

CITB NI

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 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 MLAs.

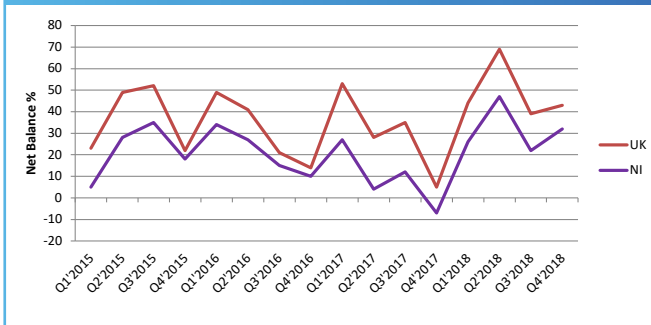


March 2019

How is the Industry Performing?

- The FMB's State of Trade Survey for Q4 2018 showed that across the UK, SME workloads have been recording rising activity with more survey respondents citing rising workloads (37% vs 32% in the previous quarter) and fewer citing lower workloads (13% down from 16%). Northern Ireland's net balance¹ has shown a growth of +10 percentage points, the only nation to show growth this quarter. In the next 6 months, output prices, wages and salaries, and material costs are expected to rise across the UK¹.
- The Q4 2018 RICS UK Construction and Infrastructure Market Survey shows a broad slowdown in the pace of output growth. A net balance of 11% report an increase in workloads, down from 20% in the previous quarter. However, capacity continues to be constrained with 47% of surveyors having to increase headcount in the past three months to support workloads⁵.

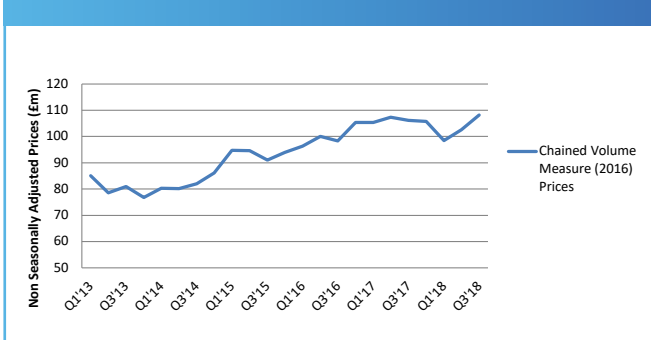
FMB State of Trade Survey Net Balance Results, 2013-2018



Source: FMB State of Trade Report, Q4 2018

- The biggest constraints to business sales and output for NI employers are labour shortages (21%), insufficient demand / uncertainty in the economy (15%), a high level of competition from other companies (7%), and the political situation in NI (lack of devolved government) (4%)⁴.
- The total volume of construction output in Q3 2018 was a 5.5% increase compared to the previous quarter and a 2.0% increase on Q3 2017. As can be seen from the table below, output has been steadily rising, albeit with fluctuations. The increase in output from quarter two 2018 can be explained by a 7.2% increase in New Work and a 1.4% increase in Repair and Maintenance².

Volume of Construction Output NI



Source: NI Construction Bulletin, Q3 2018, NISRA, published 17/01/19

- For the 2019-2023 period NI construction output is expected to see annual average growth of 0.8% driven by demand for social housing and steady output in private housing and housing repair, maintenance and improvement. This data is based on an orderly exit or an extension period leaving the EU and so is subject to change should the reality of the situation differ³.

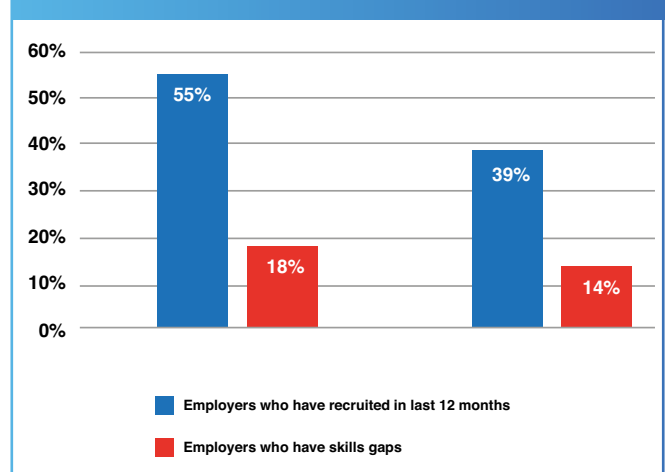
What are the Skills and Training Needs of the Industry?

