

DRAFT

Sector Skills Agreement Stage 3: Gap Analysis and Market Testing

**for the building services engineering
sector in England**

October 2007

SummitSkills

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2 Introduction

2.1 Our aim for the SSA

Underpinning this report is the core ethos that SummitSkills has been working to throughout the whole Sector Skills Agreement. It has been our aim:

*Through authoritative research and extensive consultation,
to identify skills related issues facing the sector and
produce workable solutions to address them.*

We want the ultimate outcome of the Sector Skills Agreement to be a practical working and evolving document that enables employers to develop the skills they need for their business to succeed.

2.2 Stage 3 background and purpose

This stage three report is the third in the series for the Sector Skills Agreement. It follows the Sector Needs Analysis (SNA) at stage one, where an evidence base was created on the current and future skills needs for the sector, and the Assessment of Current Provision (ACP) at stage two, where the sector's training provision was evaluated. SummitSkills has combined its own research and recommendations with feedback gathered from employers and partners at stages one and two to produce this stage three report, which now suggests solutions and actions to address the issues the sector is facing.

We present these reports as early 'action plans', which highlight what is needed and who should be involved. This document will help funding partners and employers identify exactly what they need to do and consider in advance of their firm commitment at stages four and five.

2.3 Already grounded in opinion and consultation...

The strength of SummitSkills' work is our 'bottom-up' approach and consultation activity to date. The in-depth employer interviews carried out at the start of the project ensured from the offset that the research was grounded firmly at the grass roots of the sector. These interviews, planned against a strict matrix to take into account all business sizes and industry types, ensured that the data gathered was a true representative sample of businesses in the sector¹. This valuable qualitative data when teamed with national statistics presented a complete picture of building services engineering skills requirements to allow SummitSkills to have full confidence in its conclusions and recommendations.

To further underline the bottom up approach, rather than present just an all-England SNA and ACP, SummitSkills took the step to produce a report for each of the nine English regions, Northern Ireland, Wales and two for Scotland covering the Scottish Enterprise and Highlands & Islands Enterprise areas. Immediately from these documents, our national and regional stakeholders could identify with the issues and priorities at their local level and start to develop workable solutions to address them.

¹ Please see the Sector Needs Analysis document for a full description of the research methodology

Once the Sector Needs Analysis for each region or country was produced, we wanted to ensure that employers, funders, providers, unions and other stakeholders were able to hear about the research findings, understand the issues the sector is facing and have the opportunity to explore solutions to address the issues. To do this we held 13 events across the UK and invited the various parties that play a role in the Sector Skills Agreement. At each event delegates worked in teams to answer questions like: “What is the ultimate solution to this problem?”, “How can employer, providers and government partners all contribute,” and “What are the quick win and long haul solutions for the SSA?”

These events also took place at the ACP stage, where delegates worked again in teams to answer questions like: “Why is this issue important?”, “What action would like to see taken?” and “What are the barriers to implementation or bridges that we have or need to build?”

The key issues identified at each of the events have also been tested with existing employers’ focus groups across the sector, allowing SummitSkills to develop a solutions-based approach to these issues.

These meetings also were the start of crucial partnership working – the discussions held were vital to help all parties understand each others’ perspectives, positions and considerations. SummitSkills has been encouraged that already these events have led to some ‘quick wins’ where partners have started working together on projects that can be implemented straight away to be of immediate benefit, for example the development of national occupational standards for renewables.

Ultimately all of the issues, recommendations and solutions to date have already been proposed and discussed around the UK by those who will be central to the SSA’s implementation. The proposals here have been well thought through and stem from employers and stakeholders already offering solutions. This has allowed SummitSkills to present a stage 3 document containing themes and ideas that have already been extensively debated by the sector in the country.

2.4 Moving forward...

The proposed solutions and actions for each party will now be tested out with employers and stakeholders to gauge their opinion and response. By the end of this stage there will be general agreement on where the sector is now in terms of skills needs and skills supply, what needs to happen to deliver the skills needed for the future, and who needs to do what to achieve that.

The consultation process will comprise one to one and group negotiations with stakeholders and wider discussions directly with employers and also through trade associations and professional bodies to share action plans, negotiate and agree on exactly what can and will be achieved. In addition, regional SSA implementation teams will be established which will consist of key local stakeholders as well as influential sector employers in the region who will take responsibility for progressing the action at local level.

This process of discussion, assessment and ultimately endorsement will pave the way for a final agreement at stage five which contains solid mechanisms to create a sector that has the right skills, in the right place, at the right time.

2.5 Structure of the report

Following the executive summary, section four presents SummitSkills' overarching vision for the sector across the UK, outlining our skills priorities and the vision on what can and will be achieved if the SSA is successful. To provide background on the research undertaken so far, sections five and six are summaries on the Sector Needs Analysis and Assessment of Current Provision respectively. These sections both also provide some UK comparison of findings, describe the consultation process undertaken at each stage and summarise the main conclusions or recommendations made.

In section seven SummitSkills has taken the findings from stages one and two and identified the gaps arising from the current supply and demand, and which of the suggested sector programmes address these gaps. This leads to section eight, where SummitSkills' suggested skills priorities and sector programmes are presented in full along with proposed action for employers and partners.

Finally in section nine, the draft solutions are broken down into English regions, providing an overview of each region and outlining action plans that demonstrate how the Sector Skills Agreement will be implemented at local level.

3 Executive Summary

3.1 SummitSkills and the building services engineering sector

SummitSkills is the Sector Skills Council for the building services engineering sector. SummitSkills' role is to promote skills and standards within the building services engineering sector to develop a fully skilled and qualified workforce which is able to improve productivity and compete in a globalised economy.

The building services engineering sector represents the following core industries:

- air conditioning and refrigeration
- electrotechnical
- heating and ventilation
- plumbing
- building services engineering consultancy.

The UK's building services engineering sector has an annual turnover of £16.2bn (2005), rising to £17bn in 2007, employs over 600,000 individuals in over 60,000 businesses.

There are a large number of small and micro-businesses within the sector with over 90% of businesses employing fewer than 10 people. The majority of these firms are small – 59% have five employees or fewer and less than 3% have more than 50 employees

The sector comprises a diverse and continually expanding part of the UK economy covering a wide range of skills providing essential design, installation and maintenance services for industrial, commercial and domestic clients.

