relation to ethnicity, although it was made clear

throughout the project that the focus was on Black and Asian Minority Ethnic (BAME) groups, there was a tendency to conflate all minority ethnic groups together. Hence, several employers cited the large numbers of White East Europeans, White Irish and White Antipodeans working in the sector as evidence of diversity. Recent migrants in general were also reported to be widely present and as a consequence some interviewees claimed no need to promote diversity given that this is already represented in the workforce. The definition of 'disabled' was also problematic. The majority of interviewees tended to immediately associate questions about disabled people with severe physical disabilities (e.g. wheelchair bound) or sensory impairment (e.g. blind or deaf), and then rule out the prospect of them working in the industry. Although a wider definition of disability was explored, this first reaction tended to condition many responses.

5.2 Planning Processes

This section looks at how planning processes, in particular the negotiation between local planning authorities and developers of section 106 agreements of the Town and Country Planning Act 1990, have been used to promote diversity. As discussed in the literature review, s106 agreements can be used to secure financial contributions and operational commitments from developers towards socio-economic and community benefits such as local employment, training and business support schemes. Of the case studies, the s106 planning obligations for Wembley (both the stadium and the regeneration area) and Greenwich Peninsula Regeneration were explored in particular.

Interviewees from planning authorities and developers commented that the financial contributions in s106 agreements could vary and that there was not a consistent relationship with the size of a development. There were contrasting opinions by these stakeholders on the effectiveness of the way the financial contribution was used. One planning officer felt that it was a useful source of funding, as it can be tailored to meet local needs more flexibly compared with overly prescriptive government-funded programmes, whereas a developer with experience of various s106 agreements across London countered this view with the opinion that contributions to local authorities could be too unaccountable and that the funding could just sustain council services rather than deliver the desired benefits to the construction industry. Another construction industry stakeholder expressed cynicism about how s106 was essentially a way that developers could pay off councils and then get on with the project work.

The operational obligations in s106 agreements also vary, as does the wording that implies the level of compulsion to fulfil them. They normally apply to the 'local' area, in other words the labour market of the local authority where the development site is located, which as discussed in section 5.1 can be problematic due to the small size. Reference to under-represented groups such as BAME and women is sometimes made as part of the local labour market. Typically, developers are obliged to ensure that their contractors (and the contractors' chains of subcontractors) use all 'reasonable efforts' or 'best endeavours' to support publicly sponsored employment, training and business initiatives by advertising job vacancies and business supply opportunities with them and using them to meet their training and employment needs. In Wembley and Greenwich, the term 'best endeavours' was used and differing opinions were gathered on how effective this injunction is in practice. In Wembley stadium, the opinion of interviewees from several different stakeholders (including the developer) was that these clauses of the s106 agreement were too weak and largely disregarded by the managing contractor and its subcontractors. It was too early to determine how effective the obligations would prove in Greenwich Peninsula, although a number of factors pointed to the potential for a more positive impact. These included the experience learnt from the prior Dome construction, the appointment of a dedicated liaison officer on the part of the developer, and the regular meetings between GLLaB and contractors, were all commented on positively across the different stakeholders there (notably including the managing contractors and works contractors on the site).

Part of s106 agreements is typically arrangements for monitoring the vacancies and workers on site over the length of the project. Statistics needed to be collected by contractors and supplied to the council initiatives. They sometimes but not always included data on ethnicity and gender. In practice, while the council initiatives had statistics on the job vacancies and placements that they facilitated, overall workforce data was difficult to gather for this research. Problems with collecting data from across a wide range of contractors were raised. Interviewees from the main contractors' firms also debated whether detailed data on ethnicity and other variables was necessary. In practice it had also been found that workers would often not complete monitoring forms fully or correctly. Some interviewees commented that setting baselines and monitoring progress was therefore very difficult.

The possibility for setting definite targets for the level of employment or training of diverse or local groups was explored. The planning officers felt

such targets could not be legally binding, as they amount to positive discrimination and would be open to legal contest. In any case, they also felt that this approach would be counter-productive because it was impossible to know what was an appropriate target level and it would antagonise their industry partners. Interestingly, interviewees from a developer and a managing contractor advocated the setting of more prescriptive training and employment targets – from their viewpoint, the industry would react most positively to such an approach.

Local planning authorities have the ability to apply compliance and enforcement measures if s106 obligations are not being followed, but in practice the planning officers interviewed indicated that they are very rarely used. Their view was generally that s106 should act as more of a carrot than a stick and that developers usually do fulfil their obligations. A couple of other stakeholders were more sceptical of whether all developers and their contractors make an effort to carry out their obligations and were critical of the lack of planning authority enforcement. As one interviewee put it, ‘if they are not enforced then why bother?’

Good Practice Opportunity: Management of Wembley Regeneration Planning Obligations

Following the perceived weakness of the s106 agreement for Wembley Stadium and other developments, Quintain Estates and Brent Council have taken a different approach to establishing a system for management of the planning obligations in the s106 agreement for the Wembley area regeneration. In this case, joint accounting and management systems have been set up for the employment, training and business support measures in the agreement. A dedicated officer has been appointed by the developer to work with the contractors to ensure that they fulfil their obligations and monitor their performance. The difference in this arrangement to others, such as the similar liaison role played by an officer in Greenwich Peninsula, is that the developer and council are both jointly responsible for the use of the resources and the evaluation of impacts. In other cases the council takes on the lead for these issues and the developer hands over the funding and then adopts a support role.

Several interviewees talked about the need to carry out forward planning around the projected levels of training, skills and employment demands of the construction industry. Council officers with a strategic economic development role recommended that it was important to take a wider view, whereas their planning colleagues tended to focus on each individual development proposal and sometimes not make the strategic connections. It was also commented that major projects are completed over different stages over several years and may straddle more than one

local authority. Consequently, there can be a wide array of initiatives and stakeholders involved, which requires communication and coordination. Developers commented on the difficulty to identify whom they needed to consult, whereas training, education and employment bodies commented on the difficulty to consult with the construction industry collectively. Interviewees from both local government offices and construction sector companies could see the need for greater consistency in s106 agreements and greater communication within pan-London forums.

5.3 Contracting Processes

This topic explored the contractual arrangements firstly between the private developer/client organisation or consortium and the managing or major contractors for the infrastructure and/or regeneration work in the cases of Wembley, Heathrow and Greenwich, and secondly between the arm's length management organisation and the appointed contractors for the housing repair and maintenance or renovation work in the case of Homes for Islington. As discussed in the review of literature, it is through invitation to tender processes and contract clauses that the developer/client may be able to place diversity requirements on the construction sector contractors, which may reflect the business or public ethos and/or s106 planning obligations.

In many major infrastructure and regeneration projects, the developer/client appoints a managing contractor to take responsibility for delivering the construction work on time and budget. This was the case in the Wembley and Greenwich case studies. In the invitation to tender and appointment of managing contractors, developers have the opportunity to stipulate criteria for qualification and contract clauses. For example, in the Greenwich case study the developer MDL set out an Integrated Management System with contractors on how they are required to operate, including everything from site management procedures such as waste removal to socio-economic considerations such as using the local labour initiative. In principle, the contract negotiation and management process can stipulate diversity requirements. In practice, the developers for Wembley stadium and Greenwich had just included reference to fulfilling the s106 agreements and not apparently incorporated any other diversity requirements or clauses; in other words, the s106 was the only driver – the industry did not apparently produce its own impetus for change. For Wembley stadium, there was then a lack of any contractual compulsion on the managing contractor.

It was commented by a regeneration developer that clients need a longer-term relationship with contractors as construction partners to be able to influence the contractors with respect to their diversity performance. Knowledge of future work to plan around is important to building this relationship. However, in the case of major infrastructure projects like Heathrow and Wembley, developers are effectively one-off clients.

The role of the developer/client at Heathrow was markedly different. In this case, BAA did not appoint managing contractors, but instead took on the overall project management role itself. This allowed it to have more control over ensuring that the work was delivered on time and budget. Diversity issues were also recognised at the outset of the project work, but as discussed in Section 5.1, they largely fell off the developer's agenda with time.

Good Practice Opportunity: East London Line Project (ELLP)

In addition to the four case studies, an interview with the ELLP was carried out. Although it was still too early to say how well the measures will work in practice, the legal contracts and agreements with contractors provide several examples of how a public sector authority is taking a lead through procurement. These include:

- The invitation to tender (ITT) set out requirements in relation to equality and diversity that construction sector firms had to meet before they would be considered for short-listing.
- The contracts include clauses requiring contractors to have (i) equality and inclusion policies for the workforce, (ii) supplier diversity plans identifying anticipated subcontracted work by specialisation and opportunity for new suppliers to win, and (iii) diversity training across tiers of workforce. These clauses also stipulate that the main contractor for ELLP is responsible for passing these requirements on to subcontractors.
- Monitoring arrangements and termination clauses are included in the contracts, so that if a contractor or its subcontractors do not continue to meet the diversity requirement then there is clear provision for enforcement action including potential termination of the contract.
- Agreements have been reached with contractors on 'aspirational targets' for diversity performance, which even though not legally binding provide a clear framework for setting baselines and progress.

Where there is an on-going contractual relationship between the client organisation and construction firms such as a framework contract¹⁰, then there is potential to develop performance indicators for how work is then allocated that may include measures such as diversity, local labour and training opportunities. Key Performance Indicators (KPIs) recently developed by Homes for Islington in consultation with contractors include graded measures for proportions of local labour, minority ethnic workers and women (i.e. more points are awarded for higher proportions – note,

however, that the overall tally is heavily weighted by performance in relation to cost and time variables as would be expected).

Contractors reported that the approach taken by local authorities and ALMOs to contracting their decent homes and repair and maintenance programmes vary somewhat. Having to contend with different targets and systems, as well as unrealistically small 'local' areas to try and employ workers from, were problems cited by contractors. It was suggested that the KPIs devised by Islington might prove unworkable in practice; other local authorities were thought to have tried and failed to monitor and use such indicators. Homes for Islington also commented that it was unaware of what approach other London boroughs were taking. It may be possible for the GLA and LDA in association with the London Councils (former Association of London Government) to provide a lead in co-ordinating and harmonising practice in relation to contracts and targets.

Other stakeholders commented that public authorities could place more onus on private contractors to improve their diversity performance through their procurement procedures. It was suggested that the list of preferred providers should give weight to diversity performance. An interviewee with a private developer with experience of regeneration projects across London commented that the public sector can be one of the worst in practice for requiring competitively tendered packages of work wherein social and community benefits are marginal compared to 'value for money'.

The Homes for Islington case study represented an entirely different contractual arrangement. Framework contracts for a programme of housing renovation over the next 10 years had been drawn up in March 2006 between the ALMO and the construction firms for Decent Homes. The pre-qualification assessment included evidence of track record in direct employment of ethnic minorities and the tenders were evaluated on approach to local labour. The actual contracts included set targets for one apprentice and one long-term unemployed placement per £3 million in funding awarded, and one work experience placement per £1 million in funding awarded¹¹. An agreement was made that the firms would use Construction Works (the council scheme linked to BLCF) for finding applicants for apprenticeships, work experience and long-term unemployed placements.

HFI has also set up a system of Key Performance Indicators (KPIs) to measure the performance of contractors, which includes a target for 25%

local labour and a points scale for overall level of employment of women and BAME people (this KPI does not stipulate that they need to be 'local'). A snapshot survey was used to collect baseline figures and set the targets. KPIs for delivery of projects on time and budget still form the major criteria, but in principle this system provides a clear incentive for contractors to improve local labour and diversity performance in order to accrue more points in their favour when work is allocated. At the time of the research fieldwork, the system was still in its first quarter of collection and monitoring, so its effectiveness could not yet be gauged. As the contracts are for 10 years in total, they offer the opportunity for developing a long-term relationship whereby the ALMO can influence the contractors to improve.

