

# In focus

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Key issues affecting the building  
services engineering sector in  
**Scotland – Scottish Enterprise**

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

## CORE SKILLS/BASIC SKILLS

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

## DIVERSITY

- 57% of firms employ no women outside of administrative roles. Those that do, only employ a small percentage. (Scotland 62%, Highlands and Islands 67%)
- 33% of firms have employees from ethnic minority groups working in technical roles. (Scotland 20%, Highlands and Islands 7%)
- 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

- 37% of firms stated they employ migrant workers at present. (Scotland 35%, Highlands and Islands 33%)
- 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 Level 3. (Scotland 100%, Highlands and Islands 100%)
- There is some concern at the quality of training provision in the country.
- Companies in the Scottish Enterprise show an insufficient amount of training of management and supervisory staff in relation to other regions and countries within the UK.

## SCENARIO PLANNING

- SummitSkills has two workforce forecasting models for labour requirement, produced by BSRIA and Experian.
- 97% of Scottish Enterprise employers expect that the market for their services will grow, which will fuel the need for new entrants. (Scotland 90%, Highlands and Islands 84%)
- Therefore, SummitSkills recommends that the more optimistic model (Experian) is applied to Scottish Enterprise 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 number of employers in the Scottish Enterprise area have identified a need for team work and communication.
- 73% did not identify any further skills than current levels (Scotland 55%, Highlands and Islands 37%)
- 63% did not train their supervisory or management staff – this may be impacting adversely on productivity. (Scotland 67%, Highlands and Islands 70%)
- Day release creates a problem for some employers – distance learning may be a solution.
- Whilst some firms mentioned management, practical and environment skills, 46% of employers did not foresee any future skills development requirements for their company. (Scotland 41%, Highlands and Islands 37%)

## RETIREMENT AND NATURAL WASTAGE

- The majority (90%) of firms in the Scottish Enterprise area do not carry out succession/retirement planning. This is not enough to make allowances for losing members of the workforce. (Scotland 88%, Highlands and Islands 87%)
- 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 within the Scottish Enterprise area.
- Is further training needed to encourage firms to address partnering arrangements?

## BARGAINING POWER WITH SUPPLIERS/CLIENTS

- In bargaining power with clients, Scottish Enterprise area 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 Scottish Enterprise area.
- Would more efficiency be achieved through training for the sector on supply chain management techniques?

## RESEARCH AND DEVELOPMENT

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

## NEW IT IMPLEMENTATION

- Scottish Enterprise employers are responding well to new IT which shows considerable investment, 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

- 53% of firms feel that entrepreneurship is an important issue. Less felt they had the necessary skills. (Scotland 53%, Highlands and Islands 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, 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.
- 27% of Scottish Enterprise firms engage in formal benchmarking, however 43% carry out informal benchmarking techniques. (Formal – Scotland 15%, Highlands and Islands 3%) (Informal – Scotland 58%, Highlands and Islands 74%)
- 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 Scottish Enterprise area do not think that the market will be adversely affected by foreign competition. (Scotland 85%, Highlands and Islands 87%)
- 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 53%, Highlands and Islands 53%)
- 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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