

Construction Futures Industry Skills Review

Final Output

January 2023



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The EY logo, consisting of the letters 'EY' in a bold, white, sans-serif font. A yellow triangle is positioned above the 'Y'.

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P3 Executive Summary

P11 Proposed Skills Interventions

Introduction & purpose

Construction Futures is a company operated jointly by the Construction Employers Federation (CEF) and the employee representatives from the Unite and GMB Unions. The joint objective of Construction Futures is to identify a range of challenges faced by employees and employers in construction and to develop meaningful solutions to improve the attractiveness of the sector and support sustainable and rewarding careers.

Construction Futures engaged EY to support the organisation in completing an Industry Skills Review. The purpose of which was to identify the most pressing skills related issues currently affecting the Northern Ireland construction industry and to identify priority interventions to address them.

Approach

The review was undertaken over three phases:



1. Desktop Review

Research undertaken to provide both a current and future state analysis of the NI construction industry, and focused on:

1. Employment
2. Education and training
3. Recruitment
4. Future demand for roles



2. Questionnaire

A short questionnaire was distributed to representatives of four stakeholder groups (Employers, Employees, Training Providers and Government).

Respondents were asked to;

1. Rank issues currently affecting the industry based on their impact, and
2. Choose their top five future interventions that would have the greatest positive impact on the industry.

Seven issues and 33 interventions were included in the questionnaire for respondents to choose from.



3. Detailing Interventions and Prioritisation

7 Interventions were shortlisted as having greatest impact.

2 x round table sessions took place to:

1. Better define future interventions for the industry and
2. Consider priorities based on their anticipated impact and deliverability.

Final project report to capture all findings and proposals.

This document
has been
prepared by:

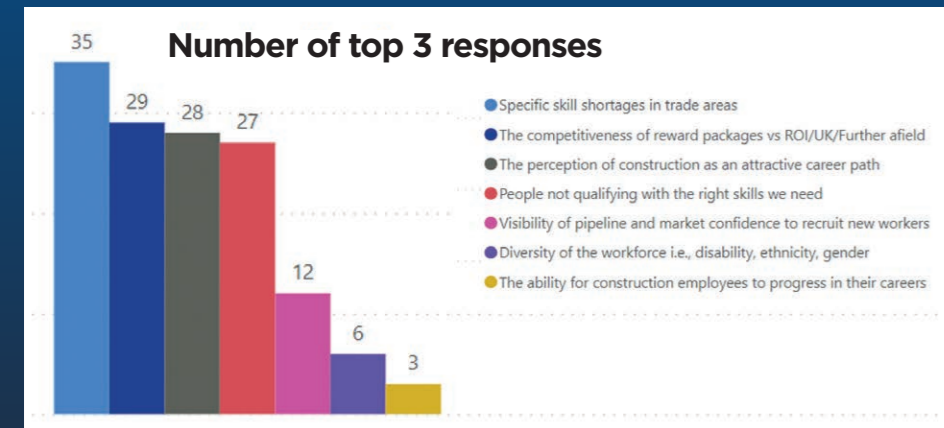


On Behalf of:



Context

The skills issues facing Northern Ireland's Construction industry are many and varied. The sector is complex with a broad landscape of employers and skills providers with limited points of coordination between them. It faces stiff competition for resources with the rest of GB and ROI and at home competition is provided by existing and emerging sectors with retention of staff an ongoing challenge. Government is the main source of pipeline for the industry, commissioned by various local Departments (primarily Health, Education, Communities and Infrastructure) with the Department for Finance responsible for developing procurement policy. The Department for the Economy own the skills