Recruitment Activity, Difficulties & Skills Shortages

Over the next five years the NI industry will need to recruit an average of 500 new employees each year to realise forecasted construction output, equivalent to 0.8% of the base 2018 workforce. Construction employment will therefore remain around 61-62,000 works, with slight increases in demand for managerial and professional occupations³.

Recruitment and skills gaps are higher in NI than across the rest of the UK, with recruitment gaps particularly of concern for NI at 55% compared to 39% UK-wide⁴.

Recruitment and Skill Gaps



Source: Skills and Training Survey 2018

Those occupations which employers find most difficult to recruit are bricklayers and carpenters / joiners according to the FMB's State of Trade Q4 2018. General construction operatives and plasterers come next on the list of most difficult to recruit occupations¹.

Migrant Workers

Fourteen percent of employers in NI who responded to the survey employ migrant workers, similar to the UK average of 16%⁴.

Existing Workforce: Skills Gaps and Up-Skilling

The three main skills areas in which staff with skills gaps require further development (across the whole of the UK) include: experience and knowledge in general (25%), personal skills (16%), and job-specific / trade skills (14%). Management and IT skills are each reported as missing by 5% of employers with skills gaps. Among self-employed individuals with skills gaps, management skills are the most frequently mentioned gap (16%)⁴.

i The net balance shows the difference between those saying higher and lower for questions relating to workload, expected workload and enquiries.

In terms of occupations that are most likely to be affected by the need to acquire new skills or knowledge, managers / directors are the most frequently cited (16%) across the UK. The proportion is higher among construction businesses (18%) than among professional services businesses (13%)⁴.

The areas in which skills and / or knowledge that need improving or updating that are most frequently reported by UK employers, include legislation / regulations (27%), technical / trade specific (27%) and health and safety / first aid (26%). Of the 66% of self-employed individuals who anticipate a future skills need, the most commonly cited skills and knowledge required are in relation to IT / new software (22%) and technical / trade specific skills (20%)⁴.

Reasons to Acquire New Skills or Knowledge

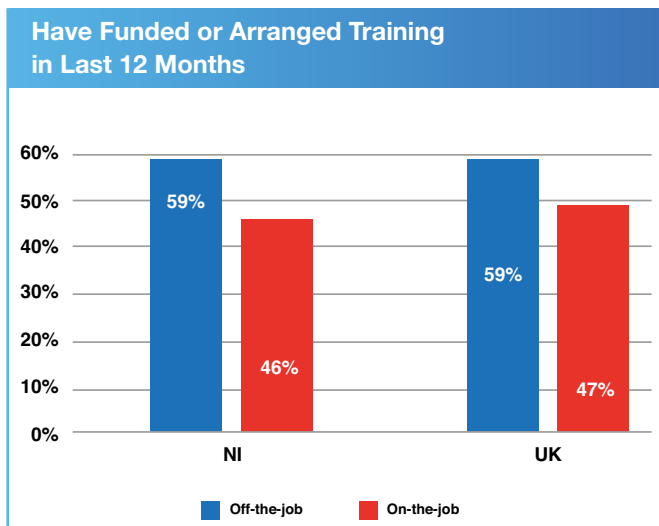
The top reason NI employers consider acquiring new skills or knowledge in their workforce are new legislative or regulatory requirements (52%). Other reasons include the introduction of new technologies or equipment (46%), and the introduction of new working practices (41%)⁴.

Skills Needing Updated or Improved Over Next 12 Months

As a result, the skills which NI employers need to update or improve over the next 12 months include legislation / regulations (25%), health and safety (incl. asbestos) and first aid (20%), and general / all sorts (19%)⁴.

Employers Who Have Funded or Arranged Training in Last 12 Months

The percentages of employers who have funded or arranged training in the last 12 months is in line with the UK average. Off-the-job training is slightly more popular than on-the-job training⁴.



Source: Skills and Training Survey 2018

Only 29% of employers trained to a nationally recognised qualification in NI compared to the UK average of 44%. Sixty six percent of employers used a private training provider, 59% used an experienced worker to deliver training, 57% used self-learning e.g. books, CD-ROMS, and 56% provided off-the-job training e.g. courses⁴.

Apprenticeships

Nineteen percent of employers in NI who responded to the survey employ apprentices, compared to the UK average of 24%. When asked about the likelihood that someone will start an apprenticeship at their establishment in the next 12 months, 27% of NI employers said it was quite likely and 15% said very likely⁴.