One contractor for the HFI Decent Homes programme commented on the effect of this compared to other local housing authority contracts on their work. While HFI was praised for its organisation and commitment, the contractor noted that other authorities had also attempted to go down the route of target setting but given up on monitoring. Targets for apprentices and diversity were felt to be potentially unrealistic. The lack of consistency across authorities was also considered problematic; in particular the definition of 'local' areas was too narrow and local labour targets contradicted the aim to increase direct employment, as it then implied that new staff had to be appointed on each project¹². Whether this is a wider problem would require further investigation; nonetheless, it indicates that the contracts for each local authority Decent Homes programme across London could be harmonised better. The officers in Islington's ALMO also commented that they did not know what other London authorities were doing and while they had not heard of problems with different contracts and targets, they suggested that the LDA could play a role in coordinating them.

5.4 Subcontracting Processes and Minority-led SMEs

The construction industry is characterised by a high level of fragmentation across tiers of subcontractors. Managing contractors often employ few manual workers directly themselves, but instead take on subcontractors for short-term and/or specialist packages of work completed by workers that they have sourced (often 'self-employed'). This was the case in Wembley and Greenwich. Disentangling these relationships is complicated and this research only scratched the surface of them in the case studies. In the Heathrow case study, the subcontracting arrangements were simpler due to the requirement for direct employment. This section outlines the findings on how

subcontractors are appointed and the experiences of minority-led SMEs in tendering for work.

Interviewees with managing contractors commented that trusted and established relationships with subcontractors that have a core pool of skilled workers are crucial to completing packages of work on projects. Site managers also indicated that major contractors often have nominated subcontractors that form part of their tender for work. The emphasis on skilled or specialist work, and established track record, were recognised to militate against new suppliers. Managing contractors may be obliged to advertise opportunities. For instance, Greenwich had processes to ensure that opportunities were advertised with the local business support service so that local SMEs could consider tendering. A couple of businesses based in the area had won contracts there (they were not minority-led). In Wembley, there was no evidence that this had happened as systematically, but established suppliers in Brent had won some work. Overall, an equalities advocate also commented that there are no standard subcontracting processes and that not much effort or money is spent on advertising invitations; instead established networks are used and minority-led SMEs have little opportunity to hear about or tender for work.

In practice, the managing contractors suggested that local SMEs often do not have high enough turnover, sufficient stores of equipment, experience and/or specialist capabilities to win contracts on major sites. It was reported that a network of subcontractors fielded gangs of workers and moved them from site to site across the country; they were regarded to often have the best workers and experience. Interviewees also commented that the fragmented and short-term nature of subcontracted work meant that businesses often tender for several projects at a time and may have little forward notice between the works being awarded and commencing. Planning around issues such as diversity is therefore complicated, as labour resourcing is required as soon as possible. Managing contractors could require that subcontractors adopt measures to promote diversity or local labour, but in practice the research found little evidence that this was followed up systematically at Wembley and it was too early to determine how well it is working at Greenwich. Subcontractors in Wembley and Greenwich had accessed the local labour initiatives, but tended to put the onus on managing or larger contractors for improving diversity performance. Operating with smaller crews, tight cost margins, and/or carrying out specialist work were cited as factors why they could not be expected to take on this agenda.

Good Practice Opportunity: Keltbray rationalisation of use of subcontractors and agencies

The site manager for the groundworks contractor, Keltbray, on the Greenwich Dome site reported that the company in general had gone through a process of rationalising its list of preferred subcontractors in order to ensure greater consistency in cost and quality of work. Linked to this change, it had started to carry out more work using its directly employed workforce and improved its internal planning so that workers could travel from site to site for jobs. On the Greenwich site, the manager was highly supportive of the local labour initiative as an alternative means for finding trainees and workers instead of recruitment agencies, and had encouraged subcontractors to also take advantage of it. Although not advocated by the interviewee, the rationalisation of subcontractors could include scope for incorporating diversity performance in the criteria for preferred status. The simplification of subcontracting and reduction of reliance on temporary agency workers could offer opportunities for developing a diverse workforce.

Local business support schemes in some areas had endeavoured to make local SMEs 'fit to supply' the construction industry i.e. helped them with policies and procedures for human resources, health and safety etc. There were mixed feelings about the usefulness of such schemes. They had successfully reached a number of businesses, but two minority-led SMEs commented that registration with every support scheme going had not made any difference in terms of contracts actually won and were critical of whether such schemes are a good use of resources. A wider survey would be necessary to evaluate the value of such schemes, which operate in different guises in various parts of London (including Islington and Greenwich as part of the case studies for this research). The coordinator of the scheme in Greenwich and other stakeholders felt that it had proven successful but there were doubts over how it would continue and how it would be coordinated with other schemes. An equalities advocacy organisation with an overview of a variety of business initiatives and schemes targeted at minority-led businesses also commented that over the last decade they had often been launched by various local authorities with much fanfare but then failed to achieve the unrealistic expectations held for them and been quietly discontinued after year or two.

Irrespective of business support schemes, the SMEs interviewed for the research also stressed the importance of networking to win contracts. One commented that some local businesses are not proactive enough in seeking out work and instead expect things to be done for them. In short 'who you know' was crucial. A couple of contractors also referred to an awareness of corruption in the industry.

Minority-led contractors in the construction industry had undertaken a limited amount of work on the case studies sites; most noticeably Asian-run firms were reported to have carried out concreting work. Two black-run firms were interviewed as part of the research. Both complained of how difficult it can be to win contracts when competing with established networks; one did not want to cite racism as a barrier to their business but felt that in the wider context racist assumptions did influence decision-making; the other was of the strong opinion that racial discrimination played a major part in limiting the opportunities that the firm merited¹³. These complaints applied not only to private development work but also to the public sector, which they felt had not been proactive in awarding contracts to local minority-led SMEs in practice.

5.5 Training and Education

There are a complex range of organisations, courses and pathways involved in construction-related training and education. This section endeavours to explore the roles and relationships of local initiatives, apprenticeships, further education colleges, work experience placements, assessment schemes and other dimensions.

Local initiatives

There are various initiatives that facilitate the arrangement of short courses, CSCS and certificates/tickets for local people looking to work in the construction industry. These initiatives will also mentor workers, provide test and assessment centres, and shoulder equipment and accreditation costs. Examples of initiatives in this role included BOSS, GLLaB, Construction Works and BLCF. The construction site managers interviewed invariably commented positively on the benefits of such initiatives, which they felt can provide a responsive and tailored service to their needs without them having to bear the costs themselves. The flexible on-site provision of CSCS testing at Wembley and Greenwich was appreciated in particular. An on-site assessment-training scheme (OSAT) at T5 also accredited standards and provided testing for CSCS cards with language courses and translators available.

Nonetheless, besides the testing function, the outreach of these local initiatives in providing information and training to people interested in applying to work on the large sites was relatively limited – only a small minority of people normally received training through them and they tended to be relatively unskilled and inexperienced. The training was often limited and single-skilled – for instance for using forklifts or dumpers – and could secure a short-term job but did not have a clear

pathway to further training and employment opportunities. However, some contractors did comment positively on cases of taking on young people through local initiatives and then facilitating further training and education for them.

Apprenticeships

Apprenticeships were widely appreciated by employers and training interviewees as a way of training construction workers for the future with a good basis of skills and experience. This view was shared by several of the construction employers interviewed, as well as training stakeholders. The shortfall in apprenticeships in some trades was lamented across the industry. For instance, there had been very few apprentices at Wembley and Heathrow; some contractors were reported to not offer them at all or only very small ratios (at worst one apprentice for every 1,000 workers).

The construction sector employers cited several constraints on their ability to take on apprenticeships, including the nature of short-term project work, the small size of many businesses, health and safety considerations, paperwork and the tight margins of operation. It is also almost inconceivable for anyone under 18 to be employed on larger sites such as Wembley and Heathrow. Apprentices were claimed to have low productivity and high cost implications for employers. More specialist occupations, such as steel erectors, were also easier to fill with experienced and trained workers from across Europe rather than accommodate trainees. Some concerns were raised as well that apprentices could be 'poached' by competitors on completion of their training; consequently the company would not derive any benefit. One contractor commented that in the past it had been expected that apprentices would move on and that this was seen as beneficial to their experience and the broader industry. But in the current competitive environment, individual companies were interested in being able to retain apprentices if they undertook to train them.

The most structured apprenticeship programmes were reported for more specialised trades like electrical work. The recruitment of apprentices could be through established networks. One electrical business acknowledged that many apprentices were found through word of mouth and friends of friends, which may consolidate the prevalence of white male apprentices. CITB assists in planning training and assessment and identifying future work. Under the usual apprentice package, firms receive £8,000 grant per apprentice up to NVQ level 3, which is also intended to cover fees in college for one day per week with the firm paying the

wages. ConstructionSkills can also accommodate women through its 'atypicals' programme, as well as over 25s, whether those seeking a career change or women returning to work after children, but apprentices were still generally restricted to those between 18 and 24 years old.

When considering the industry overall, interviewees in developers and larger contractors felt that there needed to be a system developed for encouraging more apprenticeships, or the industry as a whole would lose out in the future. As one said: "You need to speculate to accumulate." Interviewees from a developer and a managing contractor stressed that some form of contractual or regulatory framework was crucial; voluntary commitment was often insufficient. Some way of levying the industry collectively and allocating support to contractors to take apprentices across different jobs and sites and give them a rounded experience was suggested. An example of systemically requiring apprentices was the specification in the HFI contracts for one apprentice per £1 million in funding.

Good Practice Opportunity: Training Initiatives by Kier Islington

Kier Islington has a strong ethos of training and development in its organisation, and has undertaken a number of training and work experience initiatives to encourage diverse groups to consider and enter the industry. Women and BAME people in particular have been targeted to participate in them. The initiatives include:

- The apprenticeship programme takes on about 10 or 11 new people each year, including some older applicants, and the majority complete the programme and work for the company.
- The work experience programme offers four-week placements to people looking to enter the construction industry, and is the second largest in Islington (behind the Post Office). The participants often maintain a relationship with the company and apply for jobs.
- A 12-week taster programme is run annually for 14 to 16 year-olds, typically about 25 young people living in socially deprived estates, with an assessment at the end. A large proportion of the participants are girls and BAME, and some have then been lined up for apprenticeships.
- Outreach work by staff includes presentations at local schools and organisation of community events where the career opportunities in the construction industry are promoted. Efforts are made to include BAME and female staff to act as peer models.

Further Education Colleges

The largest numbers of construction trainees were reported in FE colleges, which included relatively high proportions of BAME and female students compared with the labour force. In general the bulk of support, including funding from developers of major sites such as BAA, was directed towards

16 to 19 year olds for college training to NVQ Level 1. A high number of applicants for Intermediate Construction Award (ICA) training were reported by one college near T5 outstripping by up to four times the number of actual places available. A couple of training stakeholders felt that training support tended to concentrate resources on young people aged 16 to 19 and not take account of people in their 20s or 30s who may be looking for a career change or extend their education after gaining experience in the industry. Women seeking to enter the industry are, for instance, very often older.

Trainers in one of the colleges estimated that very few ICA and NVQ1 students had any chance of working in the industry, as they are not able to obtain the necessary work experience for then achieving NVQ2 or 3. The lack of structured work experience for such trainees was therefore considered the main obstacle to trainees. This finding has important implications for diversity given the higher representation of trainees in FE colleges from the target equality groups. Training stakeholders recognised that it could be difficult to accommodate trainees on major infrastructure sites, but suggested that specially set up trainee sites are essential.

