

- Knowledge Relating to Legislation / Regulations:** One of the most frequent drivers of new skills and knowledge among NI employers is new legislative or regulatory requirements with 50% of NI employers expecting the need to acquire new skills or knowledge as a result of this driver⁶.
- Health and Safety / First Aid:** Of those NI employers that reported a need to acquire new skills or knowledge amongst their employees, 17% indicated a need to improve skills and knowledge in relation to health & safety / first aid⁶. Health and safety training is of vital importance in the industry given that 27 people have been killed in construction-related accidents in the last 10 years⁴.
- Off-site Construction:** A quarter of construction businesses in Northern Ireland currently use off-site methods. One fifth (20%) expect to use / continue to use off-site construction methods in the next 3-5 years³. Recent research carried out across the UK points to a strong demand for training in off-site construction knowledge¹ however anecdotally there does not seem to be the same level of demand in NI.
- Apprenticeships:** A third of all firms (33%) said they were at least quite likely to take on an apprentice in the next 12 months. Of these most said they were likely to take on one or two apprentices³.

Data Sources

1. Faster, Smarter, More Efficient: Building Skills for Offsite Construction (2017), CITB (GB), February 2017 (<https://www.citb.co.uk/research/research-reports/>)
2. FMB State of Trade Survey Report, Q2 2017 (www.fmb.org.uk)
3. Employer Attitudes & Motivations to Learning & Training (Employer Panel Consultation) - Wave 16, CITB NI, October 2016 (www.citbni.org.uk)
4. NI Construction Bulletin, Q1 2017, Department of Finance, published 20/07/17 (www.economy-ni.gov.uk)
5. Industry Insights Report for NI 2017-21, Construction Skills Network (CSN), published January 2017 (www.citbni.org.uk)
6. Skills and Training in the Construction Industry, CITB, August 2016 (www.citbni.org.uk)
7. Workforce Mobility and Skills in the UK Construction Sector (NI Report), CITB NI, June 2015 (www.citbni.org.uk)
8. Digital Built Britain Level 3 Building Information Modelling – Strategic Plan, HM Government, Feb 2015
9. RICS UK Construction and Infrastructure Market Survey, Q2 2017 (www.rics.org/economics)
10. ICE State of the Nation 2017: Digital Transformation Report, ICE, 2017 (<https://www.ice.org.uk/news-and-insight/policy/state-of-the-nation-2017-digital-transformation>)

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CITB NI

Construction Industry Skills Statement

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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.

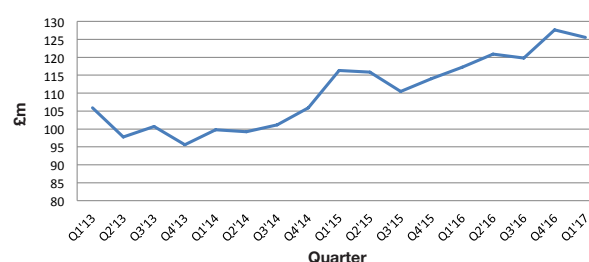
The purpose of this Skills Statement is to provide the reader with a synopsis of these research findings and to give an overview of the current and future skills and training needs of the industry. The findings should be of interest to construction employers and employees, private & public training providers, trade bodies, Councils and MLAs.

HOW IS THE INDUSTRY PERFORMING?

- The FMB's State of Trade Survey for Q2 2017 confirmed that SME workloads across the UK continued to experience rising activity although at a slightly slower rate than the previous quarter. However rising materials and wages costs are resulting in reduced margins. The report also shows that NI's net balanceⁱ has decreased significantly by 23 percentage points (from +27 in Q1 2017 down to +4 in Q2 2017).
- The Q2 2017 RICS UK Construction and Infrastructure Market Survey shows UK workload growth slowing across all sectors, although 21% more surveyors still reported a rise in activity rather than a fall over the previous three months. Growth in Northern Ireland dropped into the negative for the first time in four years due to a weakness in the public sector and a reduction in spending on infrastructure⁹.