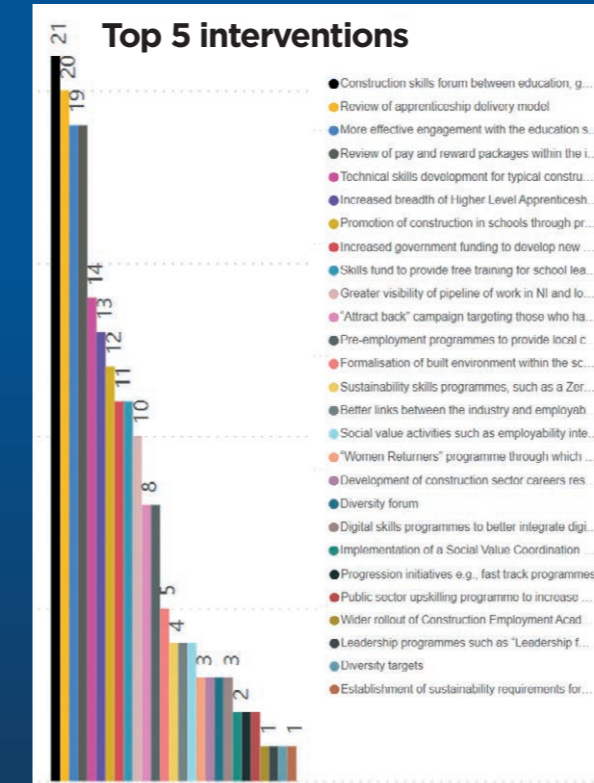


Skills Interventions

Again there were clear messages coming from the stakeholders engaged, with seven interventions standing out amongst the 33 proposed for consideration. Of these seven, the top intervention – Construction Skills Forum – was chosen by 45% of respondents.

The following interventions were the most popular among respondents:

1. Construction skills forum between education, government, and industry - 21 respondents
2. Review of apprenticeship delivery model – 20 respondents
3. More effective engagement by and with the education sector – 19 respondents
4. Review of pay and reward packages within the industry – 19 respondents
5. Technical skills development for typical construction skills – 14 respondents
6. Increased breadth of Higher Level Apprenticeships provision – 13 respondents
7. Promotion of construction in schools – 12 respondents



Each of the seven interventions were workshopped over two roundtable sessions with stakeholders from each of the main sector groups. Coming out of these sessions it was clear that within each area a number of sub projects and initiatives were required. Some of these are currently ongoing and require amplifying, some represent gaps to be addressed and in others areas changes are required to how things are currently done. The outputs from these sessions are set out further in the next section of the report. Consistent across each was the need for better planning and co-ordination of initiatives and the need for better skills information and data to ensure interventions are planned and targeted to have maximum impact.

In short, consistent with the survey, the case for a Construction Skills Forum as the priority intervention was affirmed through the roundtable sessions. Its role being to own the skills agenda within the Construction Sector in Northern Ireland. To do so it recommended that it establishes and drives forward an overall skills strategy guided by a set of key workforce measures setting out future demand against current supply. In support of the strategy the Forum will also be responsible for owning, prioritising and co-ordinating the initiatives set out in this report. It is noted that similar models and approaches have been pursued in Scotland and ROI and these have been used as the basis for how this forum could operate within a Northern Ireland perspective.

Executive Summary

The following six areas were identified by respondents as the most impactful interventions and were discussed in detail in the round table sessions. The interventions are summarised below, and further information on each can be found in the “Key Interventions” section of the report. Please note that the 6th highest ranked intervention, ‘Increased breadth of Higher Level Apprenticeships provision’, noted on page 5 was considered as part of intervention 2 below. An additional “Data and Research initiative” was also identified through the round table as being a key enabler of each of the interventions and is noted here.



1. Construction Skills Forum between Education, Government, and Industry

Establishing a cross-sectoral group that meet at an agreed cadence to address key issues facing the industry, with a skills focus, sponsored by an independent organisation for maximal impact



2. Review of Apprenticeship Delivery Model

Ensuring apprenticeships are delivered in the most appropriate and beneficial way to best equip trainees for site work, provide them with a holistic learning experience and ensure they remain employed in work following their apprenticeship



3. Skills alignment through more Effective Engagement by and with the Education Sector

Fostering increased dialogue with education (incl. private training sector) to achieve alignment to the necessary on-site skills through effective skills gap analysis, future planning, and more agile bitesize learning opportunities



4. Review of Pay and Rewards Packages within the Industry

Maintaining NI's competitiveness as an attractive employment market to local employees through improved procurement processes, better pipeline visibility, and selling the benefits of a career in construction