Building services engineering permeates the whole of society and industry in the United Kingdom. It plays a major role in the areas of sustainable development and energy efficiency. Without the activities of this sector, the whole of the UK economy would cease to function.

3.2 Sector Skills Agreement purpose

The purpose of the Sector Skills Agreement is to understand the skills issues facing our employers and to work with them and stakeholders to develop solutions which, when delivered over the short, medium and longer term, will lead to significant skills improvement in the sector and longer term productivity benefits for the sector.

The process has five key stages:

1. Sector Needs Analysis: an assessment of the sector's skills needs over the short, medium and long term future
2. Assessment of Current Provision: a review of the current training provision for the sector in terms of range, nature and employer relevance
3. Gap Analysis: a review of the main gaps in the current provision compared to employer demand and the development of employer driven solutions to address these
4. Development of collaborative action between employers, stakeholders, providers and funders to engage employers in the sector to increase investment in skills

5. Production of a final Sector Skills Agreement for the building services engineering sector with detailed costed solutions which employers will work with key stakeholders to deliver.

The process will move to implementation across the UK at regional and national level after stage five, although a number of early quick wins have already been identified and are currently being implemented.

3.3 Sector Needs Analysis (SNA) summary

The SNA identified the skills needs that the building services engineering sector currently has related to improving productivity and business performance, as well as looking at the skills needs of future new entrants to the sector. From this research, the following issues were identified:

- Training is needed to meet skills deficiencies in environmental and renewables technologies across all the industries within the sector where current levels of activity are rising quickly and it is envisaged will rise further as the UK approaches the 2010 Kyoto performance assessment.
- The globalisation threat is a real one, however the sector largely perceives this not to be the case. This threat is greatest in relation to environmental technologies, with German and Danish companies already beginning to enter the market and approaching Government agencies looking for partnership agreements
- Absence of current and future skills planning makes the sector reactive to emerging markets such as renewables rather than proactive, resulting in a weakened capacity to meet future client demands.
- There is a lack of any robust form of management focus in relation to competitor analysis, competitive advantage and formal benchmarking. This is preventing strategic thinking and is contributing to productivity issues
- The sector is in need of a fundamental overhaul of the current curriculum content and requires business focused in-company training to meet the needs identified
- The basic skills of new entrants to the sector and the IT skills of experienced staff need to be improved to ensure productivity returns are maximised from capital investment in new technology
- Engagement in research, particularly with Higher Education Institutions, is needed to increase the innovative 'value-added' nature of what the sector offers in products and services to clients.
- There is a surprising degree of uniformity of the needs and feelings from companies across the sector. Traditionally the electrotechnical, heating & ventilating, air conditioning & refrigeration and plumbing industries have stated considerable differences in their needs and issues. The emerging data indicates that the whole sector faces similar issues and challenges and there is minimal variety between industries.

3.4 Assessment of Current Provision (ACP) summary

The Assessment of Current Provision was the second report in the process of creating a Sector Skills Agreement. Its purpose is to ensure that current and future training provision within the sector is ‘fit for purpose’. SummitSkills researched what training is on offer and, from an employer’s perspective, it has assessed whether it meets the future need of the industry.

The recommendations made supported a demand-led approach, creating ‘skills of economic value’. Key recommendations included:

- Reducing the number of non-economically valuable qualifications and courses that are surplus to employers’ needs.
- Technical certificates should only be funded as part of a full framework apprenticeship or part of a National Vocational Qualification. All funding for technical certificates as stand-alone qualifications should be discontinued.
- Timely updating of the sector’s national occupational standards and qualifications which will be addressed as part of the Sector Qualifications Strategy to create a clear and coherent structure for the sector’s qualifications.
- Urgent development of national occupational standards for environmental technologies to ensure that the skills are available across the sector to design, install, commission and maintain these new and emerging technologies so that the sector can compete in a global market against foreign competition
- Greater partnership between employers and providers to ensure provision is truly responsive to meet the changing needs and demands of employers.
- Developing a sustainable network of higher education training provision to assist more people within the sector to achieve professional qualifications.

3.5 Emerging skills priorities

Taking the findings, recommendations and feedback from stages one and two SummitSkills was able to map out the main issues affecting the sector and link this to the suggestions that had generated from the consultation so far. A clear series of priorities emerged, and under those 20 programmes that could be developed to support and address these priorities. These priorities and programmes form the basis of the Sector Skills Agreement for building services engineering. Here we detail the five skills priorities and what they mean for the sector:

Skills Priority	Number of sector programmes and objective
Professional Image & Competence	Five sector programmes that will promote a positive image of the sector to attract and develop a skilled, sustainable workforce
Communication & Information	Four sector programmes to create a knowledge centre for all sector skills development needs
Training Provision	Six sector programmes to enable pro-active, high quality training provision that meets the sector’s priorities
Funding	Two sector programmes to create a structure of flexible funding to support fast-changing skills needs
Management & Leadership	Three sector programmes to ensuring the sector has the skills to plan and develop profitable and competitive businesses

Each of these priorities, a detailed description of how they link back to the evidence uncovered so far and the 20 sector programmes that sit under the priorities can be found in section eight of this report.

3.6 Next steps

In producing this report we now have a much clearer picture of building services engineering sector and the challenges it faces. SummitSkills is keen to emphasise the need for a partnership approach with stakeholders and partners organisations to tackle those issues.

For each of the five skills priorities identified for the sector, a detailed action plan has been proposed with potential solutions to address the skills needs identified. These have all been derived from the extensive employer consultation and feedback undertaken already, together with the views of stakeholders. These proposals need to be finalised with partners and firm commitment to action agreed.

From the extensive and detailed research phase over the last year, the Sector Skills Agreement process now moves into a very practical period of delivery, to meet what the employers in the sector have told us they need. With the support of employers, government, trade associations, providers and other partners, SummitSkills will pilot, refine and deliver a range of solutions which will be of real value to employers in developing the skills needed to create competitive and profitable businesses.

4 Overarching vision for the sector

In creating a Sector Skills Agreement for building services engineering, SummitSkills aims to use authoritative research and extensive consultation to identify skills related issues facing the sector and produce workable solutions to provide employers with the skills they need to develop their business.

