CITB NI Construction Industry Skills Statement

CONSTRUCTION INDUSTRY TRAINING BOARD NI

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.

June 2022

How Is The Industry Performing?

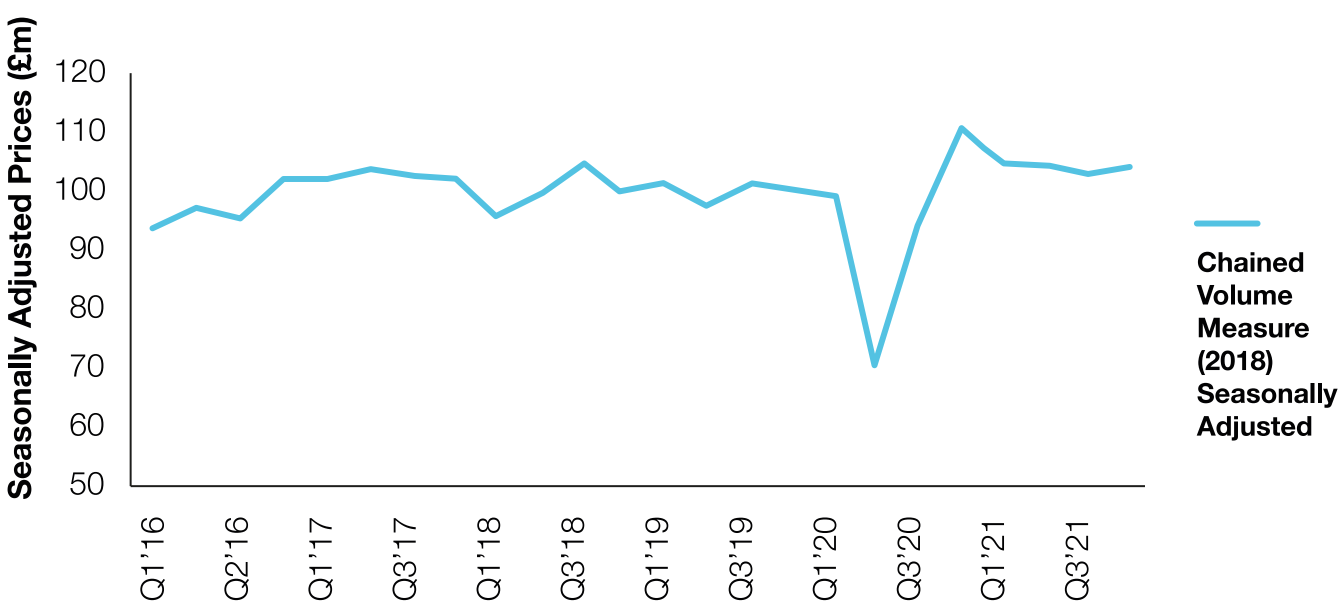
The total volume of construction output in Q4 2021 increased 0.7%, however decreased by 6.1% over the year and increased by 11.5% on a rolling four quarter basis. Construction output is 3.8% above the pre-Coronavirus pandemic level seen in Q4 2019. Construction output has seen an increase within the annualised growth rate in Q4 2021 for the third consecutive quarter after five consecutive quarters of decline between Q1 2020 and Q1 2021. [(1)]

The increase in the overall output in Quarter 4 2021 from the previous quarter was driven by an increase within Repair and Maintenance +3.1%, which was offset by a decrease in New Work -3.0% over the quarter. In Quarter 4 2021, both the infrastructure +1.1% and Housing +1.0% subsectors increased over the quarter, offset by a decrease within the Other Work -3.6%. [(1)]

In the first quarter of 2022, workload, enquiries, and employment levels are broadly in line with the fourth quarter of 2021, showing that the market is stabilising, after the relative high levels of 2021, as lockdown rules eased and money was spent. 30% of FMB members report a higher workload in Q1 2022 than in Q4 2021, while 15% say their workload has fallen. 33% of FMB members report a higher level of enquiries in Q1 compared to the last quarter, which remains in line with Q4 2021, which also reported 33%, while 18% report this to be lower. Workload and enquiries remain in line with what was reported in the last quarter of 2021, showing a stable market, that is reporting above immediate prepandemic levels. 20% report their workforce grew in Q1 while 14% report a reduction in staff numbers. The net increase in employment was 6%, which is the highest reported figure since Q2 2021 (9%). [(2)]