5. Technical Skills Development for Typical Construction Skills

Minimising the impact of trades shortages by ensuring technical skills training is widely available for all, through continuous provision of tutors, multi-skilling of trainees, and better awareness of existing skills gaps



6. Promotion of Construction in Schools

Partnering with primary and secondary schools to boost the awareness of construction as an attractive career path through the improved targeting of students, provision of career advice, and an increasingly joined-up approach

Data and Research Function

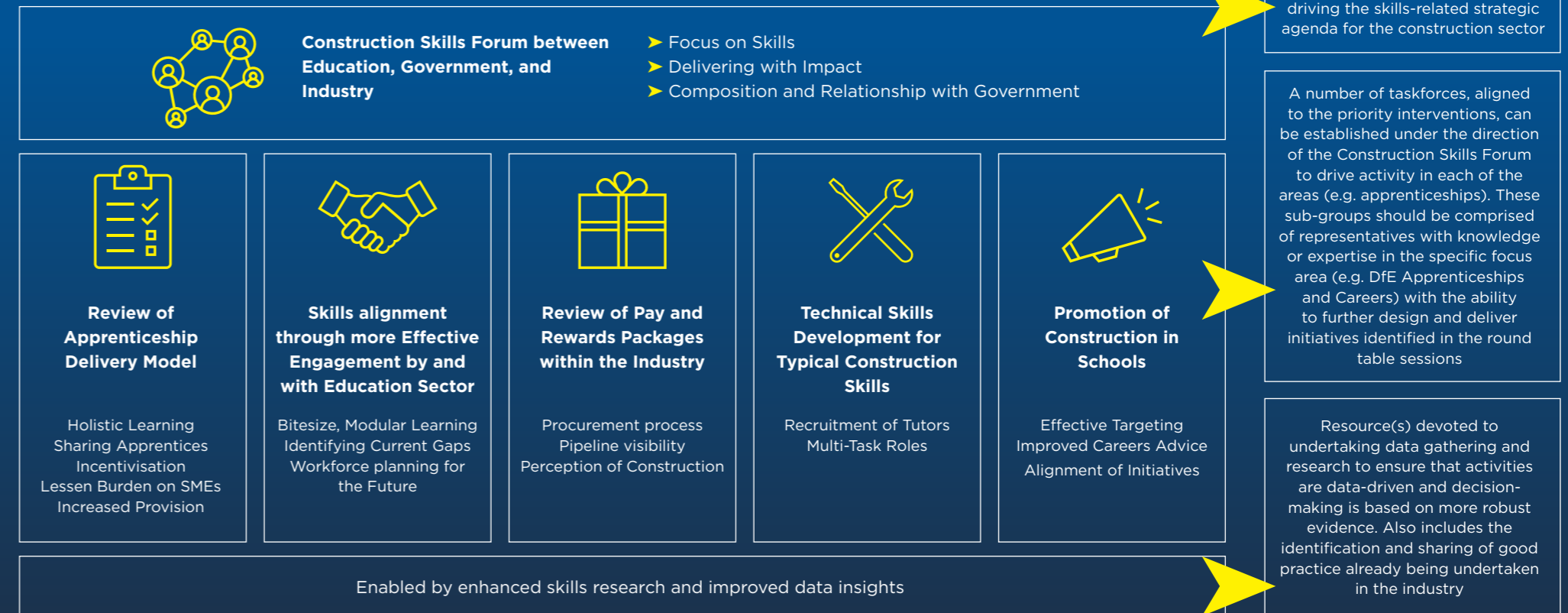
An enhanced research capability to identify and quantify the skills gaps in the sector based on current and future needs. This data-driven approach will enable better planning and more impactful interventions. Such a function could align with and support larger planned research activities for organisations like CITB. It could also draw upon successful initiatives such as the Singapore Skills Framework. <https://www.skillsfuture.gov.sg/skills-framework>