The quality of teaching at FE courses was also questioned. Another particular concern was that assessments of practical work were not necessarily carried out, for example a trainee on a year-long contract with a firm had not been assessed during this time despite repeated attempts on her part to ensure that this was credited.

Work experience

Various types of work experience had been offered by some businesses, such as Intermediate Labour Market (ILM) programmes, two-week work placements and school day release. In Greenwich, for instance, ILMs had led on to some apprenticeships and 70% had secured employment, especially when contractors were on site for 2 or 3 years so allowing the apprentice to combine practical experience with college work. Work experience was not consistently provided and limited in scope, however; some sites and contractors, especially smaller ones, seemingly had not supported such schemes at all and on a large site like Wembley there were no work experience placements for college students. Insurance, health and safety considerations and the rules and procedures were cited as complicating factors that limit the ability to take young people under 21 years old on work experience, as well as difficulties in supervision. Another problem is the low level of employer engagement in training, with managing contractors generally not employing directly and many

subcontractors too small to take people on and to provide them with a range of experience. Those who had experience of providing work experience gave mixed reviews – for one it was a useful way of then taking on apprentices but another commented that the young people on such programmes were difficult to manage as they often came from a difficult background and did not have the application to develop a career in construction.

Careers Advice

There was a widely held perception amongst managers that careers advisers in schools and services like Connexions do not give an accurate picture of the opportunities in the industry to young people and are unaware of the diversity of occupations in the industry. Instead it was felt that there was a tendency to assume that only those young people who were failing would be pointed towards construction and then towards traditional trades such as carpentry. The shortfalls in young peoples' basic skills were also commented upon, in particular the 3Rs. It was suggested that schools and careers services could engage more positively with the industry to attract young people to consider a career in construction.

Planning for Training

There were a wide range of views about the adequacy of current training provision and future planning to deliver the skills needed by the modern construction industry. There was a widely held perception that employers do not want workers just with formal college education. Some industry businesses complained that the training on offer tends to be confined to the traditional trades, narrowly prescribed and/or devoted to single skills. Conversely, they wanted people who can do a range of tasks, have some experience or different specialist skills. For example, Kier Islington wanted its repair and maintenance operatives to have more multi-skilled training and was considering setting up a facility since only one college course in the country met its current needs. In the area of groundworks as well, training is mostly provided once off by a college for a particular plant whereas contractor interviewees, for instance on T5, cited a need for more multi-skilled operatives able to undertake concreting, steel fixing, concrete finishing, paving, plant operation, banking, drainage, and scaffolding – as with German or Dutch trained workers whose training begins with a broad range of skills and who then specialise. Training on the latest methods and extensive prefabrication of components on major infrastructure projects like T5 and Wembley Stadium was also lacking and even training facilities for areas like heating and ventilation were reported to be deficient. On the other hand, a Wembley subcontractor also

complained that colleges no longer offer courses in their trade, architectural metal work, and as a result the firm found it difficult to recruit skilled labour.

The need is to train for jobs that are sustainable. In light of the points above, several stakeholders discussed the need to improve communication and forward planning between the construction industry and the training bodies. One college interviewee with an industry background was critical of the lack of employer engagement, in particular with medium-sized contractors of around 100 workers that carry out much of the manual work in the sector.

It was also suggested that definite training ratios for so many employees could be written into contracts where these are long enough in time and that at the moment the relevant s106 clauses were not sufficiently strong in this respect. On T5, for instance, in practice, and especially in the cases of apprenticeships and work placements, many fewer have benefited than was initially intended in agreements.

Some criticisms were made of the various training-related funding streams from LSC, LDA and CITB: they were more often geared towards achieving programme goals such as the targeted number of students (or 'bums on seats' as one stakeholder put it) rather than delivering the outcomes in terms of actual completions with the necessary skills and experience. Another observation by some interviewees in public and private sector organisations was that the various programmes and funding streams tended to be poorly coordinated at strategic and operational levels, managed by different sections and officers with limited understanding of the industry. The 'Learning World' set up by Laing O'Rourke offers a more successful example to identify and provide training for the future instead of just immediate skill needs (as is usually the case).

5.6 Recruitment

Each company has its own way of recruiting. This is mainly word-of-mouth for manual jobs, although the press and gangmasters are also used. The case studies confirmed that there were four different methods of industry recruitment being used in London: informality, agencies, direct employment pool and local labour schemes. Sometimes these recruitment approaches overlapped.

The subcontractors interviewed tended to build their workforce through personal recommendations. Gangs of workers are often from similar national or ethnic groups as a result of this word-of-mouth method of

recruitment. Many informants talked about how East Europeans were taking on more and more of both skilled and unskilled construction work through this informal method, explained in part by some subcontractors' and contractors' positive views about their 'work ethic'. Some workers we interviewed had moved from working with one subcontractor to working with another. After being laid off they used personal contacts, agencies and legwork to find further work. Those workers with some experience and skills tended not to use local labour initiatives, although a few commented positively on the support and links they offer.

Employment agencies provided another important source of labour and some specialist agencies also supply labour for trades in short supply like mechanical and electrical work. Some companies either have their own agencies or regular agencies they work with, such as Laing O'Rourke's Norstar agency, which it used to bring in mainly Germans as shuttering carpenters to T5. Laing O'Rourke also made use of the local employment agency for T5, as well as doing roadshows around local colleges, interviews, and workplace assessments. At T5, AMEC tries to employ its own staff workforce whenever possible, using its internal agency PRIMAT, but it does also recruit Eastern European workers.

Direct employment also played a part. Instead of laying off and bringing on workers as needed across different sites, some contractors endeavoured to develop a more centralised labour system by directly employing many categories of workers and then systematically relocating them between jobs. There were two key requirements for such recruitment: a mix of skills and the need to have a safer attitude to work. One of our respondents from BAA suggested that the recruitment methods used at T5 were the same for all groups of workers regardless of origin or gender, and although this was not fully confirmed by our fieldwork, it does suggest that the customer can have an important influence on recruitment practice. AMEC uses Resourcing Solutions (RSL) and Hays are used for all its permanent staff recruitment.

Local labour schemes such as BOSS, GLLaB and Construction Works (BLCF) were generally perceived positively as a source – though limited – of recruitment of some workers. The local labour schemes did provide mentoring and basic job skills support to ensure that applicants were suitable, however, and some contractors also appreciated this pre-recruitment vetting. One contractor felt that this made the local labour scheme preferable to a labour agency. Construction Works in the Islington case study had pre-screened and assessed basic employability skills for

about 25 companies. A Greenwich contractor also spoke strongly in support of the GLLaB, arguing that it provided responsive training and took a smaller cut than agencies. Another expressed the view that it was better at getting workers on to labouring jobs rather than filling gaps among the skilled trades. One interviewee argued that the GLLaB was highly effective in arranging CSCS and carrying out initial screening, which saved legwork for the contractors. On T5 during the course of the contract 150 workers had been found employment (for a minimum of 13 weeks) through the local labour scheme. But the T5 scheme was hampered by the lack of overall coordination provided for the whole site, the few numbers of coordinators and their sparse resources, in particular to provide necessary training.

However, the responsiveness of contractors to these local labour schemes varied. Regular management systems had been put in place in Greenwich and Islington to ensure that opportunities were posted with the schemes there – in Wembley the experience had been more irregular and some contractors had largely ignored the local labour scheme. One important point from the Islington case study is that the construction companies cooperating closely with Construction Works shared two characteristics: they were generally those with whom there had been previous contacts and trust relationships; and they were companies responding to HFI contract requirements. One contractor in Greenwich explicitly stated that he preferred ‘mobile workers’ as they are typically more reliable, accustomed to the work patterns and need less supervision. Opinion among the contractors and subcontractors we interviewed also varied about the quality of local applicants. In some cases they had been found to be unreliable and were perceived as the type of unemployed people who need too much encouragement and support to work. One subcontractor who had used the GLLaB explained he was sympathetic to its aims, but that one applicant had not shown up at all and another had been hung over. Similarly, at Wembley it was reported by the developer and local labour coordinator that some problems had been encountered at the outset with applicants not showing up and people placed not proving reliable, resulting in some contractors possibly losing faith in the initiative (this issue was rectified by the initiative vetting applicants more closely to ensure that they were reliable). Local labour coordinators also raised the suspicion that subcontractors placed unattainable demands on workers in order to test and fail the initiative – in other words to find reason then to return to established networks and agencies. In total, for one reason or another, only a very small percentage of the total workforce had been recruited through local labour schemes.

The criticism was made by certain respondents that the different local labour employment schemes over recent years have tended to each re-invent the wheel rather than build on experience. Some were seen to focus on too small a 'local' area and across London there was felt to be a lack of coordination. One weakness commented upon was that programmes like BLCF cover only some contractors and certain parts of London. One contractor explained that their experience was of being approached by many black and other workers who felt excluded from the industry but that it was difficult to respond by employing more local labour when the contracts awarded were very short term.

5.7 Employment and Working Conditions

There are many aspects to employment and working conditions that influence diversity. This section outlines the findings in relation to employment status, travel and work hours and union representation.

Employment status

It is widely recognised in the industry that direct employment rather than the use of 'self employment' under the CIS taxation scheme is essential to combat casual employment and the poor image of construction and to ensure sustained employment. This is especially important if the industry is to become a valued source of employment for London's diverse population. The most exemplary scheme in this respect was T5 where the insistence on direct employment was regarded as a key reason for the project's success in terms of keeping to programme, high productivity, and high health and safety standards. The approach taken here was to ban CIS self-employment by contractors and in so doing to encourage the training and the development of the workforce and to have regulated terms and conditions, employee and trade union participation, as well as a more coordinated and efficient organisation of work. Of the other case studies, Kier Islington also largely used direct employment and had many long-serving direct employees with the benefit of a pension, stemming from transfer through TUPE from previous local authority employment¹⁴. As discussed in section 5.5, this organisation had developed a good programme of training and development of its workers.

Stakeholders with an overview of the industry recognised that the prevalence of temporary and self-employed status make it difficult for the industry to encourage overall training and development of the workforce. Section 3 has detailed the high proportion of workers in the construction industry registered 'self-employed' under the CIS scheme. This was found in some of the case studies for this research as well, notably at Wembley.

Self-employed workers were being engaged by the variety of small and medium-sized subcontractors to undertake jobs from site to site. Employment terms and conditions, such as levels of pay, working hours, shifts and travel times could vary greatly, even on the same site and for the same categories of workers. Interviewees with managing contractors commented that they subcontracted packages of work with overall costs and timetables established; beyond that, they had no control (nor interest) in how self-employed workers were engaged by the subcontractors. Proposed changes to the self-employment registration scheme whereby each worker would be required to carry his or her own liability cover rather than coming under the cover of the companies that engaged them was raised. Although it was recognised that this measure was aimed at encouraging more direct or PAYE employment, in practice it was feared that it could further bolster the informal labour market of cash-in-hand work because SMEs could not sustain direct employment given the fragmented way that work is contracted.

