CITB NI
2024 Construction Industry Skills Statement

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 the 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, 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 landscape and the 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 MLAs.

August 2024

HOW IS THE NI CONSTRUCTION INDUSTRY CURRENTLY PERFORMING?

The Northern Ireland construction industry, following a brief downturn in growth is now showing signs of improvement going into 2024 and beyond. This is highlighted by the research and evidence provided below.

NISRA construction output statistics identifies the total volume of construction output increased by 0.8% in Quarter 4 2023, following up a disappointing year overall of decreased output of 1.4% on 2022. However, there was a 4.9% increase shown over a rolling four quarters basis. This had led to four consecutive quarters of annualised growth in this period. (1)

NI Construction output in Q4 2023 is 6.1% above the pre-pandemic level seen in Q4 2019 and is 56.4% above the low seen in Q2 2020. The increase in overall output seen in Q4 2023 was driven by an increase within New Work (0.2%), Infrastructure (1.6%) and Other Work (2.0%). This was offset by a decrease in Repair and Maintenance (2.1%) as the Housing subsector saw the biggest decrease (6.6%) over the quarter. (1)

The FMB, The Federation of Master Builders state of trade survey found Q1 of 2024 has shown signs of stabilisation and recovery in workloads, enquiries and employment compared to the previous quarter, Q4 2023. According to reports from FMB members, the decrease in workloads has lessened, with a net change of -5% compared to Q4 2023 (-11%). This suggests that, while more than half of FMB members are still experiencing reduced workloads, a third (31%) have seen an increase. (2)

The rate of decrease in enquiries has also slowed, with a net change of -11%, which is a notable improvement from -23% in the previous quarter. It indicates that while nearly half of FMB members (44%) are receiving fewer enquiries, a third (33%) have seen an increase. (2)

The employment decrease remains stable with the same net change as in Q4 2023, -11%. While over a quarter of FMB members (28%) have reported a reduction in their workforce, a comparably smaller proportion (17%) have increased employment. More than half of FMB members (56%) reported that they are maintaining their workforce levels. (2)

FMB members in the repair, maintenance, and improvement sector reported a slight decrease in workload (-1%), as the previous quarter. Enquiries in this sector decreased by -8%, an improvement from the -17% decline in Q4 2023. (2)

Members in the housebuilding sector have reported a decrease in workload with a net balance of -18%, showing a slight change from the -21% decline in Q4 2023. Enquiries within this sector also continued to decrease, with -25% of members reporting a decrease, an improvement compared to the -30% decrease in Q4 2023. (2)

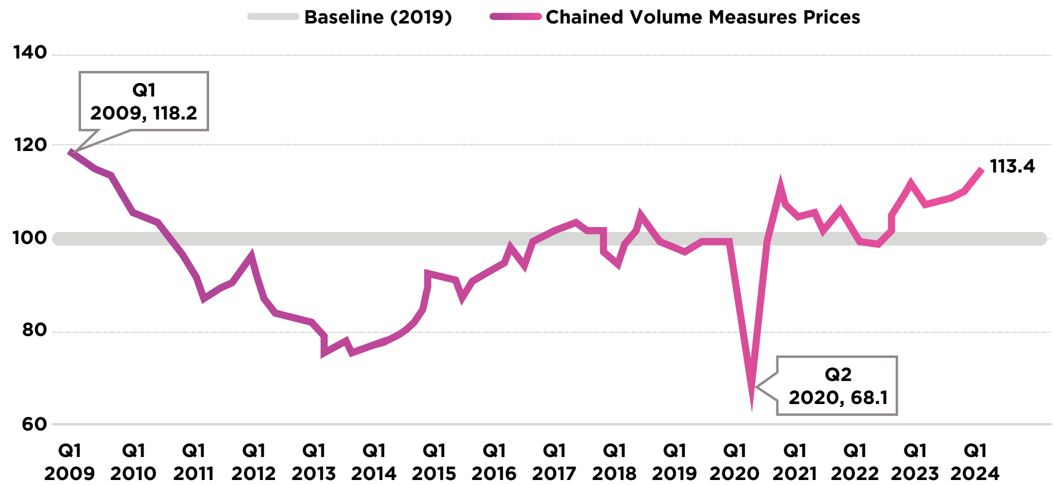
Members involved in the industrial or commercial sector also reported a decrease in workload by -6% on net balance, a substantial improvement from the sharp -23% decrease in Q4 2023. Enquiries within this sector have decreased by -23%, showing a slowing of the decrease from the -28% reported in Q4 2023. (2)

The Construction Skills Network, (CSN report 2024-2028), expects output in NI to increase, growth of 1.5%, which is better than the UK view of 0.2%. NI construction output over the five years is expected to see an annual average growth rate of 2.8%, which is slightly above the UK forecast of 2.4%. This is a very positive outlook making NI one of the strongest over performing nations/ regions. (3)

