

# 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?

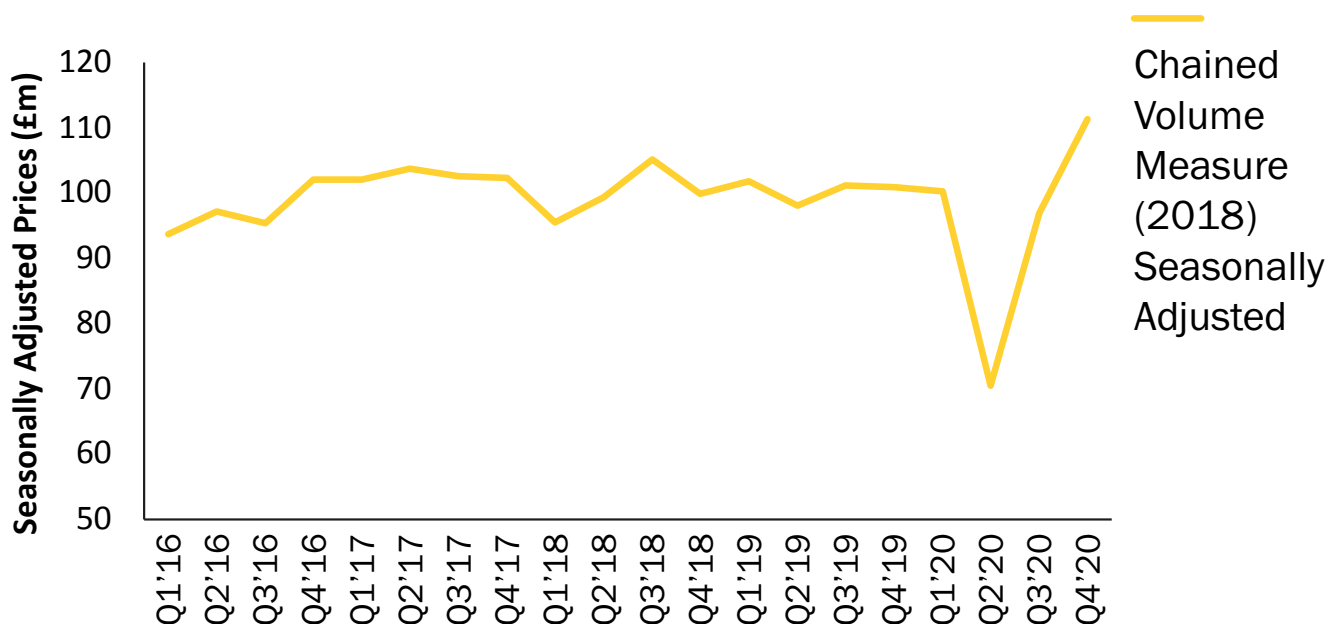
The total volume of construction output in Q4 2020 increased by 14.9% from Q3 2020 (a 10-year high and a 10.3% increase over the year). The increase in output from the previous quarter can be explained by a 15.8% increase in New Work, and an increase in Repair and Maintenance of 15.6%. In terms of subsectors, Housing and Infrastructure were both up, 21.1% and 13.9% respectively<sup>2</sup>.

The FMB's State of Trade Survey for Q1 2021 showed that across the UK, 55% of their members reported higher total workloads in the first quarter of 2021 compared to the final two months of 2020, with only 20% reporting a drop in workloads<sup>1</sup>. The Q1 2021 RICS UK Construction and Infrastructure Market Survey shows an increase in workload, with a net balance of +29% reporting an increase in workloads. Private residential shows a net balance of +39% (up from +10%), infrastructure increased from +26% to +34% while public residential's net balance stood at +26% and that of public works at +23%<sup>5</sup>. The net balance for workload expectations going forward for respondents to the RICS survey was +44% (up from +34%)<sup>5</sup>.

Sixty six percent of FMB members reported an increase in the prices they charge for work in Q1 2021. This is a result of a mix of rising workloads, a need to keep pace with the increase in wages & salaries, as well as increasing material costs. Ninety three percent of FMB members reported an increase in material prices<sup>1</sup>. A shortage in materials is considered to be the largest constraint among respondents to the RICS report with 57% citing it as the greatest challenge<sup>5</sup>.

