



Strong Foundations: The UK's construction sector needs effective labour standards

About Us

Focus on Labour Exploitation (FLEX) is a research and policy organisation working towards an end to labour exploitation. FLEX seeks to achieve this vision through the prevention of labour abuses, protection of the rights of those affected by or at risk of exploitation and by promoting best practice responses to labour exploitation through research and evidence-based advocacy.

Summary

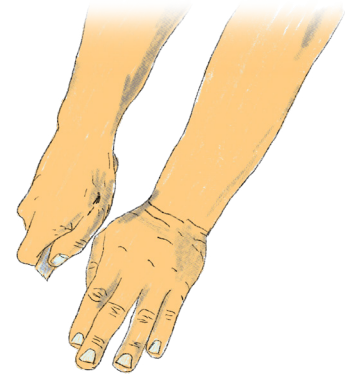
Construction is critical to the UK economy and to the Government's housebuilding goals. It is also a high-risk sector for labour market non-compliance and faces persistent labour shortages that migrant workers help to fill. With construction set to be included on the Government's Temporary Shortage List, this briefing examines the structural drivers of exploitation in the sector, from subcontracting chains to under-resourced enforcement, and sets out what is needed to ensure new migration pathways support, rather than undermine, labour standards.

1. The Construction Sector

The construction sector plays a pivotal role in the UK economy. It has been identified in the Government's Modern Industrial Strategy (June 2025) as critical to delivering the infrastructure needed to support long-term economic growth. The sector will also be central in meeting the Government's commitment to build 1.5 million new homes by 2030¹, a target which is projected to require an additional 206,000 workers.² In a sector with well-documented risks of labour exploitation, there are significant challenges for ensuring that all workers are able to access rights in practice.

Migrant workers will play a vital role in meeting the sector's labour needs, as they have done for many years. The Government has recognised this by adding a number of construction occupations to the interim Temporary Shortage List (TSL)³ set out in the 2025 Immigration White Paper.⁴

The TSL establishes a short term migration pathway for workers in designated occupations, allowing employers to recruit migrant workers at lower salary and skills thresholds than those required under the Skilled Worker route. It is intended to help address labour shortages in sectors that are critical to delivering the UK's Industrial Strategy. Under this route, however, workers are sponsored by, and dependent on, a single employer for their immigration status. This can significantly increase their vulnerability to exploitation by making it more difficult to challenge poor working conditions or leave abusive employment.



Construction is already recognised as a high-risk sector for labour exploitation. The Director of Labour Market Enforcement (DLME) has consistently identified construction as a high-risk sector for labour market non-compliance, alongside agriculture and hand car washes.⁵ The scale of the risk is reflected in data from Unseen's Modern Slavery and Exploitation Helpline, which recorded more potential victims in the construction sector in 2025 than in any other industry.⁶

The risks of exploitation are driven by structural features in the sector, including complex subcontracting chains, temporary visa routes that tie workers to a single employer, weaknesses in labour market enforcement, and decreased levels of trade union representation. These factors make it more difficult for workers to understand and enforce their rights, challenge poor working conditions, or leave abusive workplaces. In a sector where exploitation risks are already well documented, immigration policy must therefore be designed in a way that supports, rather than undermines, effective labour market regulation and worker protection.

1 Department for Business and Trade (2025). Industrial Strategy. Available at: <https://www.gov.uk/government/publications/industrial-strategy>

2 CITB (2026). Construction Workforce Outlook UK. Labour Market Intelligence Report 2026-2030. Available at: <https://www.citb.co.uk/cwo/index.html>

3 UK Visas and Immigration guidance, Skilled Worker visa: Temporary Shortage List. 22 July 2025. Available at: <https://www.gov.uk/government/publications/skilled-worker-visa-temporary-shortage-list/skilled-worker-visa-temporary-shortage-list>

4 Home Office (2025). Restoring control over the immigration system: White Paper. Available at: <https://www.gov.uk/government/publications/restoring-control-over-the-immigration-system-white-paper>

5 Director of Labour Market Enforcement (DLME) (2024), United Kingdom Labour Market Enforcement Strategy 2024/25. Available at: <https://assets.publishing.service.gov.uk/media/67333fe1c10bb403d96bf2b9/uk-labour-market-enforcement-strategy-2024-25-print.pdf>

6 Unseen (2026). Available at: https://www.unseenuk.org/wp-content/uploads/2026/04/Unseen-Helpline-Annual-Assessment_2025.pdf