The CSN forecast expects new work and repair and maintenance (R&M) to have a similar average growth rate, with different profiles seen for each. New work will decrease in 2024 before increasing again in 2025. R&M will build on its recent strong performance in 2024 before slowing down over the forecast, this is the same pattern seen across the UK. (3)

The sectors with the highest growth rates are infrastructure (4.1%) and non-housing R&M (4.0%), with both generating the main gains in output value over the next five years. Over the course of the forecast all sectors will see an increase in value, although 2024 is expected to be another tough year for private housing output before work recovers in 2025. (3)

Construction Output 2009-2024 Northern Ireland



Northern Ireland Statistics and Research Agency (NISRA) (1)

Current Housing situation in NI

According to NISRA housing statistics, Northern Ireland currently has a total housing stock of just over 829,000 to accommodate a population of around 2 million people. There were 6,051 new dwelling starts in 2023, a 18.6% decrease on 2022. 4,988 of all dwelling starts were in the private sector, with the remaining 1,063 being in the social sector. In Quarter 3 of 2023, the House Price Index stands at 161.8, a 2.1% increase on the same quarter in 2022. The average standardised house price for NI this quarter is £179,530. Almost 50,000 people are on the social housing waiting list, 32,000 of which are classed as being in housing stress. In the private rented sector, the average weekly rent was £109, while in the social rented sector the average weekly rent was £82. (4)

The Belfast Telegraph understands Northern Ireland to be in a 'unquestionable housing crisis' This is being claimed as 19,000 would-be new homes and billions of pounds worth of investment is being held up by wastewater capacity limits. CEF chief executive Mark Spence said that homebuilders in its membership claimed that wastewater capacity constraints were holding up around 8,450 homes equating to just under £1bn of investment. It is now crucial for a fundamental review of the governance and funding model of NI Water, as they require £500m per annum of funding for the next decade. (5)

WHAT ARE THE SKILLS AND TRAINING NEEDS OF THE INDUSTRY?

Current and future Construction skills demands

CITB NI 2023 workforce mobility and skills survey found the most common NI construction trade occupations are Joiners 14%, Labourers 13%, Bricklayers 13%, Site managers 12% and Plant machine operatives 12%. (6)

Interestingly, The Construction Leadership Council survey highlights the three trade occupations having the biggest shortage and requirement for workers are in Joinery, Bricklaying and General Labourers. This is an interesting trend as these occupations we know to be the most common, however the research suggests there are still not enough of these workers. (7)

The 2024 FMB survey similarly found Carpenters/Joiners, Bricklayers and General Labourers are the most difficult occupations to recruit. One in three 33% of FMB members struggled recruiting joiners, 28% struggled recruiting labourers and 25% of FMB members found recruiting Bricklayers challenging. (2)

While FMB members reported the impact of the shortage of skilled tradespeople has slightly decreased, 40% acknowledged this shortage has had an impact on jobs. 36% of members reported these shortages have resulted in job delays, representing a considerable proportion of members, showing that the shortage continues to have a negative effect on project timelines. (2)

NI Apprenticeships

In Northern Ireland the trends for construction training differs from the UK as traineeships, apprenticeships and HLA data showing a steady increase in NI in recent years.

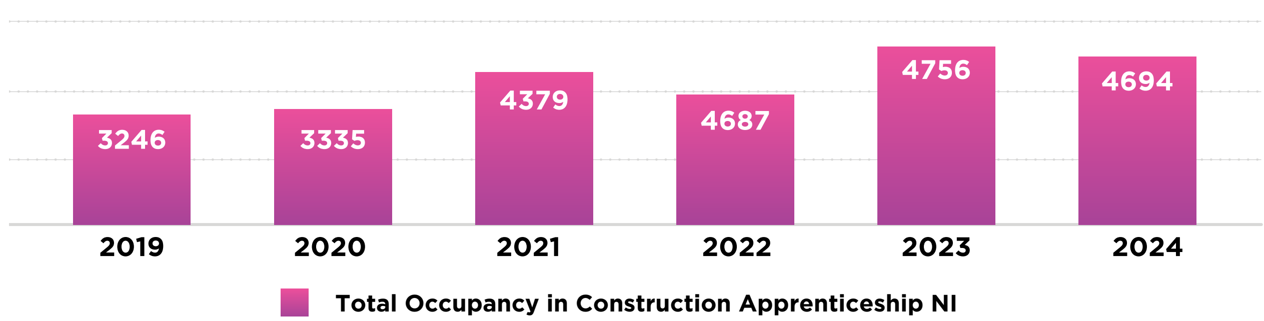
In terms of construction traineeships, there was a 44% increase in participants, 655 last year in 2023, when compared to the year previous 2022, having 456 participants.

