

In focus

Key issues affecting the building services engineering sector in the **North East**

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

HORIZON

the sector skills agreement
for building services engineering

New entrants

BASIC SKILLS

- 30% of employers in the North East are alarmed at the low level of literacy and numeracy of new entrants.
- Concerns are also expressed by North East 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.
- 23% 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

- 30% of firms stated they employ migrant workers at present.
- The expected increase in the requirement for skilled operatives may increase this number.
- Is there a need to develop English courses and health & safety training for migrant workers to meet a potential future demand?

SKILLS REQUIREMENTS

- 60% 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, however this appears to be of less concern in the North East in comparison to other regions and devolved nations.
- There is some concern at the quality of training provision in the region.
- The North East also shows an inadequate amount of training of management and supervisory staff in relation to other English regions.

SCENARIO PLANNING

- SummitSkills has two workforce forecasting models for labour requirement, produced by BSRIA and Experian.
- 73% of North East 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 North East 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 North East have identified a need for practical and IT skills.
- 30% did not identify any further skills than current levels
- 73% 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 practical skills, multi-skilling, supervision and IT skills, 33% of employers did not foresee any future skills requirements for their company

RETIREMENT AND NATURAL WASTAGE

- The majority of firms (90%) in the North East 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 North East.
- Is further training needed to encourage and address the development of new partnering arrangements?

BARGAINING POWER WITH SUPPLIERS/CLIENTS

- In bargaining power with clients, North East employers stated that whilst service, company name, 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 North East.
- Would more efficiency be achieved through training for the sector on supply chain management techniques?

RESEARCH AND DEVELOPMENT

- Only 30% 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

- North East employers are responding well to new IT showing 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

- 43% of firms feel that entrepreneurship is an important issue. Slightly more feel they have the necessary skills required to be entrepreneurial.
- 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, 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 17% of North East firms engage in formal benchmarking, however 70% 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

- 83% of employers in the North East 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.
- The Northern Energy Initiative has produced an energy strategy for the North East of England, which details the prospective development of renewable energy sources that could be up and running in the region by 2010.

The skills need:

- 40% 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 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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