2. Construction Workforce and Subcontracting

Insecurity is currently a core component of the construction workforce. Bogus self-employment, informal employment and employment by umbrella companies are all common practices. Many workers are left without the protections of direct, permanent employment, and are more vulnerable to labour abuses as a result.⁷

These conditions are often enabled by the prevalence of subcontracting and subcontracting chains in the industry. Subcontracting can involve passing responsibility onto others, often meaning no one is fully accountable for ensuring workers' welfare on a site. In a competitive environment, principle contractors are disincentivised from thoroughly assessing their supply chains, often employing "tick box" exercises to ensure their suppliers are compliant with modern slavery responsibilities.⁸

The diffusion of responsibility across subcontracting chains makes it more difficult for workers to enforce their rights and contributes to downward pressure on pay and working conditions, as commercial incentives to reduce costs are passed through multiple layers of contracting. It also creates uncertainty over who is responsible for workers' rights, leaving workers unsure whom to approach when problems arise with pay or working conditions.

In extensive subcontracting chains, main contractors may not even know who is working on their sites. As a result, workers at the lower tiers of the supply chain can become effectively invisible, allowing poor working conditions to go undetected and making non-compliance more difficult to identify and address, even where lead contractors are committed to improving standards. FLEX's research shows that these challenges are not unique to construction but are common across other heavily subcontracted sectors, such as cleaning.

“The cheapest contract, that’s the winner. This is another issue, because when you sell a contract and it’s [...] under the budget, you need to squeeze your team. And that means you need to do more for less.”

Interview, Colombian cleaning manager, 7 June 2029.⁹

The prevalence of subcontracting in construction has also contributed to the sector's skills shortages, reducing firms' incentives to invest in training and developing their own workforce. As Building Magazine Senior Reporter, Daniel Gayne, explains:

“Main contractors generally do not want to pay to upskill workers for the sake of one job; labour agencies don't want to pay for training that workers could easily access through a rival supplier of work; and workers are hesitant to forgo wages in order to get qualifications when nobody is promising a better job at the end of it. The end result is a less skilled-up workforce.”¹⁰

7 FLEX (2026). Shaky Foundations: Labour Exploitation in London's Construction Sector. Available at: <https://labourexploitation.org/app/uploads/2018/04/Shaky-Foundations.pdf>

8 Chris Pesterfield (2022). Exploited migrant workers in the UK: Heightened risks and mitigation failures. Available at: <https://futuresof-work.co.uk/2022/05/26/exploited-migrant-workers-in-the-uk-heightened-risks-and-mitigation-failures/>

9 FLEX (2021). “If I could change anything about my work...” Participatory Research with Cleaners in the UK. Available at: <https://labour-exploitation.org/publications/if-i-could-change-anything-about-my-work-participatory-research-with-cleaners-in-the-uk/>

10 Daniel Gayne (2025). Is the construction industry's growing reliance on agency labour becoming a problem? Available at: <https://www.building.co.uk/focus/is-the-construction-industrys-growing-reliance-on-agency-labour-becoming-a-problem/5138269.article?adredir=1>

Employers must have a legal responsibility for those working for them to ensure accountability in cases of breaches of labour laws and to create safe, formalised working environments.¹¹ A renewed focus on tackling poor subcontracting practices and bringing skills in-house would not only help to prevent widespread labour abuses, but would improve working standards and help address skills shortages.

Spain: Limits to subcontracting in the construction sector

Spanish Law (32/2006) on Subcontracting in the Construction Industry limits the number of subcontractors in a supply chain to three, not including the head contractor. While work may be subcontracted to self-employed workers, self-employed workers may not subcontract. Importantly, this law bans the use of subcontractors whose main task is the provision of labour. Employment agencies therefore may not be used in the construction sector.

Failure to comply with the provisions set out in the law gives rise to joint liability on the part of the subcontractor that has failed to comply, as well as the relevant contractor. For instance, if subcontracted workers have not been paid, they may take legal action jointly against their own employer and against the relevant contractor.

