

In focus

Key issues affecting the building services engineering sector in
Scotland – Highlands and Islands Enterprise

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

HORIZON

the sector skills agreement
for building services engineering

New entrants

CORE SKILLS/ BASIC SKILLS

- 36% of employers in the Highlands and Islands are concerned at the low level of literacy and numeracy of new entrants. (Scotland 28%, Scottish Enterprise 20%)
- There are significantly fewer problems with mature staff.
- IT skills are being seen as potentially problematic with older staff as technologies advances.
- Concerns are also expressed by some of the companies in the Highlands and Islands about the poor employability and attitudinal skills among new entrants.

DIVERSITY

- 67% of firms employ no women outside of administrative roles. Those that do, only employ a small percentage. (Scotland 62%, Scottish Enterprise 57%)
- Only 7% of firms have employees from ethnic minority groups working in technical roles. (Scotland 20%, Scottish Enterprise 33%)
- There are opportunities to utilise female staff to visit clients from vulnerable or ethnic groups who would be uncomfortable with a male operative visiting to undertake work.
- 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

- 33% of firms stated they employ migrant workers at present. (Scotland 35%, Scottish Enterprise 37%)
- 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

- 100% of contractors need their craft workforce to be trained to SVQ Level 3. (Scotland 100%, Scottish Enterprise 100%)
- There is some concern at the quality of training provision in the country.
- Companies in the Highlands and Islands also show an inadequate amount of training of management and supervisory staff in relation to other regions and countries within the UK.

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 number of employers in the Highlands and Islands have identified practical craft skills as a skill requirement.
- 37% did not identify any further skills than current levels (Scotland 55%, Scottish Enterprise 73%)
- 70% did not train their supervisory or management staff – this may be impacting adversely on productivity. (Scotland 67%, Scottish Enterprise 63%)
- Day release creates a problem for some employers – distance learning may be a solution.
- Whilst some firms mentioned practical skills, environmental, dynamic modelling, and IT skills, 37% of employers did not foresee any future skill development requirements for their company. (Scotland 41%, Scottish Enterprise 46%)

RETIREMENT AND NATURAL WASTAGE

- The majority of firms in the Highlands and Islands (87%) do not carry out succession/retirement planning. This is not enough to make allowances for losing members of the workforce. (Scotland 88%, Scottish Enterprise 90%)
- 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, which encourage co-operation rather than competition, which are beginning to become more prevalent in English regions, are not evident in the Highlands and Islands.
- Is further training needed to encourage to address partnering arrangements?

BARGAINING POWER WITH SUPPLIERS/CLIENTS

- In bargaining power with clients, Highlands and Islands employers stated that whilst service, company name and reputation do influence, many felt price was the major factor.
- In bargaining power with suppliers, many companies felt they had very little negotiation power.
- Use of supply chain management was mentioned by a few of the companies surveyed in the Highlands and Islands.
- Would more efficiency be achieved through training for the sector on supply chain management techniques?

RESEARCH AND DEVELOPMENT

- Only 33% of companies engage in forms of research – the majority of firms who don't will be at a disadvantage. (Scotland 28%, Scottish Enterprise 23%)
- SummitSkills is well positioned to work as a broker to enhance the marketability and relevance of research to the industry.

NEW IT IMPLEMENTATION

- Highlands and Islands employers are responding well to new IT with considerable investment, and 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

- 53% of firms feel that entrepreneurship is an important issue. Less felt they had the necessary skills. (Scotland 53%, Scottish Enterprise 53%)
- 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 3% of Highlands and Islands firms engage in formal benchmarking, however 74% carry out informal benchmarking techniques. (Formal – Scotland 15%, Scottish Enterprise 27%) (Informal – Scotland 58%, Scottish Enterprise 43%)
- 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

- 87% of employers in the Highlands and Islands do not think that the market will be adversely affected by foreign competition.
(Scotland 85%, Scottish Enterprise 83%)
- However, through the introduction of 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.
- The Scottish Executive has set a target of 18% of electricity in Scotland will be generated from renewable sources by 2010, with an aspiration to raise this to 40% by 2020.

The skills need:

- 53% of employers feel they are comfortable in environmental skills; however, these appear to be restricted to existing legislative-driven technology such as condensing boilers.
(Scotland 47%, Scottish Enterprise 40%)
- 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 with regards to monitoring competence card regimes.
- Many companies point towards increased costs on 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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