

CITB NI

Construction Industry Skills Statement

September 2016

www.citbni.org.uk



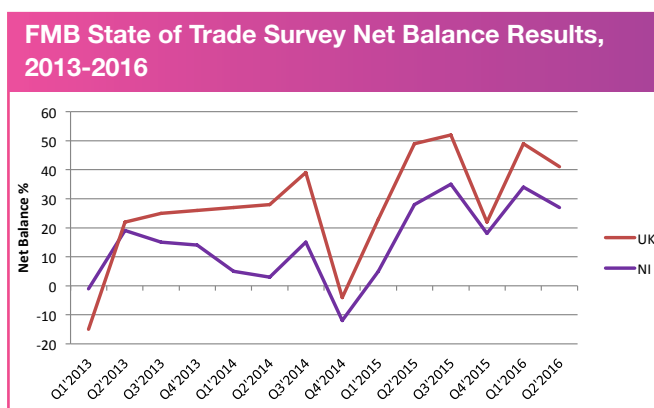
INTRODUCTION

CITB NI carries out a regular programme of industry research to help identify the skills and training needs of the Northern Ireland (NI) construction industry and to ensure that appropriate training is available. Other sources which assist CITB NI in understanding the training and skills requirements of the industry include feedback from employer events and CITB NI's Board and Committee Structures as well as monitoring research completed by other industry stakeholders and trade bodies.

The purpose of this Skills Statement is to provide the reader with a synopsis of these research findings and to give an overview of the current and future skills and training needs of the industry. The findings should be of interest to construction employers and employees, private & public training providers, trade bodies, Councils and MLA's.

HOW IS THE INDUSTRY PERFORMING?

- The FMB's State of Trade Survey for Q2 2016 confirmed that SME workloads across the UK continued to experience rising activity despite the uncertainty with regards to the EU referendum. The report also shows that NI's net balance has remained positive for all but one of the last twelve quarters, although NI's net balance decreased by 7 percentage points from Q1 (+34) to Q2 2016 (+27)².
- The Q2 2016 RICS Construction Market Survey shows UK workload growth slowing across all sectors, although 17% more surveyors still reported a rise in activity rather than a fall over the previous three months. However, activity in NI picked up thanks to firm growth in private housing and commercial workloads. On average respondents in NI report doing 25% of their work outside of NI¹⁰.



Source: FMB State of Trade Report, Q2 2016

- Only 3% of NI construction employers surveyed in NI in August 2015 reported the economic downturn as a key business challenge (10% in 2013), however 43% still reported the need to increase sales as a key challenge. Optimism remains fairly high regarding turnover in the 12 months from the date of the survey with far more expecting an increase in turnover (39%) than a decrease (17%)³.
- In both 2014 and 2015 construction output in NI experienced growth after a long period of severe contraction. Construction output increased by 11.4% in 2015 when compared to 2014 output levels. The total value of construction output in NI in the first quarter of 2016 increased by 3.4% compared to Q4 2015, with the increase predominantly accounted for by an increase in R&M activity⁴.
- For the 2016-2020 period NI construction output is expected to see annual average growth of 3% and to meet this demand construction employment is projected to grow by an average of 1.5% per year over the same period⁵. This forecast precedes the Brexit decision so is expected to reduce as a result.
- The recent 2016 CITB Skills & Training Survey affirms many positives for the industry – with increased business activity, recruitment and employment growth. However the fieldwork for the survey took place before the UK's vote to leave the EU and even at that point more employers saw economic uncertainty as a future constraint (25%) than as a present constraint (12%), suggesting a growing industry uncertainty with regards to the future⁶.

WHAT ARE THE SKILLS AND TRAINING NEEDS OF THE INDUSTRY?

Recruitment Activity, Difficulties & Skills Shortages

The NI industry will need to recruit an average of 1,760 new employees each year to realise forecasted construction output, with the annual recruitment requirement highest for bricklayers, architects, construction professional and technical staff, plant operatives and wood trades⁵.

CITB NI research confirms that skills shortages are on the increase with 21% of employers surveyed in 2015 stating that finding suitably skilled staff was a key business challenge, a substantial increase from the 3% that reported the same in 2013³. Furthermore 46% of employers felt that the most important skills issue facing the construction industry in the coming year is a shortage of skilled labour¹.