Apprenticeship Framework Reviews

Ten surveys were carried out to determine the level of demand for apprenticeship frameworks in the following sectors: Carpentry & Joinery, Bricklaying, Painting and Decorating, Plastering, Plant Operations, Wood Machining, Plant Maintenance, Floorcovering, Wall and Floor Tiling and Stonemasonry. Demand was high for all occupations and most employers felt that apprenticeship frameworks required either a detailed review or an entirely new framework. The top three things that employers would like to see changed are that college-based training should be more practical, more practical training should be provided before apprentices go on site, and that training should be tied to workplace requirements. Consultations are on-going to develop the new / revised apprenticeship frameworks for these sectors.

Heritage Skills

A recent survey carried out by CITB NI, on behalf of HED (Historic Environment Division), asked stockholders, building contractors, building professionals, manufacturers and suppliers, training and education providers and other stakeholders about the traditional building skills required in the heritage sector. The findings indicated that there is a high demand for conservation, restoration, repair and maintenance work on pre-1919 buildings however there is reduced funding available to complete the work and as a result, less work is being carried out. This in turn leads to a lower demand for skilled workers and new entrants. The survey found that existing skilled workers need upskilled and that clients and others also need to increase their own knowledge and understanding. There is little or no training provision available in NI and many in the sector do not consider formal training to be important. The majority of materials used in the heritage sector in NI are imported even if they are available in NI. There is an increasing demand for materials but lack of knowledge about how to use them. The following table outlines which occupations are most difficult to recruit, which trades have the longest waiting times before they are available for work, which occupations have the lowest skills levels amongst those employed by stockholders, and which occupations are most likely to be required within the next 12 months.



Most Difficult to Recruit	Wait Over 3 Months	Unskilled or Poor Skills (Own Workforce)	Most Likely to Use Next 12 Months
Carpenters	Bricklayers	Bricklayer	Electrician
Thatchers	Thatchers	Glazier	Carpenter
		Plasterer (Other)	General Craftsperson
			Joiner

The current value of work undertaken on pre-1919 buildings is around £40 million (£20 million for work also using traditional materials) – this is forecast to remain steady until 2021 when it is expected to increase to £45 million (work using traditional materials will remain at £20 million).

The total number of construction workers requiring training on an annual basis is 50 (including new entrants [20] and existing workers needing more training [30]).

Flooring Sector Skills and Training Needs

Some work has recently been carried out to identify the training needs of the flooring sector. Employer visits and an online survey of the sector identified some training needs, mainly for apprentices as there is only one training provider in Northern Ireland delivering the Apprenticeships NI programme and they are based in Strabane. Companies are struggling to attract apprentices into the sector, especially those who are enthusiastic and want to be part of the sector. Companies who do take on apprentices have been mainly training them in-house, but this causes problems with lost production. The companies who do not employ apprentices tend to have their own experienced workforce and supplement this with reliable sub-contractors as and when needed. Whilst these companies are satisfied that they have the workforce at present to meet their needs, none had given any consideration to the potential impact of an ageing workforce on their business and how they would address the skills gap this will generate for them in the future.

Upskilling training for experienced operatives is mainly delivered by the product manufacturers and suppliers. Most companies have benefited from this, however some of the training is only delivered in GB and therefore incurs additional costs for travel and accommodation.

Some companies stated that they were having difficulty recruiting Quantity Surveyors because recently graduated Quantity Surveyors tend to be recruited by the main contractors who are more attractive and therefore smaller contractors have to train internally to fill the skills gap.

Other training needs identified were management / supervisory skills, fork lift truck driving and IT skills, all of which are readily available across Northern Ireland.

Talks are continuing with the sector to identify ways to deliver more apprenticeship training.

CITB NI has plans to carry out similar research with other specialist sectors in the future – please visit our website and social media pages regularly for more information.

Data Sources

- 1) FMB State of Trade Survey Report, Q4 2018 (www.fmb.org.uk)
- 2) NI Construction Bulletin, Q3 2018, NISRA, published 17/01/19 (www.economy-ni.gov.uk)
- 3) Industry Insights Report UK 2019-23, Construction Skills Network (CSN), published February 2019 (www.citbni.org.uk)
- 4) Skills and Training in the Construction Industry, CITB, December 2018 (www.citbni.org.uk)
- 5) RICS UK Construction and Infrastructure Market Survey, Q4 2018 (www.rics.org/economics)

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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