

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.



How is the Industry Performing?

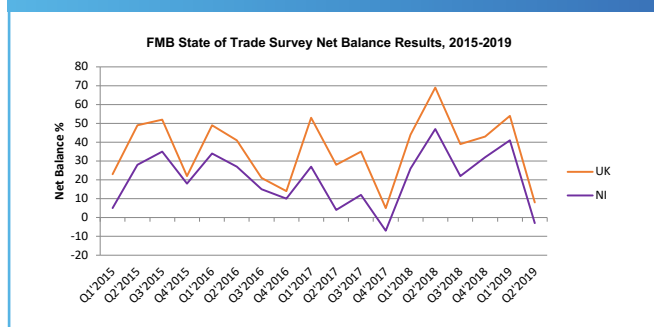
The FMB's State of Trade Survey for Q2 2019 showed that across the UK, 37% of SMEs record increasing workloads down from 41% in Q1 2019. Northern Ireland's net balanceⁱ has shown a sharp decline of -44 percentage points, down from +41 to -3, the worst performance of any home nation. In the next 6 months, 77% of builders think material costs will rise even further, and 51% of construction SMEs foresee wage increases over the next six months, whilst 21% of employers reported that their workforce had already been reduced¹.

The Q2 2019 RICS UK Construction and Infrastructure Market Survey shows a modest acceleration in the pace of output growth, with a net balance of 16% reporting an increase in workloads, up from 9% in the previous year. Capacity continues to be constrained with 38% more surveyors having to increase headcount in the past three months to support workloads⁵.

Half (50%) of respondents to the Employer Attitudes and Motivations Regarding Learning and Training Survey reported that their turnover had stayed the same over the last year, similar to 2017 (47%) and the GB figure (46%). Thirty one percent had experienced an increase compared to 18% reporting a decrease over the last 12 months⁶.

Expectations for the next 12 months were relatively positive with 40% expecting turnover to increase and only 13% expecting it to decrease. Half (51%) expected turnover to stay about the same. NI firms are more positive than GB firms, with 13% expecting turnover to increase significantly compared to 4% of GB firms⁶.

FMB State of Trade Survey Net Balance Results, 2015-2019



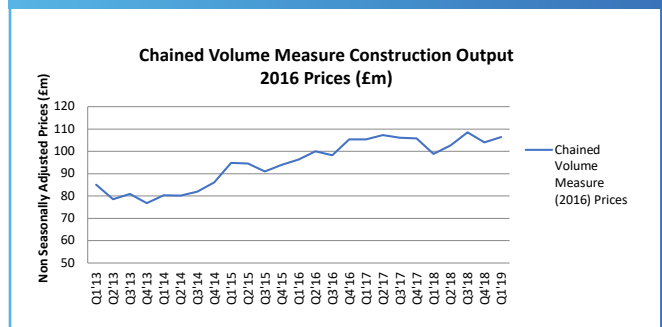
Source: FMB State of Trade Report, Q2 2019

The biggest constraints to business sales and output for NI employers are labour shortages (21%), insufficient demand / uncertainty in 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 Q1 2019 increased by 2.3% compared to Q4 2018 and was 7.6% higher compared to the same quarter 2018. The total volume of construction output in NI, as can be seen from the table below, has been steadily rising, albeit with fluctuations.

The increase in output can be explained by a 7.7% increase in Housing, a 0.9% increase in Other Work, and a 0.7% increase in Infrastructure.

Chained Volume Measure Construction Output 2016 Prices (£m)



Source: NI Construction Bulletin, Q1 2019, NISRA, published 18/07/19

Going forward, 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?

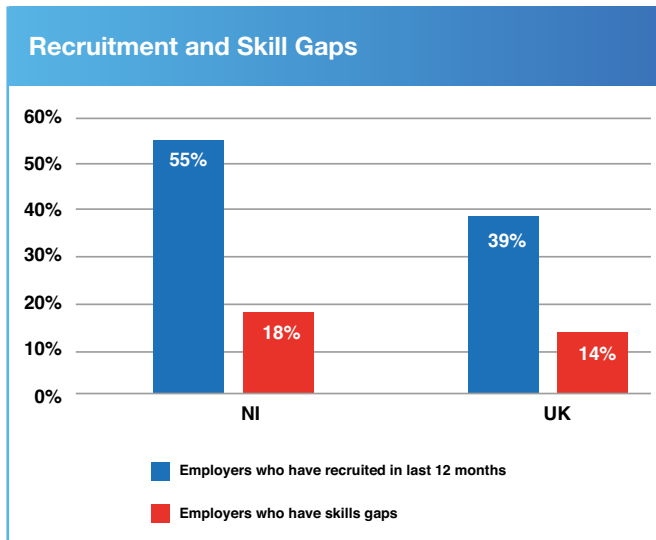
Recruitment Activity, Difficulties & Skills Shortages

According to the Employer Attitudes and Motivations Regarding Learning and Training Survey, the main business challenge faced by respondents was finding suitably skilled staff (38% - increasing to 67% when prompted)⁶.