More than half of NI construction employers surveyed in 2016 (53%) had tried to recruit experienced, skilled employees in the last 12 months, up from 44% in 2014. Furthermore 38% of NI employers reported hard to fill vacancies in 2016, a significant increase on the 17% reporting the same in 2014. Woodworkers, bricklayers and general labourers remain the most frequently difficult staff to recruit although this may at least partly reflect the number of staff employed in such occupations⁶.

When employers were asked what skills were most difficult to find amongst their applicants, 34% mentioned personal skills (attitudes, motivations, common sense etc.), three times as many than those that mentioned job-specific or trade skills (11%). Such findings suggest that the industry's ability to attract the right caliber of entrants will be an important factor going forward to address the industry's skills supply needs⁶.

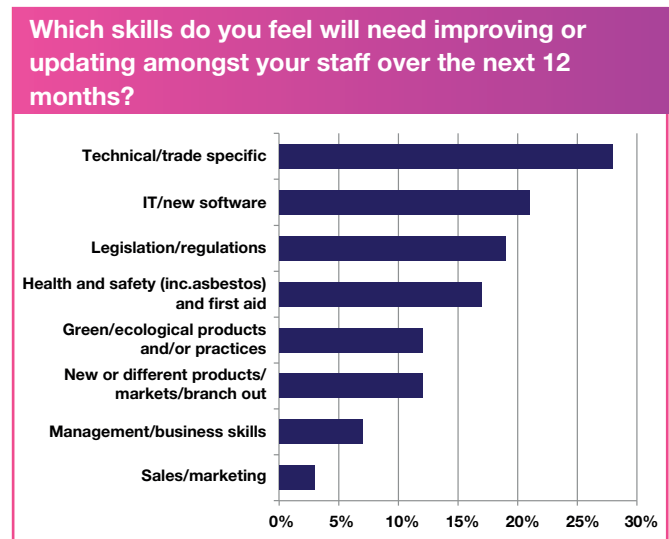
Existing Workforce: Skills Gaps and Up-Skilling

Skills gaps are on the increase for the construction sector with 16% of NI construction employers reporting skills gaps within their existing workforce in 2016, more than double the level of skills gaps reported in 2014 (7%). Across the UK as a whole, 79% of employers anticipate that their workforce will need to acquire new skills over the next 12 months due to a range of factors⁶. Some of the main needs emerging from recent research in relation to skills gaps within the NI construction workforce are summarised below:

- **Qualifying the Workforce:** remains a priority. NI is the region of the UK that has the lowest proportion of its construction workforce to hold any construction specific qualifications, with only 45% of workers surveyed in 2015 stating that they held a construction related qualification, in comparison to the UK average of 63%. Only 7% of those interviewed said they were working towards additional qualifications⁷.
- **Job Specific Skills, Knowledge and Experience:** The skills gaps reported by NI construction employers in 2016 relate mainly to trade specific skills and knowledge (28% of those reporting a need to acquire new skills). This need is more prevalent amongst NI employers than the UK average, with the comparable figure UK wide being 18%⁶.
- **IT Skills:** The need for further training in the areas of basic and advanced IT skills is frequently referenced in industry research. Employers in NI are more likely than across the rest of the UK to feel they need to improve or update the skills of their workforce with regard to IT / new software (21%)⁶. Common areas mentioned in relation to IT training needs include software in relation to estimating, drawings, accounts and payroll, project management, website development and basic computer skills⁸.
- **Digital Technology / Building Information Modelling (BIM):** Advances in digital technology, particularly in relation to BIM, are likely to be a key driver of change for the construction industry going forward. From April 2016, NI construction firms working on Government construction projects which have a value above the EU threshold for construction works (£4.3m) will have to be delivered to BIM Level 2. The Digital Built Britain Level 3 BIM Strategic Plan⁹ is a strategy to maintain the UK's global leadership in the application of BIM, seeking to ensure that the construction sector seizes the opportunities offered by the Digital Economy and building on the BIM Level 2 initiative. As such there is an ongoing need for knowledge and skills development in relation to BIM and digital technology.
- **Knowledge Relating to Legislation / Regulations:** One of the most frequent drivers of new skills and knowledge among NI employers is new legislative or regulatory requirements with 50% of NI employers expecting the need to acquire new skills or knowledge as a result of this driver⁶. One such example are the Construction Design & Management (CDM) Regulations NI 2016 which came into effect on the 1st August 2016.
- **Health and Safety / First Aid:** Of those NI employers that reported a need to acquire new skills or knowledge amongst their employees, 17% indicated a need to improve skills and knowledge in relation to health & safety / first aid⁶. Health and safety training is of vital importance in the industry given that 46 people have been killed in construction-related accidents in the last 10 years¹¹.
- **Low Carbon:** Carbon mitigation is an important consideration for the construction industry with the majority of employers agreeing that carbon reduction and energy efficiency will be important for customers and clients going forward. 74% of employers intend to reduce their carbon emissions in the next five years, although 31% of NI construction employers have indicated that they are not very or not at all aware of the Low Carbon Agenda (LCA), with awareness perceived to be lower amongst subcontractors and tradespeople in particular⁹. Raising awareness of the LCA and training in low carbon skills, products and technologies will continue to be a need for the construction workforce in the coming years.