Much of the self-employment was introduced on sites through the use of agency workers. On Wembley for instance, workers placed by an agency were categorised as 'self-employed' – they worked on temporary contracts beginning with a six-month trial period, received no sickness or holiday pay, and were paid via a 'composite company'. It is rare for an agency worker to be PAYE and to be paid directly by the employer or agency. The commission taken from pay by agencies would vary; a contractor in Greenwich felt that the way some agencies operated in this regard was exploitative and preferred to use a local labour scheme instead for this reason. Temporary agency workers were often used to supplement a core of relatively permanent workers when the volume of work on a project expanded. There were also indications that where the site was nearing completion and being run down in terms of labour resourcing agency or 'contracted' labour was taken on. Some may be retained or rehired and join the core workers if they have proven sufficient reliability, punctuality and capability in the eyes of the subcontractor. Many though are there only for the duration of part of the project. Coordinators of local labour initiatives complained that government requirements to count a 13-week period as 'sustained employment' was too short in practice – although many of the people they placed did not stay on that long.

Good Practice Opportunity: Collective Agreements at T5

The overall impression given on T5 was that general compliance with collective agreements and insistence on direct employment have been remarkably successful in helping to keep the project on schedule and to ensure a high level of productivity. This was confirmed by a study of the implementation process (Baker Mallett, 2005). The unions represented on the site confirmed that there have been very few disputes and days lost. The maintenance of good employee relations is generally attributed to the appropriate enforcement of the terms and conditions of collective agreements and BAA's industrial relations and employment policies (BAA, 2004a; BAA, 2004b). There are three agreements in operation: the Major Projects Agreement, NAICE and WRA (Working Rule Agreement). BAA Industrial Relations made frequent checks on pay through an auditor and there was a stable pay environment with a no-poaching policy operating on site for suppliers. Creating a stable employment environment has positive implications for diversity; it provides the opportunity for organising work so that it is accessible to a potentially wider pool of workers, including women, BAME and disabled.

Travel and Work Hours

A lot of construction work involves long travel distances to work on different sites. Workers interviewed for this research sometimes found the travel prohibitive, in particular where family commitments were impinged on, and they would weigh up the rate of pay against the travel costs. Travel allowances and rates of pay were reported to be matters of dispute on some sites such as T5¹⁵. All in all, it was difficult to imagine people with domestic responsibilities being prepared to travel and work long hours as required by many construction jobs. Temporary accommodation may also be unacceptable depending on personal circumstances.

Hours of work are also a critical issue, going together with the questions of travel time, determination of shift lengths and employment of local labour. On large sites, they could differ depending on the work and the subcontractor, and often entail long hours and varying shifts. In the case of T5, even though hours and travel allowances were subject to collective agreement, ten-hour shifts were set in place and many workers signed the Working Time Directive opt-out clause in order to work much more than the required 48-hour week. In practice, overtime was normal and interviewees reported that many people work more than 50 hours a week.

In general, long hours appeared to favour the use of travelling workers, coming from all over Britain and of migrants prepared to work such hours and placed in caravan sites near the construction site, rather than local and more diverse labour. Shorter shifts would entail a reorganisation of the use of labour to provide a better work-life balance and conform to the Working Time Directive (especially given the likely ban on the use of an

opt-out). Through such measures, a more diverse group of the population would potentially be able to access work in construction. As opposed to the major sites, the hours and travel times for housing renovation, repair and maintenance work were reported to be more consistent normally and this was considered to be a factor in why women in particular may have more opportunity to work in those areas.

A major presence on sites is the growth of workers from across East European countries who are prepared to travel to jobs and work for lower rates of pay. Some interviewees commented negatively on this trend because it had had the effect of depressing wages, forcing out those who have to bear London costs and pay appropriate rates, and possibly jeopardising the quality of work. It was also raised how workers from mainland Europe can be 'multi-skilled' operatives that employers do not have to pay as highly as specialist 'single-skilled' British workers.

Union Representation

Only where collective agreements with employer and union involvement were applied were more standardised employment conditions to be found. This was the case at T5, whereas at Wembley and Greenwich there were no such agreements and unions had not been involved much. The T5 case study exemplified good industrial relations where client involvement was apparently prerequisite for the successful and smooth running of the project. Although varying rates and bonuses caused some friction, an effort has been made to overcome this, for instance by Laing O'Rourke, with an agreement on pay harmonisation.

The extent of union representation on sites varied; overall they did not seem to have a high membership apart from on T5 and in Kier Islington. On T5, trade union/employer relations were good and the trade unions – Amicus, UCATT, GMB, and T&G – were taken very seriously and viewed, including by the client, as a constructive force, crucial to maintaining good health and safety conditions and the only means to achieve peace and deal with grievances on site. Suppliers are encouraged to proactively engage with trade unions and BAA holds meetings with TU representatives. The trade unions themselves on T5 claimed that membership was higher compared to the beginning of the project. In Wembley as well there was an agreement between WNSL/Multiplex and the unions for the unions to conduct inductions on site, giving them access to new workers. In practice, however, the relationship did not appear to have been as constructive as in T5. At Greenwich, it was notable that no union convenors could be identified in relation to the site

and that the developers, contractors and public authorities all saw little reason for them to be involved.

On all the projects investigated, some workers were sceptical of the need for unions and did not wish to join. Other non-members could see that unions were valid to protect workers' rights and ensure they were paid, including for holidays and sickness, but reported that subcontractors were antagonistic towards unions and threatened agency workers with dismissal if they joined one. The perception from some quarters was that unions could entrench favourable conditions for some workers over others and were not very forward-looking about training. Some contractors had a negative view of unions in general and felt that they heighten the potential for disputes.

5.8 Issues Faced by BAME Groups in Construction

This section sketches out the specific issues faced by BAME groups; in particular what experiences of racial discrimination were raised. As discussed in Section 5.1, the majority of management interviewees felt that BAME people had an equal opportunity to find work and develop careers in the construction industry. The prevalence of workers from a diverse variety of backgrounds was cited as evidence of this, although there was a tendency to add White Other groups into the equation. Comprehensive statistics for the case studies were lacking on the proportion of BAME workers, apart from a survey for the Wembley regeneration that found that only 6% of the approximately 780 workers were from BAME backgrounds, which was a relatively low proportion.

Some employers and industry stakeholders acknowledged that racism had been overt in the past and could still occur outside London, but that the changing culture and heavy demand in the capital meant that employers would not discriminate now. Coordinators of labour initiatives also reported never having encountered problems with putting forward BAME applicants. One managing contractor at Greenwich stressed that any complaint of racism would be taken seriously and used a card system to warn workers of poor behaviour, with racism receiving an immediate red and dismissal from the site (this had not been required to date in his experience, however). A couple of employers had also introduced diversity training for their staff – at T5 this was felt to have contributed to a sharp fall in the number of complaints. Another manager also suggested that the industry had changed but had then not done enough to dispel the idea that construction workplaces are racist.

Most of the BAME workers interviewed had not felt discriminated against. Nonetheless, some of them felt that they needed to ensure that their work was always exemplary and therefore hinted that they may be under more pressure to prove their capability. General banter and jokes were reported to be part of the workplace culture but BAME workers generally did not feel that it crossed the line into racial harassment. It was commented that workers tended to stick together in groups from similar ethnicity or nationality backgrounds in canteens and other spaces, but that when on the job communication and cooperation is always essential and people from different backgrounds will pull together. One worker however recounted experiences of long-term favouritism in the allocation of work to white workers and jokes that showed a lack of respect. In his case, supervisors and union officers were seen to not have challenged this behaviour (in fact, they had seemed to have tacitly supported these dynamics). Another black interviewee commented that the worst racism he now encountered on site was from white East European workers, who are new to the London labour market and come from comparatively mono-cultural societies.

A couple of the construction sector interviewees also betrayed inappropriate racist language in their interviews. There were some simple cultural assumptions about what trades people prefer – for instance that black people are good at electrical trades and Indians at carpentry. There was also a perception that some groups, in particular Asians, are not inclined towards working in construction due to the perceived lack of status. It was also suggested that BAME people tended to be taken on more often as labourers and lacked the skills necessary for other occupations. There were some indications from the case studies that BAME workers could be more likely to be in insecure jobs and be laid off first. Employers also did not question how established networks for contracting and recruitment could privilege White workers and companies. In contrast, a black-run SME had felt systematically excluded from the industry over the last 10 years and saw how underlying racism continues to shape the awarding of contracts. It was notable that non-white managers were not encountered in this research and secondary evidence also suggests that BAME people are under-represented in managerial positions in the industry. One BAME trainee also commented on the absence of peers amongst managers and coordinators in the industry.

5.9 Issues Faced by Women in Construction

The number of women identified to have worked in manual occupations on the case studies was invariably very small; typically site managers and

employment coordinators could count them off due to their rarity. Nonetheless, isolated examples of women working capably as welders, electricians, carpenters, operatives and other trades were noted by interviewees. Stakeholders with an overview of the industry reported women manual workers to be more prevalent in housing renovation, repair and maintenance work, where some employers have found that they fill a niche due to the preference of older tenants and some ethnic minority groups for them. Indeed, the repair and maintenance company in the Islington case study was the most successful one in finding female trainees and operatives, although even they still only numbered a few. In this case it was noticeable that women in manual trades had also relatively quickly moved on to managerial posts.

The absence of women was generally put down by employers to be due to their lack of interest in the industry. A common view was that the work might be too physically demanding for women. The travel distances from site to site and the long and irregular hours were also suggested to be a disincentive for women with regard to work/family/life balance. It was notable that the coordinators in employment initiatives also consistently reported that few women applied to them. This was despite the fact that several of these coordinators were women themselves and their initiatives recognised the desirability of promoting women to work in the industry. The BLCF programme had overall not achieved its targets for women and in Islington it was reported that an initiative directed at women in construction had failed due to lack of applicants. A coordinator of BOSS in Brent also commented that the LDA and CITB had been funding every initiative possible to get women into construction: "If you hear about one woman who has once laid a brick then all rugby tackle her and try and force her into construction". The overall impression from both employers and employment initiatives was that the shortage of women was largely a supply-side issue. Some suggested that the industry could promote occupations such as dry-lining more prominently for women, since they are less physical. It was also suggested that housing associations and ALMOs are desperate for female housing renovation, repair and maintenance workers who their tenants would appreciate.

This emphasis on supply-side constraints was contrasted by the observation that the level of take-up of FE college courses by women was increasing, albeit from a low base. As discussed in Section 5.5, the main barrier to female students developing a career in construction was the lack of work experience opportunities. Organisations advocating for women in construction also commented that there was an untapped

potential supply of female workers. It was suggested that those women coming into construction tend to be older than the predominantly 16 to 19 year old men, and that work experience and employment needs to be structured better to help them take up opportunities following formal education. With regard to the lack of take-up of employment initiatives such as BOSS and GLLaB, an equalities advocate with an overview of the industry also commented that women tended to perceive such schemes as being largely for young and/or unskilled applicants and offering piecemeal labouring jobs, whereas many of them are older with formal qualifications and looking for positions in the skilled trades.

The lack of industry demand was borne out by one trainee who commented that of 15 women who had taken the same course with her, she was the only one currently gaining work experience after a protracted period of job searching. Her feeling was that “guys get jobs easily [through informal contacts] whereas women are left grasping papers saying that they are theoretically capable”. She had encountered prejudices against her on the basis of strength, ability, interest and domestic commitments. While construction firms were happy to talk about their desire to promote women and invite them to fairs, in practice this had made little difference to her. Having gained work, she also felt that there was pressure to prove her ability (similar to BAME workers, fearing that any difficulty would be more likely to be seized upon). Another interviewee also suggested that due to their formal education and general approach, women are less likely to take the risks and accept the informal work practices that still characterise construction work. Conversely, the excellent occupation health and safety measures introduced at T5 may have removed some of the frequently cited obstacles to employing women and those with disabilities, such as heavy lifting and ‘macho’ risk-taking.