Executive Summary

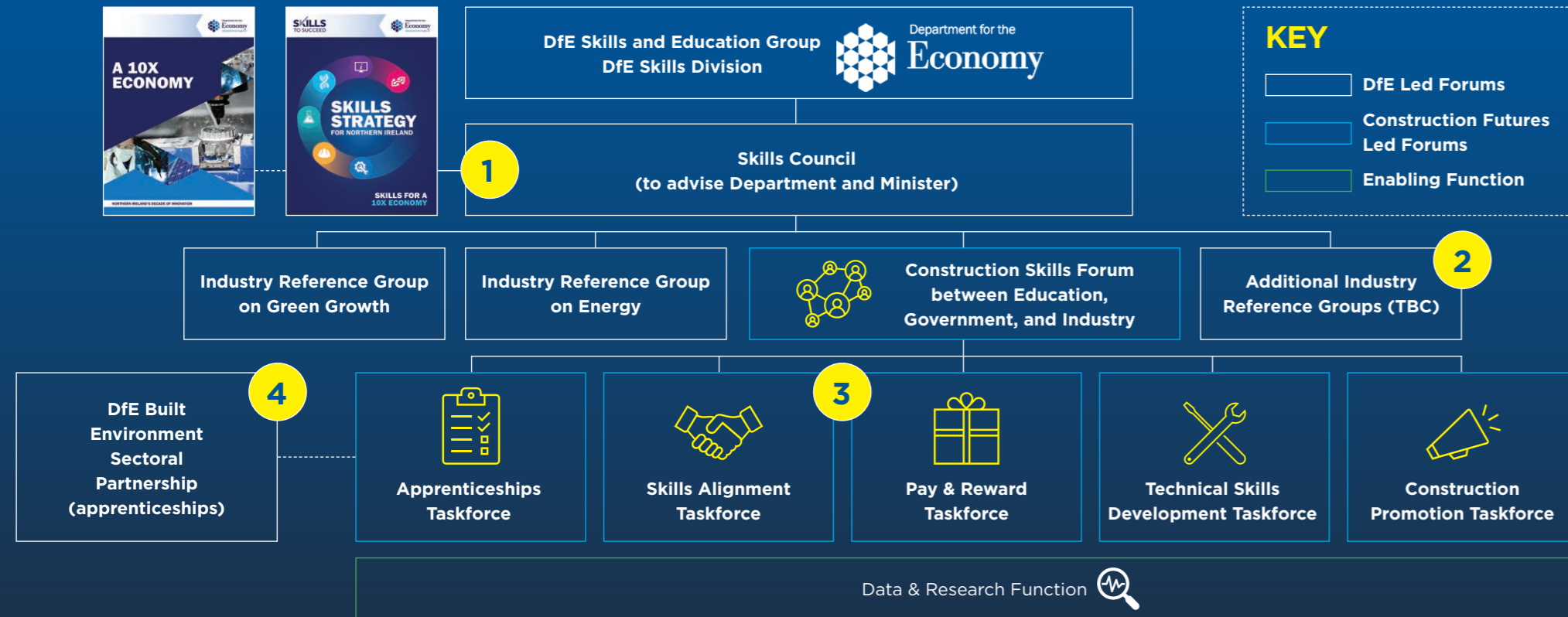
Construction Skills Forum

The illustration below sets out a high level design and focus for the proposed Construction Skills Forum. Five initial programmes of work are identified including sub projects emerging from this engagement process. A robust Terms of Reference and programme timeline will need to be developed. It would be responsibility of the Forum to determine how in turn to prioritise these and drive forward through sub groups / taskforces. This approach is now being used in Scotland through the Scottish Construction Leadership Forum (for further details see appendix).



Positioning the Construction Skills Forum within the Wider Skills Ecosystem

Within Northern Ireland there is already a skills development ecosystem under the remit of the Department for the Economy. Through discussions with the Skills Division of the Department it is clear that there is a desire to avoid duplication where possible when a Construction Skills Forum is established. The diagram below demonstrates how a Construction Skills Forum might position itself within the pre-existing forums so that the unified voice of the sector is effectively delivered to local government and taken into account in ongoing and future initiatives.