- New Products / Markets:** Some of the most commonly cited drivers for new skills include the development of new products and services (51% of employers), the introduction of new technologies or equipment (50%), and the introduction of new working practices (44%)⁶.
- Management & Supervisory Skills:** In terms of occupations most affected by the need to acquire new skills or knowledge, manager / directors were cited by just over a fifth (22%) of those construction businesses anticipating the need for new skills & knowledge. Of those NI construction employers anticipating that their workforce overall will need to acquire new skills over the next 12 months, 7% indicated that management / business skills needed to be improved⁶. However CITB NI's 2015 Workforce Mobility Research found that of those workers that had supervisory or management responsibilities at their current site, 41% had never had any formal training specifically designed to improve their managerial or supervisory knowledge or skills⁷. Such findings suggest that while there is a recognised need for better management and supervisory skills this is not always acted upon by employers. There is therefore a need for investment by the industry in order to develop and improve the skills and qualification levels of its managers and supervisors.

- Basic / Essential Skills:** One in six (17%) construction workers surveyed in 2015 believe they would benefit from some form of training in basic skills (mathematics, reading, writing or speaking English)⁷, with younger workers (aged 16-24) even more likely to believe that they would benefit from some form of training in basic skills (36%).



Source: Skills and Training in the Construction Industry, CITB, August 2016

Data Sources

- Employer Tracking Survey, CITB NI, December 2015 (www.citbni.org.uk)
- FMB State of Trade Survey Report, Q2 2016 (www.fmb.org.uk)
- Employer Attitudes & Motivations to Learning & Training (Employer Panel Consultation) - Wave 15, CITB NI, Dec 2015 (www.citbni.org.uk)
- NI Construction Bulletin, Q1 2016, Department of Finance, published 21/7/16 (www.economy-ni.gov.uk)
- Industry Insights Report for NI 2016-20, Construction Skills Network (CSN), published January 2016 (www.citbni.org.uk)
- Skills and Training in the Construction Industry, CITB, August 2016 (www.citbni.org.uk)
- Workforce Mobility and Skills in the UK Construction Sector (NI Report), CITB NI, June 2015 (www.citbni.org.uk)
- Digital Built Britain Level 3 Building Information Modelling –Strategic Plan, HM Government, Feb 2015
- Employer Attitudes & Motivations to Learning & Training (Employer Panel Consultation) – Wave 14, CITB NI, January 2015 (www.citbni.org.uk)
- RICS UK Construction Market Survey, Q2 2016 (www.rics.org/economics)
- HSENI (www.hseni.gov.uk/topic/construction)

CITB NI provides a range of training related services for the NI construction industry. For further advice and guidance on these please contact:

CITB NI
Nutts Corner Training Centre
17 Dundrod Road
Crumlin
BT29 4SR
www.citbni.org.uk

Telephone: 028 9082 5466
E-mail: info@citbni.org.uk

To receive electronic summaries of CITB NI Research Reports as and when they are published, send your e-mail address to Alison McClean at **Alison.McClean@citbni.org.uk**.