The SSA will be the first overarching, coherent and all-encompassing strategy to address the sector’s future skills needs. It will be a strategy that all parties commit to and implement in order to achieve the mutually beneficial end goal.

Horizon, the project name given to the SSA, conveys the fact that we are looking towards a brighter future for the sector, with an agreement that will bring all industries together, to one common focal point.

Where previously the different industries within the building services engineering sector - electrotechnical, heating and ventilation, air conditioning and refrigeration and plumbing – have traditionally seen themselves as independent industries with unique issues, the Sector Needs Analysis research revealed a surprising degree of homogeneity that exists broadly between all of the industries within the sector. Having identified that the sector as a whole faces similar issues and challenges, we can be confident in bringing these groups of employers together to work jointly as they move forward.

Taking the findings, recommendations and feedback from stages one and two SummitSkills was able to map out the main issues affecting the sector and link this to the suggestions that had generated from the consultation so far. A clear series of priorities emerged, and under those 20 programmes that could be developed to support and address these priorities. These priorities and programmes form the basis of the Sector Skills Agreement for building services engineering.

For each of the five skills priorities that have been generated we have a vision for what can and will be achieved if the SSA is successful:

Table 1 Skills priorities and vision

SKILLS PRIORITY	VISION
Professional Image & Competence	A positive image of the sector is promoted to attract and develop a skilled and sustainable workforce
Communication & Information	A one-stop knowledge centre for all building services engineering skills development needs
Training Provision	Pro-active, timely high quality training provision that meets the sector’s fast-changing priorities
Funding	Flexible funding to support the skills needed to develop business and workforce
Management & Leadership	Ensuring the sector has the skills it needs to plan and develop profitable and competitive businesses

Each of these priorities, a detailed description of how they link back to the evidence uncovered so far and the 20 sector programmes that sit under the priorities can be found in section eight of this report.

5 Summary of demand evidence base: UK-wide

5.1 Overview of the issues affecting the sector

The aim at stage one was to research, analyse and present a robust evidence base on the current and future skills needs for the sector. Following comprehensive data collection through employer interviews, statistical analysis and literature review, a series of clear themes emerged. SummitSkills grouped a number of these strands into three overarching areas: **new entrants; business & workforce development and external influences.**

For fuller detail behind any of the issues described below, please reference SummitSkills' UK Sector Needs Analysis.

5.1.1 New Entrants focused on the existing skills of the workforce, the profile of people coming into the sector and future skills requirements.

The **basic skills** of new entrants appears, in the eyes of the sector, to be getting worse, with 57% identifying issues with literacy, numeracy and IT skills. 36% also have issues with the basic skills of existing staff

Regarding **diversity**, 26% of firms employ women in technical roles and 22% of firms also have employees from ethnic minority groups working in technical roles. Many companies state that they do not receive applications from these groups but would be prepared to employ them if they did.

25% of firms stated they employ **migrant workers** at present, with London (67%) and Scotland (35%) being at the highest end of the scale. This highlighted a need for qualification mapping for migrant workers to enable them to receive the correct and fair rates of pay. Access to English for Speakers of Other Language courses and health & safety training is also needed to enable clear communication and safe working on site.

An assessment of the perceived **skills requirements** for the sector showed that Level 3 NVQ/SVQ is seen by 93% of the sector to be the minimum level for a fully trained craft operative. Across this UK, this breaks down to 100% for Northern Ireland and Scotland firms, 96% of Welsh companies and 73% in England.

Looking to the future, 77% of firms believe the sector will grow in the short to medium term (up to five years). This optimism is likely to influence labour planning and recruitment, therefore SummitSkills recommends that funders and policy makers fund the most optimistic numbers for apprenticeships, provided in the main for this report by Experian.

5.1.2 Business and Workforce Development encompassed all the elements that an employer needed to consider in order to be productive. From the research it was clear that whilst theoretically, business management techniques such as competitive advantage analysis, benchmarking and retirement planning would be beneficial to an employer, there was a distinct lack of adoption of these techniques amongst the sector.

When asked about **current and future skills needs**, the majority of firms identified current skills based around practical skills, IT and legislation training. There are little current and future skills needs identified beyond courses already available, no future

skills planning and also no evidence of consideration for renewable/new technology skills requirements.

Partnering and partnering techniques covers only 2% of the sector currently whilst 70% are still in competition with each other. In Northern Ireland and some regions in England there is real concern that competition is so fierce that it is damaging the sector and reducing training budgets, as companies cut margins to the bone to win contracts to stay in business. Only a minority of the UK engages in **supply chain management** techniques to bargain with suppliers. Price is still the major bargaining factor with clients. The sector needs to move towards a more value-added approach to procurement, but persuading clients to move away from bottom line analysis may be difficult.

Only 27% of the sector carries out any form of **research and development**, within little partnership between higher education and the industry. Bringing the sector together with Higher Education would help to develop innovative products, practice and services and in turn this will help improve the sector's productivity.

The **IT skills** levels of the workforce must be maintained in order to maximise on productivity increases gained through items such as laptops and PDAs. Basic skills in IT, particularly for mature workers, need to be developed otherwise operatives will be unable to efficiently use new technologies purchased by firms, and in turn companies will lose productivity.

56% of the sector supports the concept that **enterprise and entrepreneurship** is an important factor in business. Fewer companies feel they have the relevant skills to implement an entrepreneurial culture. There is a north/south divide in opinion: companies in the south are significantly more positive towards this concept than the north.

There is evidence that companies within the sector lack a clear and scientific focus on what their **competitive advantage** is. Most companies identify quality and service as their main advantage over competitors, however this appears to be demonstrated through anecdotal evidence as opposed to clear strategic planning or benchmarking. **Formal benchmarking** is one technique that could be employed by the firms to identify their competitive advantage. However, most rely on informal benchmarking techniques (49%) or none at all (27%). This raised the question, if the sector's companies don't know what their competitors are doing, how can they determine what their competitive advantage is?