Positioning the Construction Skills Forum within the Wider Skills Ecosystem

Set out below are a description of each of the main bodies and the roles in relations and relationships to the proposed Construction Skills Forum.

- Skills Council:** Established as a key action from the Skills Strategy in 2022, the concept draws on international best practice to establish a forum with ministerial leadership and representation from senior figures from a number of local government departments (including Department for the Economy, Department for Communities, Department of Education), the Construction Industry Training Board, business, education and trade unions. Across a range of sectors its purpose is to drive a more collaborative approach to policy, ensuring the skills system is responsive to economic need, strengthened through engagement with employers and employees and that the central importance of the skills system is recognised throughout economic and social policy, as they aim to address the issues which will make a real difference in people's lives. It is important, therefore, that the Construction Skills Forum be represented in this Skills Council and its work in order for the views of the Construction sector to be effectively taken on board and turned into tangible change.
- Industry Reference Groups:** Under the direction of DfE some groups have been established whilst more are currently being mobilised. These forums are organised around themes (such as Green Growth) and sectors/industries (Energy) and are being used to further shape and refine the NI Skills Strategy by harnessing viewpoints from the representatives. When established the proposed Construction Skills Forum could provide the Department with a ready made structure to act as the industry reference group as it will speak with a single voice with respect to the skills needs of the industry.
- Construction Skills Taskforces:** A number of taskforces, aligned to the priority interventions, can be established under the direction of the Construction Skills Forum to drive activity in each of the priority areas identified during the round table sessions. The membership of these will likely be different across each taskforce and the groups will work with relevant local government departments, their ALBs (e.g. Invest NI) and third party organisations to design and deliver the initiatives within their scope.
- Built Environment Sectoral Partnership:** A range of new Sectoral Partnerships are currently being developed and set up by DfE to support the delivery of apprenticeships across a range of sectors. This includes a Central Partnership focused on the Built Environment which could be an important partner to deliver maximum benefits for the Apprenticeships Taskforce which has been proposed as part of the Construction Skills Forum. It would therefore be valuable for the Construction Skills Forum to be represented on this Sectoral partnership (or alternatively have a formal mechanism for sharing views) to provide meaningful feedback on behalf of employers.

Recommended Next Steps

Based on the discussion at the two roundtable sessions and the outputs there are a number of next steps which should be taken to generate momentum and mobilise a programme which will deliver high impact interventions to improve the skills landscape for the sector:

1. Develop proposal to take to Skills Council to establish necessary buy-in for the proposed Construction Skills Forum
2. Agree proposal, including any potential pilots and requests for resource/funding, to allow further detailed planning and development to take place
3. Share this report with a wider audience including relevant local government departments and representatives from political parties
4. Develop and agree robust Terms of Reference and membership for the Construction Skills Forum
5. Identify dedicated resource to act as the lead for establishing the Construction Skills Forum, including mobilisation of the governance and activities required to affect the necessary change.

6. Consider requirement to appoint / commission additional resources responsible for undertaking relevant research in order that activities and interventions undertaken are data-driven and robustly evidenced.
7. Work to establish a cross party support group within the NI Assembly which can be used by the Construction Skills Forum and other stakeholders to mobilise political buy-in for interventions and other related initiatives
8. Hold meetings with relevant comparators in other jurisdictions (e.g. Scotland, Republic of Ireland and UK-wide) to identify lessons learned and discuss opportunities to leverage their proven and successful initiatives where possible
9. First meeting of Construction Skills Forum to agree the scope/scale of ambition, identify short term activities to generate momentum quickly, agree priorities (including resources and delivery approaches required to deliver), develop realistic programme timeline and stakeholder engagement plan etc.