Higher level apprenticeships HLA were also on the rise with 135 participants in 2023 compared with the 90 in 2022, a 50% increase. Last years numbers are a dramatic increase of 335% on 2018 which only had a total of 31 HLA participants in construction that year.

The overall number of participants on all occupational apprenticeships in NI has increased since the last publication of data relating to July 2022, when there were 9,686 total participants compared with 10,993 in January 2024. As can be seen in the chart below, NI construction apprenticeship numbers have increased 47% in 2023 and 45% in 2024, when compared with 2019.

The average number of participants on a NI construction apprenticeship over the past 6 years is 4183. This increase in the 2023/24 numbers was aided by the introduction of all age apprenticeships. In 2024, 158 (3.3%) of the 4694 construction apprentices were aged 25+.

Construction Apprenticeship NI



Source of figures from DfE Statistics Division and Construction Hub, June 2024

Annual recruitment requirement (ARR)

The level of construction output growth in Northern Ireland is expected to see an annual average increase of 0.8%, higher than the 0.6% UK figure. This forecast shows the 2023 NI construction workforce of 64,290 will decrease slightly to 63,910 in 2024 before increasing to 66,840 by 2028. (3)

The ARR in NI is set to average 1.6% per year based on 2023 workforce levels, which is slightly lower than the UK figure of 1.9%. This means the construction industry would have to increase current recruitment by 1,040 new workers each year to deliver the expected work between the start of 2024 and the end of 2028. This will lead to pressure on occupations such as labourers, civil engineers, plant operatives and electrical trades where demand is high compared to their workforce level. (3)

The following occupations have some of the strongest recruitment requirement levels:

Labourers

Carpenters and Joiners

Non-construction professional and technical office-based staff

CITB NI Chief Executive Barry Neilson OBE, May 2024 Comments on the NI Construction Industry

"While recent industry reports indicate a positive outlook for Northern Ireland, reflecting growth and employment, reiterating how crucial construction is for the local economy. The drive for greater energy efficiency and a net-zero carbon society is however a significant challenge. It is essential to have a well-trained and competent construction workforce ready for future opportunities. As demands on infrastructure and energy efficiency rise, we must upskill existing workers and prepare new entrants for future challenges. In recent years, the industry has faced challenges, but has shown resilience. Looking ahead, we're optimistic that CITB NI will continue to play a key role in supporting the industry through recruitment, training, and development, vital for the local economy."

Futureproofing the industry

According to New Civil Engineer, to facilitate future success, it is vital that leaders within construction take action to address talent shortages. Tackling recruitment and technology challenges in tandem will help construction companies grow into the future. Purpose-driven organisations will attract more diverse range of employees into the industry, so investment into the skills that will meet growing needs such as net zero emissions will be critical. Implementing digital tools and processes will also provide a competitive edge, helping achieve longer term goals and ease pressures within the workforce in the short term. (8)

Green & Net Zero Carbon Skills

Construction News believes the UK is still firmly on the roadmap to becoming a net-zero nation by 2050. The UK has a legally binding target to cut carbon emissions to net zero within the next 30 years. The country has been one of the largest carbon emitters historically, with construction accounting for as much as 40 per cent of total national emissions, so there is a lot of work still to be done decarbonising the UK's built environment. This will involve retrofitting existing buildings in the country to meet new standards and the adoption of a performance approach when designing new buildings. (9)

Getting skilled workforces in place as soon as possible to enable the transition is vital. Employers must look to upskill their current workforce to the changing nature of construction and get them thinking differently about their projects. Net-zero methods need to become a core component of each employee's professional work and development. The transition to net zero will create a wealth of economic opportunities, so ensuring everyone at least has a good level of carbon literacy is vital. The CITB Skills for Net Zero report estimates that half of the current construction workforce needs training or retraining in one form or another. (9)

Material & Digital Skills

The development of new materials and changing fabrication techniques will look to change the way infrastructure is designed, manufactured and lower the cost of building and maintenance.

New applications of smart materials are already being seen in transport infrastructure such as solar roads that generate renewable energy and surfaces that self-detect or charge vehicles at speed.

New materials, such as ductile or self-healing and low-76 carbon concrete, will change the design and build of infrastructure, and reduce annual maintenance costs and environmental impact to the likes of bridges and tunnels.

The changes to fabrication methods, including 3D printing, have altered the way and location of where construction is occurring, offering the opportunity for onsite fabrication (or offsite manufacturing allowing for faster construction and higher quality production) reducing the costs of transport of materials and construction. (10)

Data Sources

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

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