Some interviewees acknowledged that the workplace culture can be very masculine and that women needed to learn how to communicate in this environment. Some managers acknowledged that the workplace culture was often unacceptable due to the level of sexism, but that a blind eye was usually turned to this. Sexist jokes and calendars were also still part of the industry, although this was felt to have diminished at least amongst major contractors. One female coordinator commented that the site environment is very masculine and that women need to be confident and not feel intimidated. At first she felt that male managers had doubted her ability but once she proved capable of building rapport and of ‘straight-talking’ she was respected.

5.10 Issues Faced by Disabled People in Construction

The first reaction of the interviewees in this research was generally that disabled people were not and could not carry out manual work in the industry. However, as noted in Section 5.1, this was due to the definition of 'disability' that they usually assumed – that is, that disabled people have serious physical disabilities (e.g. wheelchair) or sensory impairments (e.g. deaf). The conditions of work and health and safety issues in construction were therefore considered to be prohibitive to disabled people. With further probing it was recognised that people with a wider range of conditions may well be working in the industry but there is no systematic way of identifying them. It was also suggested that they might not define themselves as 'disabled'. On T5, occupational screening did serve to identify disabilities, with about a third of the workforce found to have some health problem, which is similar to levels identified in other construction occupational health screening programmes initiated under the Constructing Better Health campaign.

The BLCF programme has endeavoured to support disabled people to enter work in the construction industry but had not achieved much headway. Employers usually thought that disabled people do not apply to work in the industry and cannot be accommodated in manual occupations, but there were a couple of employers that were more open to considering the prospect. It was suggested that less congested sites could be easier for disabled people to work in (as opposed to most sites that are crowded with workers and equipment), and that a specific risk assessment could be carried out to enable disabled people to work. Kier Islington reported that it had enabled a deaf person to take on a work placement by carrying out health and safety checks and arranging interpreters. They had found the procedures very complex, however. Kier had also made an effort to keep workers on following illness or injury by shifting them to lighter duties, a different trade or into customer care.

Instead of working in manual occupations, several interviewees from different stakeholders pointed out that there were opportunities to employ disabled people in the wide range of non-manual positions in the industry. For instance, people with experience of construction who are unable to work on site any longer following illness or accident, could be engaged as trainers and assessors (areas where there are skills shortages).

Good Practice Opportunity: Occupational Health Scheme at T5

The Occupational Health scheme at T5 was unanimously referred to as a very important success on the site, which has not only helped to identify and treat problems, but also to change behaviours. BAA has invested £3.5m in it over the period of four to five years. The scheme is free of charge and every worker on-site is screened. There is always a site-specific induction followed by health screening. The nature of the work determines whether it is safety critical, in which case a face-to-face assessment is carried out.

The Occupational Health team regards the definition of 'disability' as much broader than physical impairment and it also covers a wide range of public health issues such as hypertension and obesity that tend to be more prevalent amongst people in labour intensive work where little or no training is given. The approach taken is to try and change people's behaviour and attitudes towards health and disability issues. Awareness of lifestyle factors is raised and special attention paid to stress and psychological problems; there is no 'one size fits all' approach. Consequently workers are not rejected as 'disabled' but are accommodated as far as possible. Significantly, out of thousands screened for fitness to work, only two had disabilities severe enough for them to be classified as unfit for work.

6. Implications of the findings

This research has endeavoured to explore the diversity performance of the London construction industry in the manual occupations in particular by investigating the drivers and barriers in relation to several processes, including planning, contracting, training, recruitment, and employment conditions. It has addressed specific issues faced by women, BAME and disabled people¹⁶. Interviews were carried out with as many stakeholders in different organisations and roles as possible within the short overall timetable for the research in relation to four case studies; three major infrastructure and/or regeneration projects and one housing renovation, repair and maintenance area. These elicited a good overview and insight into the industry. However, when drawing conclusions it should be emphasised that this research was a short exploratory study rather than a systematic survey of the industry.

The construction industry is particularly complex to investigate due to its fragmentation and informal processes. While poor diversity performance in the present and past is apparent, the research has detected and illuminates how processes, attitudes and behaviours may be changing; partly in response to internal acceptance of the business case for diversity within the industry, partly in response to external imperatives. Moving towards implementation of a diversity strategy remains a challenge for the industry and will require a measure of collaboration between the industry and public authorities.

Further research with greater resources would be warranted to investigate the questions. This research builds on the body of literature on the issues and its own findings from qualitative interviews to draw together conclusions and recommendations. The conclusions below are discussed in relation to five key aims that were outlined by the commissioning authorities in the tender specification.

6.1 Identifying the Business Case for Diversity in Construction

A key objective of the research revolved around identifying examples of how the case for diversity has been understood and developed in the London construction industry. This reflects the approach taken by the LDA and other government and trade bodies to try and influence the industry by accentuating how diversity can improve business function, efficiency and profitability.

The research found that across the construction sector interviewees there was a wide acceptance of the need for diversity in the industry. The demographic imperative of developing a wide recruitment pool of skilled

workers for the anticipated growth in building activity was recognised. Some developers and major contractors in particular have taken on board some initiatives that are designed to bring under-represented groups into construction. However, on the whole there appeared to be a tendency for the major infrastructure and regeneration project interviewees to view diversity largely through the lens of supply-side questions. There was a widespread assumption that the industry would now welcome people from the target equality groups and that therefore aspirations and routes into construction needed to change, not the construction sector businesses themselves. Hence there was not much reflection on the way in which established culture and processes within the industry may act as barriers to some groups.

The overall impression gained of where the London construction industry sits on the 'diversity journey' is that it is still at an early stage in the process. One further indicator of this is that a leading industry publication, *Contract Journal*, only first included a diversity category in its annual awards in 2005. Relating back to the diagram on the Diversity Excellence Model in Section 3.2 with axes for performance and time, industry bodies and major contractors in particular, are aware of the need for diversity, and the industry in general is gradually developing an understanding of what diversity means. However, in terms of understanding there is still some confusion over definitions and a lack of appreciation about how institutionalised discrimination may operate in the industry¹⁷. The small size and operating pressures on SME contractors mean that they may lack general awareness or interest in diversity. In contrast, some contractors in housing renovations, repair and maintenance are further down the line towards implementing diversity and there are a few examples of excellence.

Application of diversity management is therefore limited and is mostly restricted to pilot schemes such as local labour initiatives that target under-represented groups under the direction of government bodies. Although diversity has got on the agenda at the outset of projects, lack of resources and commitment mean that it may be marginalized over the course of work and achieve little performance improvement in practice. None of the four case studies offered a holistic example of how the case for diversity had been implemented, although each case study included elements of good practice. A move towards integrating diversity management in business practice – for example, mainstreaming of BLCF coordinators funded by the contractors rather than through public programmes is a step towards application.

In order to make progress on the diversity agenda, public incentives are crucial to shifting the industry towards a broader based and better understanding, initially through pilot applications and then towards promoting integration. The industry cannot be expected to change internally entirely of its own accord, as the ideal business case for diversity would suggest. The organisation of work through fragmented subcontracting and informal networks militate against change. For individual businesses, it may be in their best interests to maintain established processes that are most efficient in relation to the organisation of work. For the industry overall, there are obvious imperatives for change. Construction activity in London is expected to continue to grow markedly, not just in major infrastructure projects like the Olympics, but also through mixed-use regeneration of land and housing building and renovation to meet the major shortages in the capital. This activity demands a growing workforce with the necessary level of skills and experience. Currently, migrant workers are increasingly filling the gap on the going employment terms and conditions, but it is debatable whether this is a sustainable strategy since the supply of migrants may not continue in the future and the potential to engage under-represented groups such as women, BAME and disabled people is not being developed. The London construction industry needs to recruit, train and retain a diverse pool of resident workers, which will also help it meet its corporate social responsibilities and improve environmental sustainability. There are demands for skilled workers, in particular people that are multi-skilled in different operations. Recruitment needs to go hand in hand with suitable training initiatives, but there is evidence from the research that current methods and patterns of training do not adequately meet the industry's needs (e.g. for new as well as traditional trade skills) nor does it meet the needs of trainees for practical experience.

While the business case for diversity hinges on the argument that diversity management brings real business benefits, the notion that diversity in business helps just the bottom line is too simple. In the construction industry there will be immediate costs associated with implementing a diversity strategy but the benefits are likely to be long term rather than immediate; therefore there is a case for providing some measure of public support in the form of incentives alongside some measure of public guidelines and controls. A diversity cost matrix model for the construction industry could contribute to guiding what is necessary. It is also imperative that the case for diversity is argued consistently for the industry overall rather than only for particular

organisations within it. This indicates a necessary role for pan-London organisations and pan-London industry forums.

6.2 Establishing Reasons for the Lack of Diversity

The reasons for the lack of diversity in the industry are historical and structural. The research found further evidence to bear out the characteristics of the industry profiled in Section 2 and structural barriers discussed in Sections 3.4 to 3.7. In brief, these reasons included:

- The fragmentation of the industry, where managing contractors engage complex chains of suppliers to undertake packages of work on projects. The implication is that the diversity agenda can become diffused through tiers of subcontractors with a lack of overall management responsibility. The great majority of construction-sector firms that carry out building work are relatively small and lack the capacity and interest to promote diversity.
- The competitive tendering processes in construction, wherein cost and timescale tightly dictate the terms of work and leave little scope for allocating resources towards measures to improve diversity performance.
- The informal organisation of work in the industry, where communication through trusted networks is used to find subcontractors, workers and trainee/apprenticeship applicants. These patterns act to privilege established partners and methods of recruitment, which are traditionally dominated by White men. Lack of transparency and accountability hampers monitoring and means that minority-led SMEs and new groups of workers face barriers to entry.
- The poor links between training, work experience and employment in the industry. The lack of apprenticeships and work experience placements means that students in Further Education colleges, which include a relatively high proportion of women and BAME people, face difficulties in entering the industry.
- The prevalence of 'self-employment' and temporary agency work, which contribute to wide variations in the terms and conditions of work (for example, hours and pay) even within sites and trades. Contractors have less responsibility for the workers engaged on projects and more incentive to take on skilled travelling workers with proven ability or migrant workers willing to work at lower rates. The lack of stable employment relations hampers the development of training and diversity performance measures.

- The long shifts and working hours frequently put in place, which – coupled with often difficult and long journeys to work and the use of the Working Time Directive opt-out clause – make construction unattractive and a distinct health and safety risk, including for those with family and other responsibilities, and those with disabilities, and for training purposes.
- The historical dominance of the industry by White men, which has sustained discriminatory processes and behaviour (which may not be direct or overt but can continue to shape attitudes). Assumptions about the abilities of different ethnic groups, sexist workplace cultures and limited understandings of disabled people can act to restrict them from entering the industry.

6.3 Identifying Processes, Procedures and Business Support to Deliver Diversity

The findings for the research were set in relation to the major processes in the industry and give pointers towards the procedures and business support that are necessary to deliver diversity.

- Planning¹⁸: section 106 legal agreements between local planning authorities and developers are an important process wherein obligations can be set for implementing and monitoring diversity measures. In some cases, there is a tendency to assume after the agreement that the local authority has principle responsibility for directing the diversity-related measures, while the developer has a liaison and support role with its contractors at best (and takes little further interest at worst). On-going partnership working and joint responsibility between the authority and the developer is a more constructive approach to achieving improvements in practice. Authorities need to clearly set out procedures with developers for compliance of contractors and willingness to enforce them.
- Contracting: Invitation to tender and contracts have the capacity to build in diversity-related requirements, but this is often limited to just making reference to s106 agreement requirements. There is scope for developers/clients to incorporate pre-qualification criteria on diversity performance and contract clauses requiring on-going commitments to diversity. Guideline targets for diversity performance can be agreed and form the basis for future contract decisions where there is a longer-term relationship.
- Subcontracting: Proven track record and/or specialist work, together with cost and timetable, are the main factors in appointing subcontractors.