Going forward, for the 2021-2025 period, NI construction output is expected to see annual average growth rate of 3.9%, lower than the UK rate of 4.4%. Private housing is expected to have the highest growth rate (6.7%). Infrastructure investment e.g., in the Belfast Transport Hub will also be key to future growth as will commercial projects such as the Kings Hall Wellbeing Park and the Linen Quarter Redevelopment. Investment in the Social Housing Development Programme will be higher than the 2020/21 allocation<sup>3</sup>.

### Chained Volume Measure Construction Output 2018 Main Sectors (£m)



Source: NI Construction Bulletin, Q4 2020, NISRA, published 08/05/21

## WHAT ARE THE SKILLS AND TRAINING NEEDS OF THE INDUSTRY?

### Current Skills Gaps and Shortages

Twenty nine percent of respondents to the Q1 2021 RICS UK Construction and Infrastructure Market Survey report indicated that they were experiencing skills shortages in trades and 20% indicated that there were shortages in quantity surveyors<sup>5</sup>. UK wide respondents to FMB's State of Trade Survey Q1 2021 indicated that they were having increased difficulties in recruiting almost all key trades. Bricklayers were mentioned by 38% and carpenters / joiners by 34%, both up from the low twenties in Q4 2020. An increase in the numbers mentioning general labourers and plasterers was also noted (up 10% and 9% respectively)<sup>1</sup>.

### Annual Recruitment Requirements

To realise the forecasted construction output for NI over the next five years the NI industry will need to recruit an average of 1,000 new employees each year. This means that the 65,000 construction workforce at the end of 2020 is set to increase to 67,200 by the end of 2025<sup>3</sup>.

Those occupations with the strongest recruitment requirement include non-construction professional, technical, IT and other office-based staff (250 p.a.), wood trades and interior fit-out (200 p.a.), and electrical trades (200 p.a.). There may also be pressure on civil engineers and labourers, where demand outstrips supply locally<sup>3</sup>. It should be noted that the forecasts account for the recruitment requirements for work in Northern Ireland only i.e., they do not consider the number of individuals required to fill work conducted by NI companies outside Northern Ireland.

### Future Skills

The Construction Leadership Council's Skills Plan for the UK identifies skills to deliver net zero carbon targets and digital skills as important for the industry going forward. Net carbon zero skills need to be developed for retrofit as well as new build and indeed all construction operations. Digital skills should help the industry's productivity, efficiency, sustainability and safety by embedding new innovations and digital technologies in workflows<sup>7</sup>.

### Green / Net Zero Carbon Skills

According to the Energy Strategy for Northern Ireland consultation paper, the Department for the Economy's overall goal is to achieve net zero carbon-energy by 2050. In order to do this, 13,700 job opportunities are expected to be created in addition to the need to re-skill and re-train existing workers, particularly in sectors based around fossil fuels. Typical job roles and skills include energy assessors, carbon management specialists, smart meter installers, resilience planners, green finance experts, low carbon transport officers and regional expertise on low carbon spatial planning and development. A need for technological skills in areas such as digitalisation, analytics, power engineering, storage, artificial intelligence and environmental sciences has also been highlighted. The building, construction and energy installation sectors will need trained people to deliver this strategy including the planned proposals on retrofit and building upgrades<sup>4</sup>.

### Digital Skills

In a recent survey carried out by CITB NI on behalf of Digital Catapult, sixty three percent of employers were not aware of emerging technology trends however a similar number were interested in new technology. BIM was the most widely recognised technology (89%) followed by 5G and Connectivity, and XR / VR, both at 67%. Respondents were most interested in learning more about Artificial Reality and Artificial Intelligence / Machine Learning<sup>8</sup>.

The CITB report on AI and Automation indicates that while short-term there will not be much uptake in the construction industry, over the medium-longer term skills will be needed in data analysis, software development, technology maintenance and project management. Most workers will need to develop a higher standard of IT literacy<sup>6</sup>.





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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### Data Sources

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**(<https://www.economy-ni.gov.uk/consultations/consultation-policy-options-new-energy-strategy-northern-ireland>)**
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