5.1.3 External Influences consisted of those factors affecting businesses in the sector but beyond its direct control.

The issue of **globalisation** is not currently on the sector's radar, with only 25% of the sector feeling that their company was at threat from overseas competition. However the reality is that through open tendering systems companies may experience rivalry from abroad for work in home markets. Interestingly, two of the regions (South East and South West) who do not see globalisation as an issue will demographically, through the location of ports and the channel tunnel, be potentially the most vulnerable region to competition. Consultants within the sector are more aware of the issues surrounding globalisation than the craft industries, and this may be due to the nature of the industry, where work is being carried out abroad and returned via the internet. The lack of concern about global firms entering the UK market may leave the sector vulnerable once foreign competition becomes established.

New **environmental technology** and the drive to reduce carbon emissions is one of the single biggest factors currently affecting the sector. The UK’s energy policy commits to cut CO2 emissions by 60% by 2050, with English and devolved government presenting clear strategies for reducing carbon emissions through the use of renewable energy. However the UK does not have the capacity to respond to environmental technology demands due to the lack of installation skills amongst the craft industries. This problem is so acute in Scotland and Wales that it may impede on Government policy in relation to renewable energy generation, as well as opening up the market to foreign competition. To meet the demand for installation and maintenance of renewable energy, more certified training opportunities need to be developed

Government regulation was found to be causing problems for the sector, with competence schemes and issues around bureaucracy, red tape and increased costs being cited. There is also concern about insufficient inspection of competence cards taking place on site leading some of the sector’s companies to question the relevance of the system, or continue with renewal.

5.2 UK comparison

This section presents simply a flavour of the national and regional comparisons that were highlighted as part of the research and is not intended as in-depth analysis. For a more detailed geographical breakdown and analysis of the sector and employers’ attitudes and habits please see the UK Sector Needs Analysis.

Table 2 UK comparison for selected SNA questions

Skills issues	UK average	High	Low
Employers who felt they had the requisite skills to install environmental technologies	56%	77% Northern Ireland	40% Scottish Enterprise
Employers who carry out formal benchmarking	24%	43% North West	3% West Midlands
Employment of migrant workers	25%	67% London	7% East Midlands
Employers who did not foresee any future skills needs	52%	74% Wales	30% North West
Employers who recruit females in technical roles	26%	55% Yorkshire & Humber	13% Northern Ireland

It was extremely interesting to compare nations and regions around the UK. Quite often the tale behind the statistics also further explained what the reasons might be for those findings. The work of the five renewable technology academies in Northern Ireland is likely to have a factor on the country’s result. In general Wales and Scotland were outperformed by England in this area. This poses a problem to Scottish and Welsh Assembly Government as both see the development of renewable energy as being a major part of their environmental strategies.

The fact that Scotland carries out the highest percentage of formal benchmarking may mean that best practice can be shared across nations once further development starts in this area. The findings relating to female employment reflect regions where specific promotions of women into the sector have been pioneered such as Yorkshire & Humber by the RDA and other partners.

5.3 Consultation on SNA

SummitSkills recognised that a detailed Sector Needs Analysis report may not be suitable for all audiences. Different levels of detail were required by different stakeholders. To allow the SNA issues to be communicated to a wide range of viewers, SummitSkills produced a 'key issues' document which succinctly summarised the issues facing the sector. This was distributed with the main report to provide recipients with a choice of the SNA detail or an edited but comprehensive overview.

The employer interviews undertaken at the start of the project formed the core of SummitSkills' employer engagement, but this was just the start. With the 'bottom-up' ethos of the Sector Skills Agreement for building services engineering in mind, SummitSkills undertook extensive consultation on its draft Sector Needs Analysis reports. An event was held in each nation and nine English regions, where employers joined other partners and stakeholders to discuss SummitSkills' findings so far and suggest solutions to the skills issues the sector is facing.

These events not only allowed SummitSkills to confirm the SNA findings with the sector, but also allowed employers to get involved in the Sector Skills Agreement from the outset and play an active role in its development. The output from these workshops allowed a 'Viewpoint' document to be produced which summarised the solutions generated by each group. This document was distributed within each region and nation to gather views from a wider audience than could attend the initial workshop.

In addition to this specific project consultation, SummitSkills also brought the SSA to the attention of employers and gathered views through its normal engagement channels – including partnership groups, employer forums, trade association meetings, college steering groups, individual visits and industry interest groups.

5.3.1 Other issues arising from consultation

When discussing the sector's skills issues at the consultation workshops, the notion of a training fund was suggested at a number of the events as a way of ensuring that employers train their staff. The underlying idea behind this was that if businesses were forced to contribute to a central training fund then they would be more likely to carry out training to make a return on their investment.

This issue was raised enough times to be noted within this report, however because it has not been included as a sector priority or programme as it is not SummitSkills' responsibility or position to implement such a scheme. Discussions are already underway between some of the sector's trade associations and their member firms on a potential training fund for the sector. If and when a decision is made by the majority of employers in the sector, SummitSkills will then decide how best to proceed with this matter.

It is important to note here that this is just an issue that may affect England, Scotland and Wales. The building services engineering sector in Northern Ireland has clearly stated that it does not wish to be involved in a levy-type system.

5.4 Conclusions from stage one

The research conducted at stage one identified a number of issues where the building services engineering sector is performing poorly, which goes some way to explaining why the sector, along with the construction industry, is not performing well against other European competition, and why SummitSkills believes that the productivity assumptions for the sector are too optimistic. SummitSkills believes that the globalisation threat is a real one. This threat is greatest in new environmental technologies, where capacity is significantly lower than what will be needed if the UK is to meet the targets it agreed to at Kyoto. Evidence that German and Danish companies are already beginning to enter the market has been given to SummitSkills by Government agencies that have been approached by companies looking for partnership agreements.

The sector lacks any robust discernible form of management focus in relation to competitor analysis, competitive advantage and formal benchmarking, which is preventing strategic thinking and is likely to contribute to the productivity issues discussed throughout the report. A lack of current and future skills planning makes the sector reactive to emerging markets such as renewables, rather than proactive, and a failure to link future skills to training matrices and from them to business plans is a further weakness in the future success of the sector.

SummitSkills believes that the sector is in need of a fundamental overhaul of the current curriculum content and an extension of business focussed in-company training to meet the needs that this report has identified. Maintaining and improving skills levels is a challenging but necessary task, if the current prosperity enjoyed by the sector is to be maintained.

It was encouraging that during the thirteen workshops conducted across the UK at the end of stage one, audience and employer views resonated with the findings to date, confirming that these were skills issues that the sector itself identified with.