The law was brought in following concerns that subcontracting chains were contributing to higher rates of occupational accidents and health and safety breaches. In the 10 year period following the introduction of the law, the number of occupational accidents in the construction sector dropped by 50%.¹²

3. Short-term restrictive visas

The 2025 Immigration White paper introduced changes to the Skilled Worker Visa. From December 2026, when the UK government has said the Immigration Salary List will be abolished, industries like construction will have to be included in the new Temporary Shortage List (TSL) if they are to be able to recruit workers from overseas.¹³ The Government has stated that to benefit from inclusion in the TSL the construction sector must prove how it will manage the risk of exploitation of workers.¹⁴

It is positive that risks of exploitation are being considered in the creation of new labour migration routes. However, evidence of schemes, such as the Health and Social Care Worker visa, the Seasonal Worker visa, and the Overseas Domestic Worker visa indicates that short-term visas that restrict the ability to change employer can leave workers with limited options to exit or challenge exploitative work, increasing the risk of exploitation. It is crucial that the Government, in the operation of the TSL, builds on this learning to ensure that construction workers are not exposed to similar risks of exploitation.

11 Trades Union Congress (2018). Shifting the risk: Countering business strategies that reduce their responsibility to workers - improving enforcement of employment rights. Available at: <https://www.tuc.org.uk/sites/default/files/Shiftingtherisk.pdf>

12 European Labour Authority (2023). Law on subcontracting in the construction sector. Spain. Available at: [https://www.ela.europa.eu/sites/default/files/2023-02/Good-practice-fiche-Spain-Law-on-subcontracting-in-the-construction-sector-\(2023\).pdf](https://www.ela.europa.eu/sites/default/files/2023-02/Good-practice-fiche-Spain-Law-on-subcontracting-in-the-construction-sector-(2023).pdf)

13 Home Office (2025). Restoring control over the immigration system: White Paper. Available at: <https://www.gov.uk/government/publications/restoring-control-over-the-immigration-system-white-paper/restoring-control-over-the-immigration-system-accessible>

14 Migration Advisory Committee (2026). Temporary Shortage List: Stage 1 report. Available at: <https://www.gov.uk/government/publications/temporary-shortage-list-stage-1-report/temporary-shortage-list-stage-1-report-accessible>

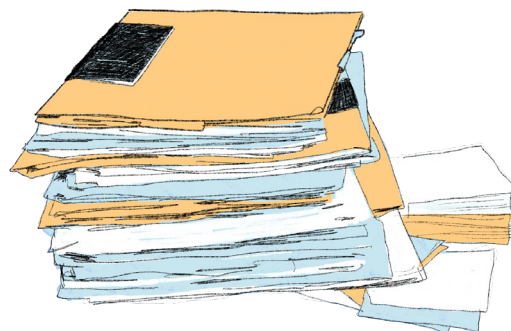
Due to skills and labour shortages, construction leaders have called for their own visa, mirroring those in the agriculture sector.¹⁵ However, the short-term and highly restrictive visas issued under the agricultural Seasonal Workers' Scheme have been shown to create significant risks of exploitation for workers. FLEX's research in this sector has found widespread problems with the scheme, including workers taking on significant debt to cover recruitment costs, only to discover that the pay, hours and working conditions they were promised do not materialise once they arrive in the UK.¹⁶ This, combined with restrictions put on them by their migration status, meant that these workers were at much higher risks of being exploited.

The experiences of workers on the Health and Care work visa also shows how restrictive visas, which tie workers to one employer through visa sponsorship, heighten risks for workers. Social care workers have been unable to come forward about horrific abuses, including illegal recruitment fees, having passports and wages withheld and work conditions which have been described as 'akin to debt bondage', without jeopardising their right to be in the country.¹⁷

The situation for migrant construction workers must learn from this. Workers must have an immigration status which enables them to exercise the right to leave and switch jobs in practice.¹⁸ This would help to drive up standards for all workers in the industry. Research has shown that a worker's ability to move to a job with better conditions is one of the biggest drivers in improving working standards.¹⁹ The Immigration White Paper expressed concern about migration undercutting pay and conditions, but ensuring migrant workers have equal rights is the only way to prevent this.

The Immigration White Paper also stated that any new route must not fuel exploitation in the same way the Health and Social Care Visa visa did.²⁰ For this to actually happen, measures must be put in place for workers to be able to come forward and report abuse. This means that migrant workers must be able to report securely about labour abuses without threat of detention, deportation or other immigration enforcement measures being taken against them.