While they are, of course, paramount, managing contractors can develop supplier diversity plans that clearly identify opportunities where a more diverse range of subcontractors could have an opportunity. Major works contractors can also rationalise their subcontracting to identify lists of preferred providers, which may include information on diversity performance. The processes of subcontracting can be made more transparent and accountable by having a dedicated officer responsible for having oversight of how they are advertised and awarded.

- **Training:** Careers advice needs to be enhanced to encourage more people to see the opportunities in the construction industry. There is a potential supply of people from target equality groups who are interested or are already enrolled in construction-related training but who are unable to work in the industry due to their lack of work experience. The links between training and employment need to be strengthened, in particular by increasing apprenticeships and work experience placements, through a combination of measures such as levies and CITB-managed placements and trainee sites. Where new development projects are for several years, contracts could build in requirements for carefully monitored apprenticeships, training and work experience. Tailoring training to meet the skills demands of the modern industry also needs to be enhanced through better forward planning between employers and training bodies.
- **Recruitment:** There are several local labour initiatives across the capital, which have successfully supported many people to work in the industry. However, the overall numbers coming through them in relation to the total construction workforce are very small. They could be expanded and coordinated more effectively, and obligations placed on contractors to use them. Workplace coordinators mainstreamed within the major contractors and major sites are potentially very effective since they operate on the demand side of the industry. Site managers responsible for recruitment arrangements should also be charged with ensuring transparent methods of recruitment based on equal opportunities principles.
- **Employment:** There are benefits to increasing direct employment over the current predominance of self-employed and temporary agency workers. This would create a more stable workforce that can enable a more diverse pool of workers (which will also have benefits for productivity and competitiveness¹⁹). Measures to encourage this include involvement of unions in partnership with developers and contractors in collective bargaining.

- Working hours: These need to be planned early on with shifts and site hours built into projects that conform to Working Time Directive requirements and enable a more diverse and local population to be employed.
- Discrimination: Awareness raising across the tiers of the construction workforce is important to improve respect for and understanding of diversity. Even if not overtly abusive, the way that behaviour and attitudes in the industry operate to exclude BAME, women, disabled and other groups needs to be addressed and organisations need to take practical actions against perpetrators. Diversity training should also be tailored to the growing White East European worker population.

6.4 Formulating Policy Actions

The research uncovered a number of difficulties in forward planning for the industry overall. The fragmentation, competition and informal processes of the industry, combined with the complexity of government bodies and relationships, have conspired to hamper the consistency and coordination of different approaches and initiatives.

The definition of 'local' and its intersection with diversity was also problematic. Due to the significance of local authorities in the negotiation of s106 planning agreement and as the usual basis for organisation of services, they have tended to form the geographic basis for various initiatives. Defining just one local authority as the population of a 'local' area for targeting recruitment and employment is impractical. Similarly, directing business support to companies based only in one local authority is limiting. By this token, employing people from the target equality groups or engaging minority-led SMEs on a project, which are from outside the local authority where the site is located, would not contribute towards meeting performance targets linked to the local initiative. The London labour and supplier market is integrated – setting geographic boundaries may be counter-productive.

Defining resident as opposed to migrant worker status is also difficult. Migrant workers are increasing in the industry and therefore can be construed as adding to its diversity. Local initiatives however imply an emphasis on assisting residents with training and employment. How long a person needs to live in an area is another question. The majority of recent migrant workers in construction are White East Europeans men (and some White Antipodeans). In any case this debate should not be allowed to distract from the meaning of diversity and the objective of

concentrating largely on increasing opportunities in construction for longer-standing BAME, women and disabled residents.

Across all of the processes, procedures and support measures discussed above, there is a need for harmonisation of the approach across London so that the industry can develop overall. In the past and present there have been a plethora of different pilot project, service initiatives and schemes funded through different government channels; many of which have come and gone with limited impact and little learning. Duplication in some geographic areas and gaps in others exist. For construction firms, which often work across different sites throughout London (and the UK), establishing relationships with all these dynamics is complicated. The Mayor's Office and the LDA therefore have an important role to play in bridging the work with the construction industry. It needs to work with all of the stakeholders, including London Councils (the former Association of London Government), industry representation bodies such as CITB-ConstructionSkills, Major Contractors Group and Federation of Small Builders, the Trade Unions Congress (TUC), and the Learning and Skills Council. .

6.5 Determining Best Practice Interventions on Diversity

In the case studies, the research did not find a holistic example of how diversity performance had been successfully improved. There were several examples of opportunities for good practice in relation to different processes, which are highlighted in Section 5, but no one example of where they had all been weaved together. Combining interventions together is crucial, however. For example, planning obligations need to link to contract clauses and subcontracting processes, and training needs to link to recruitment and employment. The construction industry needs to learn from other sectors that have progressed further down the diversity journey.

7. Conclusion and recommendations

The recommendations drawn from this research are largely directed at how public authorities, in particular the LDA and GLA in the Mayor of London's group of regional authorities, can work with construction industry employers, the sector skills councils and other industry forums to improve the industry's diversity performance in relation to manual occupations in particular. At this point in the 'diversity journey', public authorities still have a key role to play in supporting the industry to take a long-term view of the economic benefits by introducing short-term incentives to bridge cost and influence the structure and processes of the industry. The public sector's duty to promote diversity also compels it to set the agenda through its procurement and planning roles. This does not mean that public authorities should be cast in the role of issuing external edicts for the industry to observe – instead a partnership approach needs to be formulated through close working with industry forums. The case for supporting diversity is strengthened by growing demands from within the industry for a supply of appropriately skilled construction workers in London and it is crucial that the principles now lead into practice. In particular, the Olympics development offers an opportunity for setting a good practice example for the rest of the industry to learn from. Consequently, the first recommendation is that the organisations that commissioned and/or supported this research – the LDA, GLA, SERTUC and CITB-ConstructionSkills – engage the Olympics Development Authority in discussions about how to implement the majority of recommendations that are relevant to this development.

The following points are set out as a short statement of key issues based on the research findings, followed by recommendations broadly assigned to responsible bodies. How these bodies then delegate actions to particular committees, services or teams is not specified. While it is recognised that there are some initiatives already underway that are addressing parts of the recommendations, they generally need to be strengthened and embedded with regard to the diversity agenda.

1. Despite the growing demands, the structure and behaviour of the construction industry acts as a barrier to the development of integrated skills, training and employment of the population in a sustainable London labour market, and in particular the full potential of BAME groups, women and disabled people to work in the industry is not being realised.

Recommendations: Regional public authorities with the industry lead bodies and the unions to develop an overall strategy and programme to

promote the business case for diversity across the construction industry based on the importance of developing sustainable labour markets.

2. There is limited understanding within the industry of the meaning of diversity and how institutionalised processes of discrimination can operate. Although there have been improvements, the workplace organisation and culture on construction sites can still exclude BAME, women and disabled people.

Recommendations: Regional public authorities and CITB-Construction Skills to work with the industry lead bodies and the unions (i) to encourage developers of major infrastructure and regeneration projects to require their managing contractors and supply chains to implement diversity-training programmes and anti-discrimination procedures across the tiers of their management and workforce, and (ii) to promote respect for diversity amongst the migrant workforce by translating guidance into different languages including the East European languages.

3. Occupational health initiatives can play an important role in supporting changes in people's perceptions and behaviour with a view to preventing disabilities caused by working in the industry and to enable those with disabilities to work in the industry.

Recommendations: CITB-ConstructionSkills with unions, regional public authorities and industry lead bodies (i) to encourage developers and major contractors for large infrastructure projects to set up Occupational Health schemes along the lines of the good practice example at Heathrow Terminal 5, and (ii) to update and promote existing guidance for all employers, notably the Constructing Excellence 'Respect for People' toolkits, on the social model of disability, and risk assessment and adjustments to enable disabled people to work.

4. The section 106 planning obligations can differ from one local authority area to the next and hence they can vary between developments. It would be helpful to the developers and industry contractors if there were a measure of consistency and coherence in such agreements across London.

Recommendations: Regional public authorities (i) to work together with local planning authorities on standard guidance and good practice advice for inclusion of diversity-related measures and links to regional strategic directions in s106 agreements, and (ii) to discuss guidance with local planning authorities, Major Contractors Group (MCG) and other

construction trade bodies on what constitutes ‘best endeavours’ in relation to fulfilling diversity-related measures and monitoring.

5. Once planning obligations in s106 agreements and other forums are reached, developers and their contractors and suppliers can tend to abrogate responsibility for diversity measures to local authorities and not establish adequate management systems for on-going commitment.

Recommendations: The LDA working with the local planning authorities and with developers to consider promoting joint management, monitoring and evaluation of diversity measures between developers and local authorities whereby both take on responsibilities for their implementation over the course of projects. Developers may find it helpful to appoint a project officer with an accountability and enforcement remit (i.e. not just a liaison role).

6. Currently it is very difficult to monitor industry activity and establish baselines and progress in relation to diversity.

Recommendations: CITB-ConstructionSkills and CSCS in consultation with the regional public authorities, MCG and the unions (i) to consider developing a toolkit for monitoring diversity on sites for use by all contractors, (ii) to explore possibilities for using the CSCS cards as a way of holding information on workers that can be swiped in at the time of induction and would minimise form-filling as a result, and (iii) to consider collating data annually on diversity performance of the construction industry.

7. There is a lack of transparency and accountability in relation to diversity in recruitment, subcontracting and retention processes, which tend to rely on established informal networks. Programmes such as the Building London Creating Futures (BLCF) workplace coordinators need to be mainstreamed and expanded to secure employment opportunities within the subcontracted supply chain.

Recommendations: Regional public authorities to work with the CITB-ConstructionSkills, employers and unions (i) to promote employment of dedicated managers/coordinators to work on large sites with a remit for promoting different methods of sourcing applicants and ensuring equal opportunities in recruitment and subcontracting, (ii) to consider ways of incorporating suppliers’ track record in equal opportunities and diversity performance as part of tendering processes for contracts, and (iii) to promote the appointment of equality representatives to be kept informed

of recruitment and retention processes and to liaise with workers from target groups on issues of concern such as discrimination.

8. There is some evidence that while business support schemes may have helped SMEs to be 'fit for supply', minority-led SMEs still have not been very successful in terms of winning contracts for public or private sector developments. They often need more information on tenders at an earlier stage so that they can prepare and compete effectively.

Recommendations: The LDA to identify and disseminate good practice with regard to how local and regional business support schemes have helped people from the target equality groups to develop SMEs and win contracts, and supported major contractors to make diversity and equality part of their core business agenda.

9. Housing new build, renovation, repair and maintenance work offer some of the most immediate opportunities for promoting diverse workforces and minority-led SMEs, but some ALMOs and RSLs have not developed this potential fully. Public authorities in general need to more consistently implement diversity-related measures and targets into their processes, including equal opportunities and positive action measures for minority-led SMEs and contract clauses relating to training and recruitment methods.

Recommendations: In line with the GLA Group Sustainable Procurement Policy, regional public authorities (i) to develop further work with the London Councils, Housing Corporation, RSL G15, NHS, National Federation of ALMOs and other public sector forums on standard guidance for incorporating diversity into public procurement and contract management across London; and (ii) to consider the potential of partnership contracts as a way of increasing apprenticeship and work experience placements that under-represented groups can access.