6 Summary of the supply picture: UK-wide

6.1 Overview of the issues affecting the sector

The aim at stage two was to assess the extent and quality of current training provision and determine whether existing supply is sufficient to meet short and long-term skills needs in the sector. The employer interviews were once again analysed, along with statistical data from the Learning & Skills Council, Welsh Assembly Government, Department for Employment and Learning, Scottish Enterprise, Highlands and Islands Enterprise and Scottish Funding Council.

As with the SNA, at this stage SummitSkills produced a report for each English region and nation of the UK. Due to the differing education and funding systems across England, Wales, Scotland and Northern Ireland, there are a number of distinct areas that affect one country specifically. However, a number of issues were consistent across the UK. The various strands were grouped into three themes: **sector involvement in training, the provision itself and profile of learners.**

For fuller detail behind any of the findings and issues described below please reference SummitSkills' Assessment of Current Provision.

6.1.1 Sector Involvement in Training analysed the employer interviews and their comments on a number of areas related to training provision. Here SummitSkills also presented a draft cost model on employer spend on training.

Employer use of training providers is good, with the share of total training carried out being split between FE colleges, private providers, manufacturers and universities. However, training that was immediately relevant to businesses is being placed before formal qualifications, and areas such as manufacturer training and some legitimate private provision is not adding to the formal qualification base of the sector. If formal mechanisms could be developed to recognise this kind of valuable training, skills development of this type can officially contribute to the sector's skills base.

There is some work to be done on *employer willingness to pay for training*. The Leitch report places emphasis on employers being responsible to contribute to any training over Level 2, however in SummitSkills' Sector Needs Analysis, the majority of employers across the UK see Level 3 as the standard for the sector. Only 41% of businesses across the UK would be willing to pay more for their training, and concerns about the quality of training providers may fuel this reluctance.

For the ACP SummitSkills created a 'work-in-progress' model that looks at *employer spend on apprenticeship training*, time allocated to mentoring and in-house training spend. A considerable amount of money (in this case via an employee's time) is spent on in-house mentoring throughout the course of the training programme. There are many hidden costs associated with training staff and employers are already making a significant contribution.

When assessing *employer views on the quality of training provision*, generally there is more dissatisfaction with the quality of service and teaching provided by further education than for private training providers. Issues revolve around communication, the quality of teaching, resources and general curriculum planning.

Employer views on content of training provision were mixed. Qualification content in particular is seen as being in some cases out of date or not suitable enough for the needs of the sector. There is a need for maintaining and updating qualifications regularly. Technician curriculum seems satisfactory, although there is concern that some of the material taught is too specialised and out of date. The general nature of HNC/D courses is detracting from the specialist requirements of employers. Degrees are believed by some employers in the region to have elements within them that are not wholly relevant to life in the 'real world'.

6.1.2 The Provision Itself presented data and recommendations on the number and type of building services engineering courses available to employers and if they were providing the right kind of skills that the sector needs.

Based on the data provided, there appear to be a number of qualifications currently in the system that have not been funded (and therefore we assume have not been run) for a considerable amount of time. Because there has been no demand for this curriculum we suggest that it is no longer relevant to the sector. By **reducing the number of courses and qualifications** that are surplus to employers' requirements, we can concentrate on those that truly meet the sector's needs.

Funding for technical certificates which do not meet employer needs is a major issue affecting the sector. There is a significant amount of funding directed at stand-alone technical certificates, which offer a theory-based qualification but no work-related experience. People undertaking a full-time technical certificate are typically not employed in the sector and have little prospect of gaining work-based experience to allow them to gain a National Vocational Qualification. Technical certificates without an accompanying NVQ are seen by employers as a non-economically valuable skill and not meeting their business needs. Resources currently spent on stand-alone technical certificate training can be re-directed to develop provision in areas such as environmental technologies, business development and apprenticeships for adults.

A considerable amount of current **training provision spend** is leading to non-economically valuable skills and therefore is not relevant to the sector. Where this is the case, SummitSkills has calculated where money can be redistributed to other more relevant training and qualifications. Based on an analysis of current funding for non-economically valuable skills, there is potentially around £22 million nationally that could be redistributed to much needed training provision elsewhere in the sector such as environmental technologies (solar panels, photovoltaic panels for example), business management, benchmarking, supply chain management and apprenticeships for adults.

There are a low number of higher education establishments offering building services engineering courses. This low number is spread unevenly around the UK and there are some English regions with no **higher education training provision** at all. This poses a problem for individuals who need to gain a professional qualification alongside their work.

Private training providers do not appear to obtain **quality marks** to the same extent that Further Education colleges do. There is certainly scope for more providers to achieve quality marks. Essentially it is believed that if more providers achieve these standards then it should raise the overall quality baseline of the sector's provision.

6.1.3 Profile of learners looked at age and diversity of students and how they attended courses (full time, part time etc.).

Regarding *diversity*, access to the sector is still dominated by white males. The lack of diversity is exacerbated in relation to ethnic minorities on work-based learning courses where there are significantly fewer people from minority groups on work-based learning courses than on technical certificates/FE-funded routes. Despite various initiatives and mechanisms being introduced to encourage under-represented groups to join the sector, there seems to have been little impact.

Following an analysis of the *mode of delivery and age of participants* in sector courses, there are significant numbers of non-employed learners, both adults and 16-19s, who are on technical certificates that the sector deems to be non-economically valuable (NEV).

6.2 UK-wide comparison

Because of the different education systems and funding bodies across the four nations of the UK, the Assessment of Current Provision generated more distinct differences across the UK than was found at the Sector Needs Analysis stage.

Many findings were consistent, for instance the general lack of diversity in the sector, insufficient higher education provision, the high level of in-house training undertaken by employers, and the general higher level of satisfaction with private providers when compared to FE colleges. However, some recommendations were specific to that country based on the findings, for instance the recommended new ‘superclass’ for building services engineering courses in Scotland or the commitment to develop job-ready provision for Northern Ireland’s Training for Success programme.