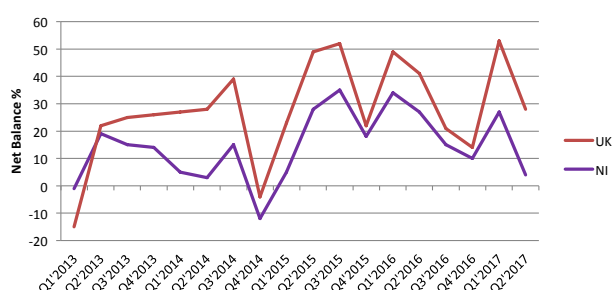
- The two main business challenges faced by NI construction employers surveyed in July / August 2016 were the need to increase sales (31%, down from 43% in 2015) and finding suitably skilled staff (30%, up from 21% in 2015). 86% of employers reported that turnover stayed the same or increased (54% and 32% respectively) with 11% reporting a decrease. This is more positive than in 2015 when more reported a decrease than an increase (36% and 24% respectively). Results suggest more stability in terms of turnover for businesses in the past year³.
- In both 2014 and 2015 construction output in NI experienced growth after a long period of severe contraction but despite this, current levels remain around a third lower than the levels reported before the downturn in 2007. The total volume of construction output in the first quarter of 2017 was 1.7% less than Q4 2016 but was 7.1% higher than the same quarter in the previous year. This was also the second highest level of output in the last five years⁴.

Volume of Construction Output NI⁽ⁱⁱ⁾



Source: NI Construction Bulletin, Q1 2017, Department of Finance, published 20/07/17

FMB State of Trade Survey Net Balance Results, 2013-2017



Source: FMB State of Trade Report, Q2 2017

- For the 2017-2021 period NI construction output is expected to see annual average growth of 1.6% and to meet this demand construction employment is projected to grow by an average of 0.4% per year over the same period⁵. This relatively low forecast is due to local, national and even global uncertainty with issues such as the stalemate at Stormont and Brexit negotiations having an effect on the forecasts.

i The net balance shows the difference between those saying higher and lower for questions relating to workload, expected workload and enquiries.
 ii Chained Volume Measure of Construction Output NI 2013 prices, non seasonally adjusted index numbers (for further explanation see NI Construction Bulletin, p29).

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 710 new employees each year to realise forecasted construction output, with the annual recruitment requirement highest for bricklayers (170 p.a.) and wood trades (140 p.a.)⁵.

Two fifths of all employers had recruited or attempted to recruit in the last 12 months (40%), in line with the UK average (42%). Those most sought after were experienced people with high level technical or craft skills with 61% of those who had tried to recruit aiming to do so from these groups. Most employers who had tried to recruit had experienced difficulties, mainly due to a shortage of good candidates³.

When asked why they had difficulty recruiting, a fifth of those employers with recruitment difficulties (19%) said poor perceptions or a negative image of the sector, 14% said issues with their approach to recruitment, 11% said issues with people leaving the industry and 10% indicated a lack of skills or qualifications held by applicants³.

Existing Workforce: Skills Gaps and Up-Skilling

Skills gaps are on the increase for the construction sector with 16% of NI construction employers reporting skills gaps within their existing workforce in 2016, more than double the level of skills gaps reported in 2014 (7%). Across the UK as a whole, 79% of employers anticipate that their workforce will need to acquire new skills over the next 12 months due to a range of factors⁶. Some of the main needs emerging from recent research in relation to skills gaps within the NI construction workforce are summarised below:

- **Qualifying the Workforce:** Remains a priority. NI is the region of the UK that has the lowest propensity of its construction workforce to hold any construction specific qualifications, with only 45% of workers surveyed in 2015 stating that they held a construction related qualification, in comparison to the UK average of 63%. Only 7% of those interviewed said they were working towards additional qualifications⁷.
- **Job Specific Skills, Knowledge and Experience:** The skills gaps reported by NI construction employers in 2016 relate mainly to trade specific skills and knowledge (28% of those reporting a need to acquire new skills). This need is more prevalent amongst NI employers than the UK average, with the comparable figure UK wide being 18%⁶.

Which skills do you feel will need improving or updating amongst your staff over the next 12 months?



Source: Skills and Training in the Construction Industry, CITB, August 2016

- **IT Skills:** Employers in NI are more likely than across the rest of the UK to feel they need to improve or update the skills of their workforce with regard to IT / new software (21%)⁶. Common areas mentioned in relation to IT training needs include software in relation to estimating, drawings, accounts and payroll, project management, website development and basic computer skills⁸.
- **Digital Technology / Building Information Modelling (BIM):** Advances in digital technology, particularly in relation to BIM, are likely to be a key driver of change for the construction industry going forward. From April 2016, NI construction firms working on Government construction projects which have a value above the EU threshold for construction works (£4.3m) will have to be delivered to BIM Level 2. The *Digital Built Britain Level 3 BIM Strategic Plan*⁹ is a strategy to maintain the UK's global leadership in the application of BIM, seeking to ensure that the construction sector seizes the opportunities offered by the Digital Economy and building on the BIM Level 2 initiative. Another recent report suggests that the industry will need more data analysts and ICT professionals as technology and data collection become more important, particularly in the management of assets¹⁰.