10. Currently there are deficiencies in the adequacy of overall training and skills provision for by Further Education colleges and other providers in meeting construction employers' demands and workers' aspirations, linking trainees with work experience opportunities, and ensuring appropriate skills for modern construction processes.

Recommendations: The London Skills and Employment Board with the London Construction Skills Forum to draw on the London Skills Observatory, consult the industry and work with the Learning and Skills

Council and other training stakeholders in London to develop a London plan for delivering training in the skills required.

11. There is currently a significant shortfall of apprenticeship and work experience places in the industry, resulting in inadequate links between formal training and employment. There is evidence that relatively greater numbers of people from the target equality groups participate in courses, but then face particular barriers to accessing work experience and progressing on to employment in the industry.

Recommendations: CITB-ConstructionSkills with the support of the London Construction Skills Forum (i) to develop methods of combining government funding and industry levies to ensure work placements, (ii) to manage collective and pooled schemes that promote equal opportunities and diversity of trainees with contractors and subcontractors on project sites, (iii) to produce guidance on target numbers of apprentices and work experience placements per £1 million funding, and (iv) to promote requirements for on-site training and/or linked training centres as part of major developments.

12. There is a patchwork of many different training and employment initiatives in London that work with under-represented groups in construction, which can appear overly complicated to the industry and can seem to replicate instead of learning from past initiatives. They have mainly helped young, low-skilled and under-employed people to access labouring jobs (often short-term), while agencies and other established routes of recruitment are more important for workers with established trades or skills.

Recommendations: The London Skills and Employment Board with the London Construction Skills Forum (i) to take the lead in reviewing the coordination of 'local' initiatives supported either through regional public funding or through provisions in s106 agreements, to ensure that they are networked together regionally and that companies and individuals are signposted to them efficiently, and (ii) to review good practice in labour initiatives for construction for promoting sustainable employment and working with target equality groups.

13. The prevalence of self-employment and temporary agency working (in particular of migrant workers) on short projects on sites, often under different terms and conditions even on the same site and in the same trade, hampers the development of a stable workforce with clear paths of recruitment, retention and progression that a wider, more diverse, pool of

workers can enter. The organisation of construction work sustains these patterns and precludes change, and policy interventions need to identify how the short-term costs to contractors can be bridged to reach the longerterm economic benefits of stable employment arrangements.

Recommendations: Regional public authorities, industry lead bodies and unions meet (i) to discuss where it may be possible to promote the business benefits of stable employment that supports a more diverse workforce, and (ii) to discuss where it may be possible to promote the negotiation and enforcement of agreements on standard terms and conditions of employment.

14. The long, irregular work hours and travel times often required in construction act to exclude many people from working in the industry due to the difficulty of combining work with domestic and other responsibilities. These work patterns underpin the preference for engaging mobile workers, including increasing numbers of recent migrants willing to travel between short-term projects in the UK. This hampers the development of a sustainable London labour market as well as having potentially negative impacts on the environment due to transport and on occupational health and safety due to fatigue.

Recommendations: Regional public authorities, industry lead bodies and unions to discuss how it may be appropriate on major projects to promote stable working hours and shorter travel times in conformity with Working Time Directive requirements, clean environment and transport policies, effective health and safety procedures and measures, and minimising disturbance to the general public.

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Appendices

Appendix A: Topic Guide for Key Stakeholders

The topic guide is set out as a generic set of issues and questions to be explored in the key stakeholder interviews. The depth and emphasis in the topics covered will vary according to the role of each stakeholder and will be tailored to explore the London construction industry in general or the site-specific case studies as appropriate.

Where 'target groups' are referenced, questions will be directed at exploring the issues in relation to women, BAME groups and disabled people separately where appropriate. At the outset the parameters of the study will always be set out and returned to should the interview stray from them i.e. focus on equality groups, local labour as set out in definitions section of interim report.

Organisation Interviewed

- Role of organisation interviewed
- Position of person interviewed

Profile of Construction Industry and Case for Diversity

1. What has been the trend in your experience in the employment of target groups in manual trades in the construction industry?
 - a. BAME, women, disabled
 - b. Types of occupations
 - c. Factors that have influenced change
 - d. Barriers that have operated
2. What has been the trend in your experience in the engagement of SMEs owned by target groups to supply subcontracted work on construction projects?
 - a. BAME, women, disabled
 - b. Types of services
 - c. Factors that have influenced change
 - d. Barriers that have operated
3. Do you think the construction industry should employ more workers and SMEs from ethnic minorities/women/more disabled people? Why or why not?
 - a. Advantages/benefits of diversity to business, local area
 - b. Disadvantages of diversity to business, local area

Planning Processes

4. What methods are used to consult local business associations, organisations and local communities during the planning phase for new developments?
 - a. Methods of including target equality groups
 - b. Levels of engagement, impacts on plans
 - c. Involvement of campaign groups
5. How have local authorities included strategies for local training, employment and business development into the development framework for the area? How have they been linked to planning agreements with developers?
 - a. Examples of positive action
 - b. Limitations of system
6. Has the planning system been used to promote diversity in employees and suppliers to the site?
 - a. Use of section 106 to stipulate training for employment and business development
 - b. Targets for diversity
 - c. Influence of public procurement as a standard for private sector

Main Contracting Processes

7. Have client agencies negotiated with main contractors on requirements for diversity in relation to workers and suppliers?
 - a. Processes, examples of positive action by clients
 - b. Comparison of private sector and public sector
 - c. Stipulation of contract targets/requirements – opportunities, limitations
 - d. NB: for repair and maintenance case study also address question specifically to role of ALMO
8. Have main contractors negotiated with subcontractors for diversity in relation to their workers?
 - a. Processes; Examples of positive action by main contractors
 - b. Inclusion of contract requirements – opportunities, limitations
9. What systems for contract monitoring and enforcement have been used in relation to diversity?
 - a. Examples of contract clauses on diversity
 - b. Effectiveness of monitoring and enforcement, challenges, lack of fulfilment

Training and Education

10. How is the training and education system meeting the demands of the construction industry? What are the skills shortages? What are the limitations in the education and training system in responding to them?
 - a. Levels of skills or work experience re different occupations (skilled trades, operatives and labourers)
 - b. Benefits/limitations of further education, apprenticeships etc
 - c. Problems of access for target groups
11. How have your organisation accessed/developed/supported (depends on type of stakeholder) training and education opportunities for target groups?
 - a. Examples of good practice
 - b. Barriers to take up by target groups
12. What further training opportunities are there for target groups?
 - a. Difficulties for further training due to part-time, piecework etc

Recruitment

13. How does the construction industry recruit workers for different occupations? How does this shape opportunity for recruitment of target groups?
 - a. Established networks for recruitment, channels of communication, labour providers for skilled workers, general operatives and labourers
 - b. Practices of SMEs versus large businesses
 - c. Organisation of work e.g. piece-work, 'self-employed' status
14. What are the opportunities and limitations of using local labour from the target groups for meeting demand?
 - a. Levels of skills, experience
15. How does the construction industry link to local access to employment schemes (e.g. Greenwich Local Labour and Business) to fulfil demand for workforce diversity on projects?
 - a. Effectiveness of schemes
 - b. Particular difficulties (e.g. skills related)
 - c. Suggested improvements
16. Are there factors that make it difficult for target groups to enter jobs in construction industry?
 - a. Perceptions of target groups by employers
 - b. Perception of industry by target groups
 - c. Opportunities, barriers for entry
 - d. Barriers to entry

Building Subcontracting

17. How do construction employers generally tend to take on subcontracted suppliers? How does this affect equality of opportunity for SMEs owned by target groups?
 - a. Established networks, channels of communication
 - b. Barriers to winning contracts
18. How does the construction industry link to local business development schemes to fulfil demand for diverse suppliers on projects?
 - a. Effectiveness of schemes in relation
 - b. Suggested improvements

Work Conditions

19. How does the way work tends to be organised in construction influence terms and conditions of employment? What affect does this have on employment of target groups?
 - a. Mobility/turnover of labour
 - b. Self-employment, piece-work
 - c. Flexible work relations re time and availability, short-term projects
 - d. Obstacles or benefits of wage structure for target equality groups
 - e. Reasonable adjustments for disabled
20. How does the workplace culture influence the opportunities of target groups?
 - a. Attitudes and behaviour of co-workers, supervisors
 - b. Processes of discrimination, harassment, bullying
 - c. Changes to attitudes and behaviour
21. How does occupational health and safety affect workers from target groups?
 - a. Disability
 - b. Language
 - c. Enablement of workers (i.e. changes to facilitate continued working)
22. What factors shape the retention and promotion of workers from target groups?
 - a. Attitudes and behaviour of co-workers, supervisors
 - b. Processes of discrimination
 - c. Changes to attitudes and behaviour

23. How can work conditions and culture in the construction industry be adapted to allow more workers from target groups to be included?
 - a. Ways of changing behaviour and attitudes
24. To what extent are construction workers represented by trade unions? What role have unions played in relation to diversity in employment?
 - a. What role in negotiating work relations

Overall Sector

25. What other good practice examples in relation to promotion of diversity in the construction industry are you aware of?
 - a. .e. probe further if not yet elicited much
26. Who should be driving forward the case for diversity in construction? How should they be introducing incentives for change?
 - a. Role of government
 - b. Role of business associations
 - c. Role of sector skills council
 - d. Role of voluntary sector/campaign groups championing target groups
 - e. Legislative (external) versus voluntary (internal) approaches
27. What do you think the Mayor's Office for London should be doing to promote diversity in the London construction industry?
28. What do you think CITB-ConstructionSkills should be doing to promote diversity in the London construction industry?
29. What do you think SERTUC should be doing to promote diversity in the London construction industry?

End of Interview

At the end of the interview all stakeholders will be asked for contacts in relation to the case studies and whether they can assist with contacting interviewees for the site-specific semi-structured interviews.

Appendix B: Topic Guides for Semi-Structured Interviews with Site Participants

Topic Guide for Site Manager

Engaging Building Subcontractors (i.e. suppliers of labour for building works)

1. What is the tendering and contracting processes on this site?
 - a) How many subcontractors are working on this project/site?
2. What is the usual process for finding subcontractors?
 - a) How do you communicate/advertise for sub contractors?
 - b) What requirements do you have for subcontractors? i.e. skills, proven experience etc
3. Could you tell me about any initiatives on this site to engage local subcontractors?
 - a) Has this scheme worked well? What have your experiences been with local suppliers?
4. Are there measures for supporting local subcontractors or subcontractors from particular target groups (or both)? (Note: BAME and disabled people and women)
 - a) Who set up the measures? (internal– organisation's equal opportunities policy; client; other?)
 - b) What are the targets? What are the challenges in meeting these targets?
 - c) If there are not many local subcontractors /not many subcontractors from target groups on this project, why do you think this might be the case?
5. What have been the benefits of using local subcontractors/subcontractors from target groups? (Note: BAME and disabled people and women)
 - a) What worked well, in terms of the local business diversity initiatives?
 - b) How can the initiatives be changed in order to work better?

Training and Community Development

6. On this project, how has your organisation been involved in local training programmes?
 - a) For which trades has there been further training?
 - b) Are subcontractors included in training initiatives?
 - c) What on-site training have local trainees from target groups been offered?
 - d) Do you offer work experience to trainees from colleges/special initiatives?
 - e) What does it take for a trainee to be offered employment on-site?
7. What were the targets on this site in terms of training and access to employment for local people from target groups and how were these targets set? (Note: BAME and disabled people and women – probe on challenges in training target groups)
 - a) What were the challenges in meeting these targets?
 - b) What have your experiences been with local trainees?
 - c) What have been the benefits of supporting local training?