Whilst English government committed fully to an implementation plan following Lord Leitch’s recommendations on employer-led skills strategy, other nations have not publicly endorsed Leitch and therefore consideration was being given to this when developing each ACP. Social justice and skills driven by the individual are significant issues in Wales, Scotland and Northern Ireland, so recognition of these facts played a part in developing solutions for the sector in these countries. In Wales, improving the basic skills of the population is a major challenge, as is developing the Welsh language across the country. Renewable energy appeared high on all agendas, which underlined the importance of developing a skilled workforce to meet this intense and concentrated government push.

Regarding employer views, this table presents simply a flavour of the national and regional comparisons that were highlighted as part of the research. It is not intended as in-depth analysis; for a more detailed geographical breakdown and analysis of the sector and employers’ attitudes and habits please see the UK Sector Needs Analysis.

Table 4 UK comparison of selected ACP questions

Key sector issues	England	N Ireland	Scotland	Wales
Employers willing to pay more for training	42%	37%	57%	28%
Employers who carry out In-house training	74%	73%	82%	73%
Employers who use manufacturers for training	34%	17%	27%	23%
Employers who felt content of training provision was suitable	36%	57%	67%	68%
Employers who had experienced problems with quality of training in FE colleges	52%	40%	27%	45%
Employers who had experienced problems with quality of training with private providers	8%	17%	7%	5%

The consistently high level of in-house training undertaken highlights the importance of ensuring that where appropriate this training, along with manufacturer and other training, is accredited so that it formally contributes to the sector's skills levels. A clear pattern has also emerged across the UK with employers being more satisfied overall with the quality of training from private providers than further education colleges.

As the SSA moves forward it is vital to work with partners across the UK to develop not only overarching programmes where employers are experiencing similar issues, but also tailored programmes where necessary to meet needs in a specific nation or region.

6.3 Consultation on ACP

In order to communicate the findings of the ACP, a second set of 'key issues' documents were produced for the ACP alongside the more detailed reports, to provide an alternative level of detail to SummitSkills' various audiences. The four-page document summarised the issues facing the sector and outlined the recommendations being made at this stage.

Once again the employer interviews undertaken at the start of the project were key to understanding the needs of the sector. The feedback given during the interview to questions related specifically to training provision were analysed and detailed within the reports. At this stage SummitSkills undertook a detailed consultation exercise across the UK. An event was held in each nation and nine English regions where employers joined other partners and stakeholders to discuss the findings so far and SummitSkills' recommendations.

These events allowed SummitSkills to confirm the ACP findings with the sector, and also allowed employers for a second time to participate in the Sector Skills Agreement. By this stage a sense of 'ownership' was clearly developing with employers taking a leading role in the project. Meetings between stakeholders to discuss the ACP were extremely beneficial in allowing different parties to understand and appreciate each others' positions and priorities.

The output from these meetings allowed a second 'Viewpoint' document to be produced which summarised the solutions generated by each group. This document was distributed within each region and nation to gather views from a wider audience than could attend the initial workshop.

Some early success has already been achieved as a result of these meetings, with SummitSkills being asked to input into funding bodies' planning cycles to affect what will be delivered for 2007/2008.

In addition to this specific project consultation, SummitSkills also brought the SSA to the attention of employers and gathered views through its normal engagement channels – including partnership groups, employer forums, trade association meetings, college steering groups, individual visits and industry interest groups.

6.4 Conclusions from stage two

Using the findings at stage two, a series of recommendations were outlined and short, medium and long term priorities were identified. At present SummitSkills has identified short term to be recommendations which can be completed in a year, medium term to be completed within two years and long term longer than two years.

Table 5 SummitSkills' ACP recommendation summary

Recommendations	Short/ Medium or Long Term Priority
<p>Recommendation 1 Building services engineering provision that has not received funding in the last three academic years should be removed from the Learning Aims Database. SummitSkills will work with national LSC office in Coventry to achieve this aim.</p>	Short term. Removing identified curriculum from the Learning Aims Database should be implemented as soon as practically possible.
<p>Recommendation 2 Technical certificates should only be funded as part of a full framework apprenticeship or as part of a National Vocational Qualification. All funding for technical certificates as a stand alone qualification should be discontinued.</p>	Short term. SummitSkills will work with LSC to produce an action plan which would then allow an assessment to be made on the effect on training providers.
<p>Recommendation 3 SummitSkills will work with stakeholders in FE and HE to seek to develop a network of providers offering degree and sub-degree courses within regions. The development of foundation degrees may facilitate this process further.</p>	Medium term. Providers need to be convinced of the financial viability in running HE programmes within the building services engineering sector. Partners and stakeholders may need to work together to facilitate the development of sustainable funding sources to maintain curriculum offer.
<p>Recommendation 4 SummitSkills will work with partners to develop credit-accumulation transfer and quality assurance for manufacturers and non qualification based courses from private training providers</p>	Medium term. Working with partners and stakeholder to develop credit accumulation transfer for manufacturer training, and develop new occupational standards for new and environmental technologies. This will be developed further in SummitSkills' Sector Qualifications Strategy.
<p>Recommendation 5 It is vital to get the sector's curriculum and training structure right so that employers can see the benefit and value in training. SummitSkills will work closely with partners and the training provider network to develop this area</p>	Short term. SummitSkills work with the LSC, partners and stakeholders to analyse quality of sector provision in regions, allowing a development plan to be produced.
<p>Recommendation 6 SummitSkills will work with regional and national partners and stakeholders to seek a more effective use of funding to increase productivity performance and skills levels in the sector.</p>	Short term. SummitSkills will work with partners and stakeholders, and particularly the LSC to produce a plan that allows planning and reallocation to be mapped out as soon as practically possible.
<p>Recommendation 7 SummitSkills will develop these models further to assess the total costs of training on employers. This information will be used work with the Government to achieve a wider recognition of and sensible balance between employer and government contributions to training.</p>	Medium term. SummitSkills will work with partners and stakeholders and in particular the sector's trade associations to develop and refine the various funding models currently being developed to analyse employer contribution to training.
<p>Recommendation 8 SummitSkills will continue to work with partners and stakeholders to increase the engagement of women and ethnic minorities with the industry by facilitating innovative progression pathways into the sector.</p>	Medium to long term. SummitSkills will engage in more research on issues surrounding ethnic minorities, as well as continuing to work with partners, stakeholders other SSCs and employers in encouraging engagement in the sector from non-traditional groups.
<p>Recommendation 9 SummitSkills will work with partners to reduce the large number of NEV courses and instead develop sustainable entry and progression routes into the sector for a reduced number of non-employed status learners.</p>	Medium to long term. SummitSkills has no formal position on this yet, and will continue to work with partners, stakeholders and the sector's trade associations to arrive at sustainable solutions to this problem, while at the same time addressing the issues of over supply identified by the technical certificates.