The Government included commitments in the Immigration White Paper to enable migrant victims of domestic abuse to come forward and report abuse and exploitation securely. This ability to report exploitation safely is vital and must apply to anyone reporting abuse or exploitation of any type. To protect workers in high-risk industries and encourage them to come forward about labour abuses, in addition to implementing secure reporting practices²¹, the UK should learn from practices



15 Building the Future Think Tank (2024). Construction and Immigration: How to Make the Points-Based System Fit to Deliver the Industry Growth. Available at: <https://www.building.co.uk/download?ac=1986728>

16 FLEX (2024). Bearing Fruit: Making Recruitment fairer for migrant workers. Available at: <https://labourexploitation.org/app/uploads/2024/04/Flex-Report-Final.pdf>

17 The Guardian (2025). Flawed UK visa scheme led to 'horrific' care worker abuse, says watchdog. Available at: <https://www.theguardian.com/world/2025/mar/16/flawed-uk-visa-scheme-led-to-horrific-care-worker-abuse-says-watchdog>

18 FLEX (2025). Blueprint for safer and fairer migration for low-paid work. Available at: <https://labourexploitation.org/publications/blueprint-for-safer-and-fairer-migration/>

19 Social Market Foundation (2020). Job switching and wage growth for low-income workers: A discussion paper. Available at: <https://www.smf.co.uk/wp-content/uploads/2020/11/Job-switching-and-wage-growth-Nov-2020.pdf>

20 Home Office (2025). Restoring control over the immigration system: White Paper. Available at: <https://www.gov.uk/government/publications/restoring-control-over-the-immigration-system-white-paper>

21 LEAF (2026). 'Secure Reporting: What is it and why is it needed?' Available at: <https://labourexploitation.org/publications/secure-reporting/>

in countries like Australia²² and Canada²³ and introduce a UK Workplace Justice visa.²⁴ This would mean workers would know that their right to be in the country would not be under threat if they report on abuse or exploitation by employers.

4. Labour Market Enforcement

Labour market non-compliance in construction is widespread, with issues such as wage theft, unlawful deductions, and insecure working arrangements commonly reported. Non-compliance also extends beyond employment rights, with breaches of health and safety standards and environmental regulations remaining persistent concerns across the sector.²⁵

There could not be a more pressing case for regulation and oversight of construction sites. Yet, chronic under-resourcing has previously limited the ability of enforcement bodies to carry out proactive inspections, meaning that visits by the Gangmasters and Labour Abuse Authority (GLAA) to construction sites have been infrequent, while the Health and Safety Executive (HSE) has faced significant constraints in meeting inspection and enforcement demand.²⁶

The International Labour Organisation's (ILO) Labour Inspection Convention includes a benchmark of one labour market inspector per 10,000 workers. The UK has just 0.29 labour inspectors per 10,000 employees, ranking 27th out of 33 OECD countries.²⁷

The Government has ambitious goals to strengthen rights for UK workers, but this is meaningless if these rights cannot be enforced. Currently, under resourcing and a fragmented enforcement landscape mean that workers struggle to access their rights.

The UK has recently established the Fair Work Agency (FWA), a new single enforcement body for labour market regulation, introduced as part of the Government's flagship Employment Rights Bill. The FWA brings together the GLAA and the Employment Agency Standards Inspectorate and will assume responsibility for enforcing the National Minimum Wage and National Living Wage from 2027.

The creation of the FWA presents a significant opportunity to strengthen labour market enforcement. However, to be effective, the Agency must be empowered and resourced not only to respond to complaints and serious abuses, but also to proactively monitor working conditions and drive compliance across high-risk sectors. The World Bank recommends that labour inspectorates devote approximately 60% of their activity to proactive inspections and 40% to reactive enforcement. The UK should work towards this model, particularly in sectors where the risks of non-compliance are high and the consequences for workers, public safety, and regulatory standards can be severe.

22 Migrant Justice Institute. Visa protections to enforce workplace rights. Available at: <https://www.migrantjustice.org/visaprotection>

23 Government of Canada. Open work permit for vulnerable workers who are victims of abuse. Available at: <https://www.canada.ca/en/immigration-refugees-citizenship/services/work-canada/special-instructions/vulnerable-workers.html>

24 FLEX (2026). Fair for all Workers: How learning from Australia's Workplace Justice Visa can support access to workers' rights in the UK. Available at: <https://labourexploitation.org/publications/fair-for-all-workers-how-learning-from-australias-workplace-justice-visa-can-support-access-to-workers-rights-in-the-uk/>

25 Work Rights Centre (2025). Deja Vu? The risks of migrant worker exploitation in construction. Available at: <https://www.workrightscentre.org/publications/2025/deja-vu-the-risks-of-migrant-worker-exploitation-in-construction/>

26 Work and Pensions Committee (2025). Oral evidence: Health and Safety Executive. Available at: <https://committees.parliament.uk/oralevidence/15348/html/>