Going forward, looking at 2022-2026, NI construction output is expected to see an annual average growth rate of 2.5%, which is slightly below the UK forecast of 3.2%. A change to previous patterns of work as the forecast highlights better growth in the repair and maintenance sectors, rather than new work. The strong growth in output seen in 2021 was over several sectors, therefore we expect to see this continue over the forecast with non-housing R&M (3.6%) contributing the most to future growth, followed by private housing and infrastructure. While housing R&M also has a strong growth rate (3.7%) it has a lower share of total output and public non-housing sector work is likely to have quite flat performance over the forecast. Infrastructure investments and commercial projects such as the Belfast region city deal, Belfast Transport Hub and king's hall wellbeing park will all be key to future growth. [(3)]

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



Source: NI Construction Bulletin, Q1 2022, NISRA, published 27th May 2022

WHAT ARE THE SKILLS AND TRAINING NEEDS OF THE INDUSTRY?

Current skills gaps and shortages

The 2021 CITB GB skills and training report found the occupations identified as being most hard to fill amongst construction employers are labourers/general operatives- 22% and carpenters/joiners- 22%. This compares with 21% of employers identifying carpenters/joiners as the most difficult to recruit for in 2018, followed by bricklayers- 19%. [4]

Another industry leading report FMB State of trade identifies similar findings. Carpenters/joiners, bricklayers and general labourers continue to be the most difficult occupations to recruit in Q1 2022, with at least two in five FMB members reporting difficultly recruiting either occupation (45%, 40%, and 39% respectively). Difficulties in hiring bricklayers is stable compared to Q4 2021 (41%) along with general labourers (38% in Q4 2021). Difficulty in hiring carpenters/joiners is also relatively stable in Q1 (45%) albeit slightly up from 43% in Q4 2021. Difficulties recruiting plasterers have not has continued to decrease since Q3 2021. [2]

Annual recruitment requirements

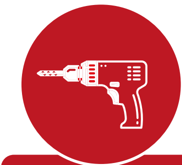
The level of output growth in Northern Ireland gives an annual average increase of 0.5% in the construction workforce, slightly lower than the UK-wide equivalent at 0.8%. Northern Ireland didn't show the workforce reduction between 2019 and 2020, which was seen in other areas of the UK, hence the slightly lower growth rate for the forecast. Construction workforce has stayed around the same levels in recent years, around 62,700 is the expected figure by the end of 2022, which will increase to over 64,000 by 2026. [3]

Northern Ireland's annual recruitment requirement is set to average 1.8% per year, based on 2021 workforce levels, which is very close to the UK figure of 2.0%. This means the construction industry would have to increase current recruitment by 1,130 new workers each year to deliver the expected work between the start of 2022 and end of 2026. [3]

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

(270 PER YEAR)

NON-CONSTRUCTION PROFESSIONAL, TECHNICAL, IT, AND OTHER OFFICE-BASED STAFF



(200 PER YEAR)

WOOD TRADES AND INTERIOR FIT OUT

(170 PER YEAR)

ELECTRICAL TRADES

However, there could also be pressure on civil engineers and labourers where demand is high compared to their workforce level. For occupations such as Bricklayers, Plasterers and plant operatives, the indication is that recent levels of recruitment will be able to meet their future need if they are maintained. (3)

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. (5)

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, for example of bridges and tunnels. Changes to fabrication methods, including 3D printing, will alter the way and location 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. (6)

Green & Net Zero Carbon Skills

The Building Skills for Net Zero report identifies 350,000 new construction roles needed by 2028 to support the Government's Net Zero strategy. By understanding the skills needed for the future we can help industry attract and train the next generation of workers and upskill our current ones by ensuring the right standards, qualifications and training are available. (5)

Investing in the skills required to drive innovation and to support greater and more effective use of digital technologies will be critical to construction. Although much of the initial focus of delivering Net Zero will be on raising standards in existing approaches to new build and retrofit, we will only accelerate by transforming the current ones and developing new ones. Innovation will also address many of our skills pressures both by boosting productivity and by creating a more attractive environment that will make it easier to attract and retain the skilled workers construction needs. (7)

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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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**

Data Sources

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(https://www.nisra.gov.uk/statistics/economic-output-statistics/construction-output-statistics)

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6. Investment Strategy Northern Ireland, 2050 Draft Strategy, January 2022
(https://isni.gov.uk/strategy/)

7. DfE, Path To Net Zero Energy Strategy 2030-2050, December 2021
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