<p>Recommendation 10 SummitSkills will work with national and regional LSC to explore how potential restructuring of the sector's provision, in line with employer needs, will be developed and implemented.</p>	<p>Medium to long term. SummitSkills will work with the LSC, national and regional providers to achieve the best result for the sector based on quality, local employer requirements and geographical spread.</p>
<p>Recommendation 11 SummitSkills will work with providers to increase achievement of quality marks. Essentially it is believed that if more providers achieve these standards then it should raise the overall quality baseline of the sector's provision.</p>	<p>Short to medium term. SummitSkills will work with partners and stakeholders to encourage the provider network to engage in the acquisition of more appropriate quality marks.</p>
<p>Recommendation 12 SummitSkills and partners will work with providers to improve the quality of both the administration and teaching of those courses to address issues of poor service from providers.</p>	<p>Short term. SummitSkills will continue to work with partners and stakeholders to improve quality of providers where employers have indicated a quality concern as identified in the research.</p>
<p>Recommendation 13 SummitSkills will work with the bodies responsible for qualifications to update the existing qualifications in line with the sector's requirements to address the issue of unsuitable curriculum content. This would also include the development of new content to meet needs in areas such as environmental technologies.</p>	<p>Medium to long term. SummitSkills will work with partners and stakeholders to create a flexible framework that allows the sector's qualifications to respond rapidly according to technological advances and new skill sets.</p>

7 Gap Analysis: comparing Stages 1 and 2

This gap analysis identifies issues that arise from SummitSkills' Sector Needs Analysis and Assessment of Current Provision. The main gap areas are summarised together and then tables are presented with details of employer demand, the current sector situation and the resulting gap. Each gap is then directly linked to a proposed sector programme to be taken forward to address and reduce the gap. These programmes are then grouped into the five skills priority areas already summarised. These priorities and programmes form the basis of our Sector Skills Agreement.

7.1 Headline issues and skills gaps

Issues raised by employers highlighted concerns around the level of literacy and numeracy, employability and attitudinal skills of some of the new entrants, and the need to be able to attract good quality applicants into the industry in order to be able to deliver the increasing demand for building services engineering.

In addition a high level of concern has been expressed across the UK regarding the development of sustainable entry routes into employment within the sector. The use of standalone technical certificates lifted from an approved framework has not resulted in the full progression of learners into employment with low numbers progressing to achieve the level 3 qualifications which industry has deemed demonstrate the required level of competence. SummitSkills is committed to working with providers and stakeholders to develop a sustainable entry route into the building services engineering sector to ensure that real opportunities are created, whilst delivering the required level of high quality new entrants needed by employers to support a growing sector.

A key area to be addressed was the need to review our existing qualifications to allow them to reflect current industry practice, remove out of date material, and develop new qualifications and training to allow sector employers to be competent to design, install, service and maintain the new range of microgeneration renewable systems needed to meet Government energy targets.

Concern was also raised about the lack of training on supervisory and management skills, the business development areas of benchmarking and supply chain management, and the need for more higher education provision to address the gap in design skills. Employers were also keen to see a sensible balance struck between employer and government contributions to training.

In addition the building services engineering sector has a number of training needs, which can be categorised under two significant headings: new and environmental technologies and business acumen.

New and environmental technologies

The building services engineering sector has a major role to play in the development of new and environmental technologies, with significant investment in renewables technologies in the run up to the assessment of Kyoto priorities in 2010. The actual business readiness of the sector however may be running behind that of the developing market as a significant number of companies claim to have some of the skills required to install the new technologies.

This leaves the sector open to global competition as building services engineering companies abroad, particularly in Germany and Denmark but also the rest of Europe, have more advanced skills in environmental technologies, and already European companies are winning contracts for installation of environmental technologies in the UK, with the Olympics in 2012 expected to exacerbate the situation. It is therefore imperative that the sector improves its skills in environmental technology installation.

Currently the data returns on courses currently receiving public funding failed to identify any courses that specifically undertook environmental technologies training. As currently the National Occupational Standards (NOS) are being developed this is perhaps not too surprising, but leaves the sector vulnerable to competition and being unable to respond to developments within the market in renewables technologies that many companies identified within the SNA.

The lack of formalised qualifications within an accredited qualifications framework means that currently the sector is relying on manufacturers and some private companies to carry out non-accredited installation training. This training develops specific product skills but possibly fails to develop generic skills in these technologies. In addition there is no way to quality-assure the end product. There is no development of these skills in the generic apprenticeship schemes currently, which suggests that the sector is not developing the new skills at entry level to the sector. All these issues identify a significant gap between requirement and provision currently which needs to be addressed urgently.

To ensure full integration of these technologies into existing occupational activities will require revision of National Occupational Standards and new entrant qualifications to raise general awareness and post apprenticeship a full suite of qualifications not only at installer / craft level but also for design and marketing.

This activity is ongoing whilst the Sector Skills Agreement is being developed and will play a fundamental part of the final SSA implementation.

Business acumen

The Sector Needs Analysis utilised the business model developed by Professor Porter of Harvard University to measure the productivity and competitive advantage performance of the sector within the UK. International benchmarking data suggests that the UK construction industry generally is performing at a lower productivity rate than the majority of it European competitors, making the potential threat from globalisation even worse. Generally, the building services engineering sector is generally performing badly in:

- defining competitive advantage
- formalised benchmarking
- competition analysis
- research and development
- succession planning
- current and future skills analysis
- first line supervisor and middle management training

The building services engineering sector has significant productivity issues surrounding business management and acumen, however currently the data returns from Northern Ireland, England, Scotland and Wales highlight very few funded courses that contain a management and business focus within them and a very low take-up of these courses, with courses closing across the UK, rather than opening.

