

In focus

Key issues affecting the building
services engineering sector in
London

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

- 37% of employers in London have major concerns about the low level of literacy and numeracy of new entrants.
- Concerns are also expressed by London companies about the poor employability and attitudinal skills among new entrants.

DIVERSITY

- 42% of firms employ women in technical roles.
- 57% 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.
- London performs extremely well in recruiting females and employees from ethnic minority groups compared to other regions. What else can be done to support and develop this good practice?

MIGRANT WORKERS

- 67% of firms stated they employ migrant workers at present.
- Plans are needed therefore to develop English for Speakers of Other Language (ESOL) courses and health and safety training, to meet the needs of training this section of the workforce.
- The level of migrant workers identified is so significantly high, this issue should be seen as a priority.

SKILLS REQUIREMENTS

- 67% 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.
- There is some concern at the quality of training provision in the region.
- London also shows low levels of training for management and supervisory staff.

SCENARIO PLANNING

- SummitSkills has two workforce forecasting models for labour requirement, produced by BSRIA and Experian.
- 80% of London 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 London 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

- Employers in London have identified a need for technical, IT and health and safety regulation training.
- 46% did not identify any further skills than current levels
- 57% 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 technical, environmental and legislative training, 37% of employers did not foresee any future skills development for their company.

RETIREMENT AND NATURAL WASTAGE

- 27% of firms in London carry out retirement planning.
- London's performance is superior to other regions within the UK in relation to succession and retirement planning; however 73% still do not plan for the future.
- Trade Associations offer training in succession and 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 but there is less evidence of this in London.
- Is further training needed to encourage and address the development of new partnering arrangements?

BARGAINING POWER WITH SUPPLIERS/CLIENTS

- In bargaining power with clients, London employers stated that whilst quality and service do influence, many felt price was the major factor.
- Use of supply chain management was mentioned by only a small minority of the companies surveyed in the London.
- Would more efficiency be achieved through training for the sector on supply chain management techniques?

RESEARCH AND DEVELOPMENT

- 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

- London employers are responding well to new IT, demonstrating considerable commitment 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

- 60% of firms feel that entrepreneurship is an important issue. However, 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. We suggest 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 London firms engage in formal benchmarking, however 64% 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

- 57% of employers in London 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 Mayor of London has published an energy strategy for London which details plans to reduce carbon dioxide emissions through energy efficiency, combined heating and power, renewable energy and hydrogen power.

The skills need:

- 57% 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.

2012 OLYMPIC GAMES

- The 2012 Olympic and Paralympic Games will create 60,000 person years of employment in construction and building services engineering.
- However, this requirement must be considered alongside the potentially vast numbers of workers that will become available as major projects such as Heathrow's Terminal 5 reach completion.
- The Olympic Delivery Authority is considering a range of environmental technologies for the creation of the 2012 Olympic event sites. This presents a challenge to develop appropriate training in renewables to ensure there are sufficient skills across the sector's workforce to meet this need.
- The inadequate number of suitably skilled workers currently living in the five Olympic boroughs poses challenges for sourcing building services engineering staff for the project.

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?



EUROPEAN UNION
European Social Fund

SummitSkills Limited
Vega House, Opal Drive,
Fox Milne, Milton Keynes MK15 0DF

T: 01908 303960

F: 01908 303989

www.horizon-ssa.org.uk

email_enquiries@summitskills.org.uk

skills
FOR BUSINESS