Key Interventions

The Interventions



Each of the following six areas were discussed in detail in the round table sessions. The following section summarises the discussion around each of these interventions including the key considerations and priorities for each intervention. As noted, the proposed Construction Skills Taskforces will be responsible for further exploring and delivering each of these interventions, taking account of the points outlined in the following slides. The interventions can be summarised as follows:



1. Construction Skills Forum between Education, Government, and Industry



2. Review of Apprenticeship Delivery Model



3. Skills alignment through more Effective Engagement by and with the Education Sector



4. Review of Pay and Rewards Packages within the Industry



5. Technical Skills Development for Typical Construction Skills



6. Promotion of Construction in Schools

1. Construction Skills Forum between Education, Government, and Industry

Establishing a cross-sectoral group that meet at an agreed cadence to address key issues facing the industry

A forum was thought to be the key enabler to achievement of all the other interventions – “Need a central force to drive activity”

Focus

- A previous construction-focussed forum (Construction Industry Forum for Northern Ireland – CIFNI) has since been disbanded. People and skills was not the main focus of this forum
- Proposal that this forum would be primarily focused on skills (per ROI Expert Group – for further information see Appendix B), but would take input from wider Construction Industry

Impact

- There was a sense that Departments work reasonably well in aligning strategy and policy. The biggest impact and value would be achieved through better co-ordinated implementation between bodies
- It was apparent in the session that many organisations are working independently / in a siloed way, and there would be benefits from a shared understanding of issues and topics such as Social Value
- Would need to build and maintain strong relationships with cross-party group at the NI Assembly-level. The Forum should speak with a unified voice to elected representatives, particularly on the issues of skills, the need for clarity on policy and upcoming programmes, and a view of the pipeline of construction projects

Sponsorship

- Discussion about whether the Forum should be sponsored by DfE (owning the skills agenda), but with input from the like of DfC, DfI, DE and DoF
- However, there was a view that this Forum should sit as an independent voice outside of government (but also requiring strong relationships with government departments). View expressed that elected representatives may listen to an independent group more than if under the remit of the NICS
- Other sectors have managed to do this successfully (e.g. Engineering, Hospitality/Tourism, IT sectors)



2. Review of Apprenticeship Delivery Model

Ensuring apprenticeships are delivered in the most appropriate and beneficial way

Preparing Apprentices

- Look at how long apprentices are in the classroom (pre-workplace training) before going on site. Apprentices are perceived as needing to be more “Job ready” and a minimum of 6 months in a simulated working environment was suggested
- It was agreed that further opportunities for work experience could be identified to better prepare apprentices

Holistic learning

- A “more holistic approach” to the apprenticeship delivery model could support apprentices in getting wider experiences. This should include an enhanced emphasis and provision of courses teaching Computer Literacy, Maths and English which should continue to be taught alongside other transversal skills as this will help aid progression in the future (perhaps by extending the provision of the existing essential skills programme)
- Holistic learning also requires “holistic teaching” – cannot just rely on FE and employers but part of the solution lies in the school education that individuals receive

Sharing of apprentices

- A tailored scheme could be developed to provide opportunities for apprentices to work across a number of organisations and get a broader range of experience. This could benefit small firms in particular but may require incentives to encourage SMEs to take on apprentices.

Burden on SMEs

- Need to ensure that the model works for smaller firms as well as the largest. In particular, lessening the burden of administration.
- Opportunity for a type of brokerage service could be explored. Need to work increasingly with the social enterprises and consider different models.
- SMEs and self-employed need support/training to take on apprentices (including how to mentor, deal with challenges etc.)

Security of work

- In some instances, apprentices are let go after 52 weeks. A “Guaranteed protection scheme” could mitigate this problem to help apprentices demonstrate skill capability if let go. There could be a role for training providers in holding a skills register.



2. Review of Apprenticeship Delivery Model

Ensuring apprenticeships are delivered in the most appropriate and beneficial way

Increased Breadth of Apprenticeship and Higher Level Apprenticeships Provision

- Building on the successes of the HLA model through increased provision of this pathway. Only 5% of construction workers are reported to have a level 6 qualification or above. This could entail evaluating how the model is working at the minute and how it can be refined
- Demand for apprenticeships is outstripping supply and the perception of apprenticeships is changing for the better – this has the knock on effect that only the best candidates are getting places on these schemes. Discussion around how we can also ensure that all candidates, some without basic qualifications, can be supported to start their career in the sector (perhaps through traineeship scheme launched last year prior to Level 2)



