

# In focus

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Key issues affecting the building services engineering sector in the **East of England**

Facilitated by  
**Summit** SKILLS  
The Sector Skills Council  
for Building Services Engineering

**HORIZON**

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the sector skills agreement  
for building services engineering

# New entrants

## BASIC SKILLS

- 30% of employers in the East of England are alarmed at the low level of literacy and numeracy of new entrants.
- Concerns are also expressed by East of England companies about the poor employability and attitudinal skills among new entrants.

## DIVERSITY

- 70% of firms employ no women outside of administrative roles. Those that do, only employ a small percentage.
- 33% of firms have employees from ethnic minority groups working in technical roles.
- There are opportunities to utilise female staff to visit clients from vulnerable or ethnic groups who would be uncomfortable with a male operative.
- Should training be developed in diversity issues and behaviours to make the existing and future workforce more aware of needs of these groups?

## MIGRANT WORKERS

- Only 27% of firms stated they employ migrant workers at present.
- However, the expected increase in the requirement for skilled operatives may change this situation.
- Is there a need to develop English courses and health & safety training for migrant workers to meet this potential future demand?

## SKILLS REQUIREMENTS

- 64% of employers need their craft workforce to be trained to Level 3. However Learning & Skills Council funding is driven by Level 2 targets. Stakeholders and partners also accept Level 3 as the industrial standard.
- Many companies believe government policies on funding are putting older apprentices (19+), who are more attractive to the sector, at a disadvantage.
- There is some concern at the quality of training provision in the region.
- The East of England also shows an inadequate amount of training of management and supervisory staff in relation to other regions within the UK.

## SCENARIO PLANNING

- SummitSkills has two workforce forecasting models for labour requirement, produced by BSRIA and Experian.
- 74% of East of England employers expect that the market for their services will grow, which will fuel the need for new entrants.
- Therefore, SummitSkills recommends that the more optimistic model (Experian) is applied to East of England planning.

## THE BIG QUESTIONS:

- Q How important are each of these issues to business?
- Q What are the most effective ways of dealing with them?
- Q Are there solutions already in place that meet the needs identified?
- Q Can other solutions that are already in place be adjusted or developed?

# Business & workforce development

## SKILLS REQUIREMENTS

- A small number of employers in the East of England have identified a need for practical and IT skills.
- 67% did not identify any further skills than current levels.
- 67% did not train their supervisory or management staff – this may be impacting adversely on productivity.
- Day release creates a problem for some employers – distance learning may be a solution.
- Whilst some firms mentioned regulation, gas, health & safety, IT and environmental training, 64% of employers did not foresee any future skills requirements for their company.

## RETIREMENT AND NATURAL WASTAGE

- The majority of firms in the East of England do not carry out retirement planning. This is clearly not enough to make allowances for losing members of the workforce.
- Trade Associations offer training in retirement planning – should the principles of this training be rolled out more proactively?

## RIVALRY & PARTNERING

- There is a significant amount of rivalry between firms with competition for contracts.
- Extended contracts and partnering arrangements in the public sector, which encourage cooperation rather than competition, are becoming prevalent elsewhere in England. There is less evidence of this in the East of England.
- Is further training needed to encourage and address the development of new partnering arrangements?

## BARGAINING POWER WITH SUPPLIERS/CLIENTS

- In bargaining power with clients, East of England employers stated that whilst service, company name and reputation do influence, many felt price was the major factor.
- Use of supply chain management was mentioned by none of the companies surveyed in the East of England.
- Would more efficiency be achieved through training for the sector on supply chain management techniques?

## RESEARCH AND DEVELOPMENT

- Only 27% of companies engage in forms of research – the majority of firms who don't will be at a disadvantage.
- SummitSkills is well positioned to work as a broker to enhance the marketability and relevance of research to the industry.

## NEW IT IMPLEMENTATION

- East of England employers are responding well to new IT which shows considerable commitment, with varying degrees of expertise amongst staff.
- Some workers may require further training to increase IT skills levels, to make full use of technologies available and improve productivity in the future.

## ENTERPRISE

- 50% of firms feel that entrepreneurship is an important issue. Slightly less feel they have the necessary skills.
- Does the sector need to investigate development in entrepreneurial skills, either as bespoke courses or through integration in general vocational education?
- SummitSkills notes that, as much new business and entrepreneurial activity begins with small firms started by craft operatives, this training should be extended to all levels within the curriculum and should not be seen as a management or technician function.

## BENCHMARKING

- The sector is able to access benchmarking systems but the majority of companies choose not to do so.
- Only 13% of East of England firms engage in formal benchmarking, however 40% carry out informal benchmarking techniques.
- In order for more firms to benefit from formal techniques, should formalised benchmarking practices be integrated into training for managers and supervisors?

## THE BIG QUESTIONS:

Q Which of the issues listed above need the most urgent attention?

Q How can they be dealt with?

Q Are there systems or programmes already in place that meet these needs?

Q Can existing solutions be adjusted or developed?

# External influences

## GLOBALISATION

- 80% of employers in the East of England do not think that the market will be adversely affected by foreign competition.
- However, through open tendering systems companies may experience rivalry from abroad for work in home markets.
- If the employer perception is incorrect, it may leave the sector vulnerable once foreign competition becomes established.

## TECHNOLOGY/ENVIRONMENTAL CHANGE

### *The driving force:*

- The UK's energy policy commits to cut CO2 emissions by 60% by 2050.
- £22m will be invested over two years to strengthen consumer demand for energy efficiency.
- East of England Regional Development Agency has an energy strategy that details clear plans for reducing emissions in the region, with the development of renewable technology.

### *The skills need:*

- 50 % of employers feel they are comfortable in environmental skills; however, these appear to be restricted to existing legislative-driven technology such as condensing boilers.
- Less are confident in skills such as solar and photovoltaic.
- The sector is reactive rather than proactive in training in new technologies.
- To meet the increasing demand for installation and maintenance of renewable energy, more certified training opportunities need to be developed.

## GOVERNMENT REGULATION

- Employers feel that there is insufficient inspection taking place on sites in regards to monitoring competence card regime.
- Many companies point towards increased costs for business in light of the Building Regulations.

## THE BIG QUESTIONS:

- Q How do these external influences impact on business?
- Q How can the sector ensure that it is prepared for change?
- Q Are there existing solutions that meet the needs identified?
- Q Can other solutions that are already in place be adjusted or developed?

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