27 Resolution Foundation (2023). Enforce for Good: Effectively enforcing labour market rights in the 2020s and beyond. Available at: <https://www.resolutionfoundation.org/app/uploads/2023/04/Enforce-for-good.pdf>

5. Trade Unions

While a well-resourced labour market inspectorate will always be necessary, unions are essential for ensuring safe and lawful working conditions. The fragmented and transient nature of construction sites, along with hostility towards unions from industry, has meant that unions have long struggled to reach and organise workers in the sector. Union access to construction sites and to workers must be improved so as to boost oversight of this risky sector.²⁸



Collective bargaining agreements are an additional path to change the long-term fortunes of an industry struggling to recruit workers and replace an ageing workforce. Construction is the part of the private sector with the highest number of jobs covered by national or sectoral agreements (38%), but this still leaves the majority of workers in the industry not benefitting from an agreement.²⁹ If more younger people are to start careers in construction, then conditions must be improved for workers to want to take up jobs. Sectoral collective bargaining agreements are an effective way of improving conditions, as they level the playing field, not allowing individual employers to undercut standards. While in opposition, the Labour Party committed to expanding sectoral agreements, and now, in Government, they plan to implement a fair pay agreement in social care and establish a negotiating body for school support staff. Given that construction is comparable to social care in risks of exploitation and is another sector that has struggled to recruit, the Government should look to this industry next to facilitate the implementation of sector wide agreements.³⁰ The Government can create new negotiating bodies and work with unions and industry to create viable agreements which would lift standards across the board, help prevent exploitative working conditions and give construction the secure career paths it needs to attract the next generation of workers.

6. Conclusion

In July 2026, the Migration Advisory Committee (MAC) is due to publish its final recommendations for the updated Temporary Shortage List (TSL) and construction is expected to remain on the final list. This means, in the short term at least, the UK construction industry will have the means to legally recruit migrant workers. However, the Temporary Shortage List is temporary by design. Combined with the proposed changes to eligibility for settlement, it will keep migrant workers in a long state of probation, dependent on their employer to remain in the country.³¹ This will in turn create vulnerabilities for these workers, leaving them more likely to be pushed into and less able to leave exploitative and abusive working conditions. This is continuation of a trend where migrant workers are increasingly commodified and denied practical access to the same labour rights as workers without immigration restrictions. Construction is already a high-risk sector in need of greater oversight with risks produced by the secluded and temporary nature of construction sites, safety risks for

28 Institute of Employment Rights (2024). A Big Step Forward: But Bigger Steps Required - A Note on the Employment Rights Bill. Available at: <https://www.ier.org.uk/wp-content/uploads/The-Employment-Rights-Bill-An-IER-briefing-25-11-2024.pdf>

29 Labour Research Department (2024). Is sectoral collective bargaining back on the agenda? Available at: <https://www.lrd.org.uk/free-read/sectoral-bargaining-back-agenda>

30 IPPR. (2025). Mission-driven industrial relation: The case for fair pay agreements. Available at: <https://www.ippr.org/articles/mission-driven-industrial-relations>

31 FLEX (2026). Earned Settlement Reforms: How keeping workers temporary drives exploitation. Available at: <https://labourexploitation.org/publications/earned-settlement-reforms-how-keeping-workers-temporary-drives-exploitation/>

workers and extensive subcontracting practices. Without safe and fair visa conditions, the industry will see a continuation of a trend towards a two-tier workforce, where migrant construction workers will be at far greater risk of exploitation than their British colleagues.

The Government has promised the biggest upgrade to workers' rights in a generation through the Employment Rights Act and the creation of the Fair Work Agency. However, to be effective, workers must be able to access these improvements in rights in practice. If we do not want migrant construction workers to be treated as a disposable, commodified labour force, we must ensure they can access the same protections as everyone else. That means enabling workers to leave exploitative jobs, to switch employers freely, including into other sectors, and to renew their visas without being tied to a single sponsor. Moving from employer sponsor to sector wide sponsorship is key to this. It also means providing a genuine pathway to settlement so that workers are not trapped in indefinite precarity.³² A UK Workplace Justice visa coupled with secure reporting pathways would do much to support labour market enforcement in the sector as workers can speak out with less immigration risk, and have options to access justice. Unless visa conditions are safe and fair, workers in construction will continue to be at risk and we will continue to see high levels of abuse and exploitation.

32 FLEX (2025). Blueprint for safer and fairer migration for low-paid work. Available at: <https://labourexploitation.org/publications/blueprint-for-safer-and-fairer-migration/>