Recruiting construction workers

8. What process does your organisation normally use to recruit construction workers?
 - a) Are there different methods used to recruit workers for the different manual trades?
 - b) How do you put out word when you're looking to recruit general operatives?
 - c) What do you look for in an operative?
 - d) How many construction workers (trades and operatives) does your organisation employ directly for work on this site?
9. Could you tell me about initiatives on this site related to hiring local labour?
 - a) What have your experiences been in this regard?
 - b) How useful have local training and access to employment schemes been? Why/why not?

10. What were the targets on this site in terms of recruiting workers from target groups? How were these targets set? (e.g. organisations' equal opportunities policy or client requirements) (Note: BAME and disabled people and women)
 - a) What were the challenges in meeting these targets?
 - b) What occupations did they tend to work in?
 - c) Were work relations on-site different as a result of targeting particular groups? (e.g. role of union)
 - d) If the rates of local workers /workers from target groups on this project is low, why do you think this might be the case?

Good practice

11. Have you managed other sites where your experiences with local labour and business initiatives have been different?
 - a) What's unique about this one?
12. What are other ways that the recruitment of members of target groups can be increased?
 - a) Women
 - b) Disabled people
 - c) BAME
13. What are the ways that on-site experiences can be improved, in particular, on-site experiences of
 - a) Disabled people
 - b) Women
 - c) BAME
14. What changes can be made to increase business opportunities for local subcontractors (businesses owned by women, BAME and disabled people)?
 - a) Changes made by local councils or agencies
 - b) Contractors work and industry bodies
 - c) Others

Topic Guide for Semi-Structured Interviews with Site-Specific Building Subcontractors Owned or Managed by People from Target Groups

General business experience

1. What is the nature of the work that you carry out?
 - a) What is the range of projects you've worked on in London and to what timescale
 - b) What are the numbers of workers you've employed on different projects in London?
2. How do you usually hear about contracts in London?
 - a) What are communication networks that you use?
3. What factors do you find influence success in winning contracts?
 - a) Price, contacts, skills and experience?
 - b) Barriers?
4. How does your experience differ from those of other subcontractors?
Why?
 - a) What factors influence who gets invited to tender?

Site-specific experience

5. Can you explain how you won the contract for work on this site?
 - a) How did you initially hear about it?
 - b) What were the important determining factors in winning the contract?
6. What contact have you had with local business development schemes?
 - a) If in contact, how helpful, what access did it broker?
 - b) If none, how aware of, why not accessed?
7. How does the work that you carry out fit into the chain of contracts on this site?
 - a) How well do you get along with subcontractors you work with on this site?
 - b) Subcontractors in the same trade, and subcontractors in other trades?
8. What are your experiences of working as a subcontractor on this site?
 - a) What were the positive and negative experiences – probe around possible discrimination

9. What requirements in relation to diversity have been included in contracts for suppliers to this construction site?
 - a) If none, what could be included
 - b) If yes, what included and how monitored
 - c) Experience/good practice from other sites

Employer relations

10. How many and what type of workers (trades/general) do you take on? On what basis (regular ft employment contract/short term/piece work)?
11. What requirements in relation to skills and training do you normally have for workers you take on?
 - a) Shortages/limitations of skills, experience
12. How do you find and recruit workers?
 - a) What arrangements for piece work, payment etc
 - b) What methods of communication, networks for skilled workers, general operatives or labourers
13. What links to local schemes for supplying local and/or target group workers to construction have you had?
 - a) Knowledge of schemes
 - b) Benefits/ limitations of schemes
14. Have you taken on other workers from target groups? Have you taken on local residents?
 - a) Trends
 - b) Opportunities/ barriers
15. Do you take on trainees for work experience? How many of them have come from minority groups?
 - a) If yes, how take on, what opportunities/barriers
 - b) If no, why not
16. What factors influence the opportunities of workers/suppliers for getting further work with you?
17. Do you provide opportunities for your workers to develop their skills and qualifications?

Industry changes

18. How could work conditions and culture in the construction industry be adapted to enable more subcontractors and workers from target groups to be included?

19. Who should be driving forward the case for diversity in construction? How should they be introducing incentives for change?
 - a) Role of government
 - b) Role of main contractors
 - c) Role of industry bodies, business associations
 - d) Role of voluntary sector/campaign groups championing target groups
 - e) Legislative (external) versus voluntary (internal) approaches

Topic Guide for Semi-Structured Interviews with Workers from target equality groups

Recruitment

1. What is the work that you do?
 - a) Range of projects by timescale
2. How do you usually hear about opportunities for work?
 - a) What are the communication networks you're in tuned with?
 - b) What are the limits of these networks?
 - c) How might your opportunities for work differ from the opportunities of other operatives?
3. Can you explain how you got work on this site?
 - a) How did you hear about the work?
 - b) What is the work that you're doing?
 - c) What elements were in play in getting the work?
4. What contact have you had with the local labour scheme towards getting work on this site?
 - a) What did the agency do to broker the work?
 - b) What did you have to do?
 - c) How well did the local labour scheme work?
 - d) How could the local labour scheme have worked better?
 - e) If not accessed, why not?

Training

5. What is the training you took before getting this position?
 - a) Was the training organised by the local labour scheme?
 - b) Was the training organised in relation to this project?
6. How has the training you've taken in the past benefited you in terms of landing work on this site?
 - a) How did you get work experience as a trainee?

Work conditions, wages and retention

7. What were your experiences of working on this site?
 - a) What were the positive and negative experiences?
 - b) Probe for possible discrimination
8. What were your relations like with your fellow workers?
 - a) Did everyone get along?
 - b) How could relations between workers have been different?

9. How was the work distributed?
 - a) What was the work you did and what was the work that other workers in your trade did?
 - b) If you don't consider this fair, why not?
10. What was the range of wages for the type of work that you were doing?
 - a) How were the wages set?
 - b) If you don't consider it fair, why not?
11. What was the union presence like on the site?
 - a) How did you engage with the union?
 - b) How did union presence make a difference to you?
 - c) How could it have been different?
12. What are the chances that the contractor who employed you will hire you again?
 - a) What do you think about working for this contractor again?

Best practises

13. Have you worked on other projects where your experiences with local labour initiatives have been different?
 - a) How does this one fare compared to the others?
 - b) What worked well in the other ones?
14. What are the other ways that the recruitment of local labour can be increased?
 - a) What can contractors and subcontractors do?
 - b) What can unions do?
 - c) What can local councils do?
 - d) What can agencies do?
15. What are the ways that on-site experiences/work conditions can be improved?
 - a) What can contractors and subcontractors do?
 - b) What can unions do?
 - c) What can agencies do?
 - d) What can governments do, in terms of making laws/regulations?

Footnotes

- 1 This literature on processes of racial discrimination and the intersections between race, culture and ethnicity is not summarised here. For overviews, see for example Malik, 1996; Anthias and Yuval-Davis, 1992.
- 2 Note that throughout the research, 'developer' and 'client' are used interchangeably. 'Developer' is used in planning legislation to denote the body responsible for proposed land use, whereas 'client' is commonly used in the construction industry to denote the lead body responsible for procuring/contracting work. They are often one and the same body in relation to a construction project, although they may represent either the private sector such as BAA, MDL and WNSL or the public sector such as ELLP and HFI.
- 3 This figure was as at the end of 2002, when turnover of £55,000 per year was required for VAT registration. This underlines the predominance of relatively small businesses in the construction sector.
- 4 The distinction between self-employment and direct employment is not necessarily clear in practice. A slight majority (55%) of those surveyed by IFF (2005) across the UK who indicated that they were self-employed also indicated that they were employed on a permanent contract with their current paymaster. Close to one in five (18%) of the self-employed said they had been working for the current contractor or firm paying them for over ten years
- 5 Note that the Small Business Council report (2004) indicates that this activity in the informal economy is largely in housing repair and maintenance, but does not elaborate on how it has determined this statistic.
- 6 Although CSCS is now used on most large construction projects in London (for example, it is supported by the Major Contractors Group (MCG) for the industry and by contracting organisations such as BAA, NHS and some local authorities), it is unlikely that this target can be met given current low levels of training and the widespread use of informal methods of recruitment (CITB informant).
- 7 The East European A8 countries that joined the EU in May 2004 were Poland, Czech Republic, Slovakia, Hungary, Lithuania, Latvia, Estonia and Slovenia. Cyprus and Malta also joined at the same time but are not part of the A8.
- 8 The trajectory of development of anti-discrimination law in the UK and the EU in relation to these different grounds varies, for instance in 2003 it became unlawful in the UK for employers to discriminate on grounds of religion or sexuality as a consequence of the Employment Directive, and legislation in relation to age was only introduced in 2006 (Ruff, 2006).
- 9 Byrne et al (2005) point to indicators that women make up about 3% of trainees, but only constitute 0.3% of construction workers
- 10 Framework contracts are ones that set out the terms and conditions under which work will be contracted over a period of some years, but do not have any financial value as such. They are used for renovation, repair and maintenance work where several firms hold framework contracts and are then chosen for jobs on the basis of indicators monitoring their performance.
- 11 The specialist mechanical and electrical contractors are not required to have long-term unemployed placements.

- 12 For example, a contractor working in Camden and Islington would be faced with two different local labour targets. If for one project in Camden the 25% local labour was met, then this may be to the detriment of proving local employment in Islington (and vice versa).
- 13 This company pointed out they were often only contracted for jobs in poorer rundown estates that others did not want to take on. In other words, as a Black-led company they were pigeon-holed to work in areas of relative deprivation.
- 14 However, this has also meant a two-tier workforce between originally local authority workers and newer workers in terms of holiday, sick leave and pension entitlement.
- 15 At T5, initially this time was not paid for, an issue which was the subject of industrial action and lost working days (UCATT). Given the difficulties of access many were given travel money though travelling less than the requisite 75 km for an allowance. Accommodation in the area was also provided, including for those living in the Greater London area. The large Punjabi workforce was even brought by bus every day from Gravesend.
- 16 The research was also alert to diversity in relation to age, sexuality and religion during the fieldwork, which did arise in much detail but was not explored further.
- 17 Based on Stephen Lawrence Inquiry (Home Office 1999) the concept of 'institutional discrimination' is used to refer to the collective failure of an organisation to detect processes, attitudes and behaviour which amount to discrimination through unwitting prejudice, ignorance, thoughtlessness and stereotyping.
- 18 In making these conclusions, it is recognised that there are Government proposals for a significant change in planning agreements under consultation, that could result in s106 contributions to training, employment and such like diversity-related measures being incorporated into a standardised planning-gain supplement instead (and therefore no longer falling under the direct purview of local planning authorities). There are arguments for and against this change, but the implications of this type of change on diversity performance have not been assessed as part of this research.
- 19 See the cross-Europe study 'Analysis and assessment of the elements of certain community policies that impact on the competitiveness of the construction sector' Interim Report submitted by Manchester Business School, University of Manchester, UK, April 2006.

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Vietnamese

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Greek

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Turkish

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Punjabi

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Hindi

यदि आप इस दस्तावेज की प्रति अपनी भाषा में चाहते हैं, तो कृपया निम्नलिखित नंबर पर फोन करें अथवा नीचे दिये गये पते पर संपर्क करें

Bengali

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Urdu

اگر آپ اس دستاویز کی نقل اپنی زبان میں چاہتے ہیں، تو براہ کرم نیچے دئے گئے نمبر پر فون کریں یا دیئے گئے پتے پر رابطہ کریں

Arabic

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Gujarati

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