3. Skills alignment through more Effective Engagement by and with Education Sector

Fostering increased dialogue with education (incl. private sector) to achieve alignment to the necessary on-site skills

Bitesize

- Acceptance that there will always be lag time for FE college curriculums in core course provision. This is currently 12-18 months
- Look at more opportunities to provide continuous learning opportunities for everybody. Not just apprentices - to be able to respond better to future needs. E.g. Retrofitting housing, sustainability, digital skills. Noted that colleges have started to do this much better recently

Current gaps

- There is ambiguity at an industry-level (generalist versus specialist skills)
- Also need to know the next level of detail better. E.g. There are lots of different sub-competencies for a joiner. Also observed gaps in some of the wider more holistic elements of capability e.g. Soft Skills, practical skills - these essential skills can be embedded within the technical learning
- Private training sector can react quickly to the needs of employers if there is clarity around the skills required

Future Planning

- Need to work with government stakeholders to get clarity around likely new programmes of work (e.g. retrofitting and Climate Change Act in the Assembly). Clarity on policy, levels of investment and timelines will help to provide a clearer view of the pipeline. Knowing this level of detail will help education providers to be less reactive and learning can be developed to upskill both new entrants and existing staff in a more proactive and structured way to deliver these programmes. However, this may require a unified voice from the sector to agree a funding model to deliver the skills required



3. Skills alignment through more Effective Engagement by and with Education Sector

Fostering increased dialogue with education (incl. private sector) to achieve alignment to the necessary on-site skills

Data

- A lot of opinions on alignment which are subjective
- Need to use data to better support rationale
- How better to utilise CITB (Experian) survey. Challenges were noted relating to:
 - Capturing data at the next level down
 - Usage of the survey
 - Getting an accurate picture of pipeline from clients, contractors and supply chain (Who to go to and how to get the data e.g. site visits)
 - Need to understand not just NI, but also wider work which NI companies are supporting



4. Review of Pay and Rewards Packages within the Industry

Maintaining NI's competitiveness as an attractive employment market to local employees

Overview

Construction workers who train in Northern Ireland can receive more attractive remuneration when working in alternative locations such as the Republic of Ireland or England. One respondent noted that an electrician can receive €37 per hour compared to an hourly rate of £14 in Northern Ireland, with another highlighting that workers in Northern Ireland are paid on average 20% less than the rest of the UK.

Procurement

- Respondents attributed the intense tendering process in NI as a key reason for low wages, due to the strong competition on contract pricing. There is appreciation that this is one of the main reasons for lower rates of pay but less clarity on what other mechanism can be put in place to replace this. Also acknowledged that there is a demand vs supply issue which drives down bids
- In addition, there is little appetite to move from lowest price procurement for smaller competitions

Pipeline visibility

- Creating more certainty will allow organisations to promote, progress and recruit more. Single-year budgets in NI Government are a contributing factor. A new policy note is to be taken forward to improve the data on pipeline visibility (SIB-owned)
- Currently in a challenging environment where construction work and planned projects have slowed in NI (in contrast with RoI and the rest of the UK which have robust investment strategies and large planned projects)



4. Review of Pay and Rewards Packages within the Industry

Maintaining NI's competitiveness as an attractive employment market to local employees

Attraction and Perception

- Look at how the industry sells the wider benefits of a career in construction
- Need to consider the messaging around the purpose of the construction industry i.e. Building a better environment
- Sell the opportunities for rapid progress and building own business / entrepreneurial opportunities
- Highlighting the breadth of roles and those that are highly paid. There is work to be done to demonstrate that higher wages can be earned in NI as there is a perception that to achieve a higher salary, you must move away from NI. This contributes to a brain drain where employees receive training in NI but the sector does not benefit from their skills
- Need to look at what can be done to offer bonuses and create incentives for people to stay on and progress in NI
- There is a key role for parents to play, and their perceptions need to be challenged
- Work experience is important to drive interest in careers within construction
- Covid has demonstrated that the industry can be more flexible in terms of hours work e.g. back-office functions



5. Technical Skills Development for Typical Construction Skills

Minimising the impact of trades shortages by ensuring technical skills training is widely available for all

Overview

In Northern Ireland, the largest fall in employment over the past 12 months is recorded amongst skilled trades including construction jobs such as builders, plumbers and painters. A wide range of respondents cited the extreme skills gaps currently being experienced across the industry, with roles such as Groundsmen, Bricklayers, Plasterers, Joiners, Painters, and Site Engineers most affected.