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 workers, 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. Nearly all businesses surveyed in the Employer Attitudes and Motivations Regarding Learning and Training Survey felt that the difficulties they were having in finding skilled staff was having a negative impact. These impacts included limiting growth (30%), losing business to competitors (27%), projects over-running (22%) or starting late (17%), and wage inflation or paying a premium (9%)⁶.

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



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 Q2 2019. Plumbers and HVAC trades come next on the list of most difficult to recruit occupations¹. Respondents to the Employer Attitudes and Motivations Regarding Learning and Training Survey also reported occupational shortages in bricklaying, plastering, and carpentry and joinery (each mentioned by 30% of respondents), followed by plumbing, electrical, and painting and decorating (each mentioned by 14% of respondents)⁶.

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

Ninety-seven percent of all workers in NI are sure that they hold at least one type of skill card or certificate proving they have received a certain level of health and safety awareness training. More than half (55%) of workers reported holding some sort of construction related qualification at the time of interview, compared to a lower proportion in 2015 (45%). The qualifications most likely to be held are NVQ/SVQ qualifications (62%). However, 56% of the workforce in NI have no formal qualifications (compared to 37% across the UK as a whole)⁷.

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.

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 most frequently reported areas in which skills and / or knowledge need improving or updating, according to 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.

According to the Workforce Mobility and Skills Survey, 10% of construction workers in NI believe they would benefit from some form of training in basic skills (down from 17% in 2015)⁷.

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.

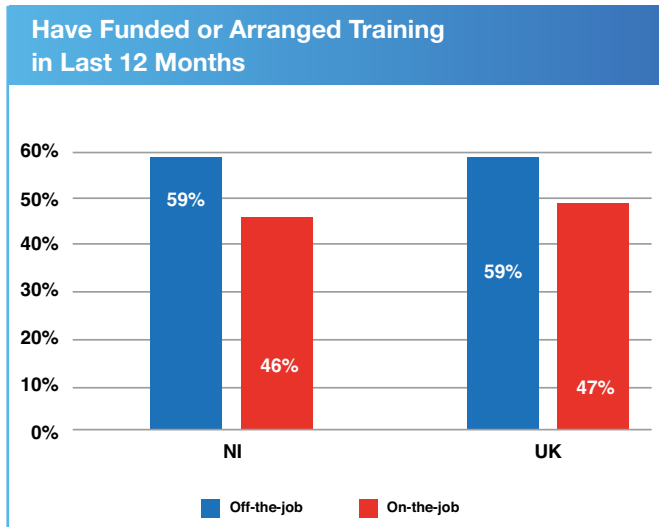
Skills Needing Updated or Improved Over Next 12 Months

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.

According to the Employer Attitudes and Motivations Regarding Learning and Training Survey, nineteen percent of firms in NI offer apprenticeships and 17% said they employed apprentices at the time of the survey (similar to 2016 [20%] and 2017 [13%]). A quarter (26%) of firms in NI reported that they were at least quite likely to take on an apprentice in the next 12 months (14% of whom thought this was definite or very likely). The likelihood was higher among construction companies (16% definite or very likely), compared to Professional Services (2%) and larger firms (62% of those with 100+ staff)⁶.

Data Sources

- 1) FMB State of Trade Survey Report, Q2 2019 (www.fmb.org.uk)
- 2) NI Construction Bulletin, Q1 2019, NISRA, published 18/07/19 (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, Q1 2019 (www.rics.org/economics)
- 6) Employer Attitudes and Motivations Regarding Learning and Training, Wave 18, CITB NI, September 2018 (www.citbni.org.uk)
- 7) Workforce Mobility and Skills in the UK Construction Sector 2018/19 – Northern Ireland Report, May 2019 (www.citbni.org.uk)

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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