Furthermore, specific trades no longer have an associated training course offering e.g. plastering and tiling. CITB are the provider of Roofing in NI

Tutors

- Colleges are struggling to recruit lecturers who meet essential criteria for roles (link with salary issues) meaning a number of courses are needing to be withdrawn. This is an issue not just in NI but across other geographies. Work has been ongoing to try and resolve some of these issues but it is unlikely that there will be a short-term solution
- Part-time teaching is already being undertaken by people from within the industry - could be potential for a small-scale pilot to get industry to come together to deliver training in more of a partnership approach. The COVID pandemic has changed how courses are delivered and the increased uptake of online training may be an opportunity to encourage more industry colleagues to support with training where appropriate (as it affords greater flexibility and less time commitment). However, need to be mindful that delivering training requires a specific skillset beyond expertise in a trade so delivering this model effectively will require enhanced support to adequately equip trainers/tutors

Multi-task roles (MTRs)

- Increased MTRs could build more resilience in the overall workforce to be flexible and be fit for the future. E.g. Carbon management, retrofitting, new technologies, digital and heritage
- Link to bitesize training provision (Intervention 2). Focus on existing workforce and not just apprentices / young people
- Multi-skilled individuals can do more than one job on site and are therefore important for improving efficiency and productivity (e.g. could be particularly important for a retrofitting programme).

Enhanced support for skills development

- Provision of funding for existing tradespeople and construction workers to get upskilled, re-trained or achieve higher qualifications in specific areas where there is a current critical gap or a future strategic need. This could be funded or part-funded by Construction Futures and/or other partners.



5. Technical Skills Development for Typical Construction Skills

Minimising the impact of trades shortages by ensuring technical skills training is widely available for all

Quantifying skills shortages

- Need to better understand and quantify skills gaps. Link to Intervention 3



6. Promotion of Construction in Schools

Partnering with primary and secondary schools to boost the awareness of construction as an attractive career path

Overview

CITB reported that only 2% of respondents consider construction to be their preferred industry. Respondents of the Industry Skills Review questionnaire illustrated extensively that construction is currently not promoted as an attractive career path, and that young people are increasingly encouraged to pursue a profession instead of a trade.

Tutors

- Understanding the parents views are important in their children's perception of construction. Explore opportunities to change perceptions and raise awareness among teachers too
- Also strong feeling that career choice can be significantly influenced by a positive work experience – look at opportunities to grow these through a brokerage-type service to support with perceived barriers to work experience (e.g. insurance restrictions and AccessNI)
- Promotion activity needs to be less focused on career fairs but targeted at students with an interest or aptitude for the subjects/skills required by the sector. Novel ideas are required
- Diversity is an issue and the industry is missing out on 50% of potential workforce (Females). Perceptions needs to be changed, but there is also a need to change the realities of some roles (e.g. 80-hour weeks) and culture within the industry. Women in Engineering and Construction Group are undertaking good work around motivations of women and barriers/perceptions related to a career in construction

Career advice

- Need to better educate the career advice in schools to tell the story around construction. This can start in primary schools
- Integration - Promotion within schools is currently fragmented. Initiatives being driven independently by colleges, employers and representative bodies. Construction Skills Forum could play a role in integrating these initiatives
- Additional funding would provide opportunity to scale up and have greater impact. E.g. Bootcamps, face to face interactions, mentoring/buddying



6. Promotion of Construction in Schools

Partnering with primary and secondary schools to boost the awareness of construction as an attractive career path

A more joined up approach

- Lots of different activity taking place to promote construction but greater visibility, integration and investment would allow the sector to scale up initiatives which have proved successful and deliver new approaches (e.g. CITB “Adopt a School”, GCSE in Construction and “Go Construct” tool)

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