There are a number of generic courses such as the NVQ 3 in supervisory management managed by the Chartered Management Institute. However, there seems from the SNA to be little appreciation of these courses, although there is a desire for a sector specific qualification. Currently management training on the HNC and at degree level is not built around the sector, but is more generic in nature and is more construction than building services engineering related, with the exception of perhaps the MSC in Construction Management courses.

Concerns from contractors about BEng/BSc graduate courses within the ACP, suggests that undergraduate programmes are also too highly focussed on the design and consultancy industry within the sector, rather than the needs of the contractors, generally although not specifically related to management and business acumen.

There is therefore a fundamental and wide gap between what the sector needs to improve productivity through enhanced business acumen and currently what is on offer at all levels for the sector. As with the environmental technologies issues, urgent action is needed to address these gaps.

7.2 Mapping demand to current supply and identifying gaps

Taking the findings from stages one and two, the tables below details the sector demand, the current supply and the resulting gap, i.e. what is needed. Finally in the last column we detail the suggested solution to address this gap. In section eight SummitSkills presents these solutions as suggested sector programmes and details the actions and outcomes of this activity.

Skills Priority 1: Professional Image and Competence

Sector Demand	Current Supply	Gap – what is needed?	Solution/Sector Programme
Improved sector careers guidance and marketing to establish the sector as an aspirational career choice.	Parents, careers advisors and students rarely understand sector careers. Misperceptions deter many suitable people considering sector careers.	Careers advisors and students with a clear understanding of career routes and options. A sector that is recognised as a profession of choice.	Aspirational sector image
Transform the attitudes of students and parents from all backgrounds towards the sector.	Girls, ethnic minorities and their mentors have a negative perception of the sector leading to an under-representation of these groups in the workforce.	To attract the necessary quantity, quality and diversity of people into the BSE sector at all levels.	Fresh approaches to diversity
A way to recognise achievement in terms of qualifications, standards and training which is fit for purpose and meets employers' needs.	People in the sector have a range of experience, some are partly qualified or with no qualifications or recognition of competency.	Flexible methods to up-skill and recognise competence for different groups or categories of workers.	Ensuring everyone in the sector is competent
A common understanding of competence across the sector which is easy to understand and communicate.	Customers do not have a clear understanding of competence in the sector and so do not know how to check competence before awarding work contracts.	A mandatory, fully registered and qualified workforce which is recognised by the workforce and the public to raise the image of the sector.	Public recognition of competence
Benchmark existing skill card schemes for the sector and harmonise into a single skill card.	There are a variety of sector competency cards which have little recognition or understanding by customers. Employers are frustrated at the many cards not actively policed.	One skill card which recognises competency across the sector is valued by the workforce and understood by customers.	One well policed competency card

Skills Priority 2: Communication and Information

Demand	Current Supply	Gap – what is needed?	Solution/Sector Programme
A one stop knowledge centre for sector skills matters.	Information on skills development is scattered across a variety of sources and is difficult to assess.	A business focused national hub for sector skills knowledge, development and support, providing authoritative sector insight and market intelligence.	SummitSkills knowledge hub
Clarity on providers, authorised progression pathways and availability of public funding.	A significant number of sector courses and qualifications which are surplus to employer requirements.	Employers with a clear understanding of available provision and how it fits with their business and employee needs.	Provision clarity
Working models which review all costs, including employer contributions, of apprenticeship training.	Employers in the sector make a significant contribution to staff training and development, especially supporting and mentoring apprentices. This contribution is not understood or recognised by Government.	A robust model to assess the total costs of apprenticeship training to help achieve a sensible balance between employer and government contributions to training.	Apprenticeship cost benefit analysis
Demonstrate the benefit of training to employers to clearly define the contribution training makes to increased productivity and profitability.	Employers need convincing about the business benefits of training to fund more than they do currently.	Employers to value technical and business training, train their staff and fund training to increasing levels.	Proof training pays

Skills Priority 3: Training Provision

Demand	Current Supply	Gap – what is needed?	Solution/Sector Programme
Qualifications need to be updated and maintained regularly to reflect the real world requirements of employers.	Qualification content is seen as being in some cases out of date or not suitable for the needs of the sector.	A completed sector qualification strategy which meets the needs of the sector and is updated in a timely fashion.	Relevant training reflecting NOS at all levels
A system to allow in-house and other non-qualification based courses to be formally accredited/recognised	Non-qualification based training is not currently monitored or recognised formally across the sector.	A credit accumulation transfer mechanism to monitor employer manufacturer and non qualification based courses.	Accredited training mapped to NOS
Authorised entry and progression routes that support the required number of people into the sector on an annual basis	Currently across the UK there is an overuse of standalone technical certificates where learners are not progressing into sector employment and do not gain an industry recognised qualification	Recognised entry and progression routes to maximise recruitment and retention of a wide range of sector applicants, minimising potential for partly trained staff. Linking requirements to LMI to ensure maximum recruitment and retention for a specific number of people.	Sustainable entry routes
UK-wide HE provision which is relevant to the real world.	A low number of HE establishments offering sector courses spread unevenly around the UK, with some regions with no provision at all.	A sustainable network of providers offering degree and sub-degree courses within all regions and nations.	Wider and sustainable HE provision
Review existing training inspection regimes provide support to improve. Consider feasibility and usability of a quality mark scheme for the sector.	The take up of quality marks by providers across the sector is varied.	Employers with confidence that FE, HE and private training providers deliver quality training which reflects up to date legislation.	Quality assured training provision including quality marks

Skills Priority 3: Training provision cont...

Demand	Current Supply	Gap – what is needed?	Solution/Sector Programme
National occupational standards for current and emerging environmental technologies to embrace craft and professional occupations.	NOS and qualification content are out of date in relation to renewables and environmental technologies in the sector.	Updated NOS and qualifications which reflect the sector's changing needs in relation to renewables and environmental technologies.	Renewables & environmental technologies

Skills Priority 4: Funding

Demand	Current Supply	Gap – what is needed?	Solution/Sector Programme
Flexible demand-led funding.	Current funding mechanisms do not fully meet sector needs. There are special requirements for funding to support areas which are not the norm. e.g. mature adults.	Public funding for training that delivers maximum benefit to businesses and individuals.	Influencing flexibility of funding
A more effective use of public funding to meet the needs of the sector, increase productivity and skills levels.	Some current training provision spend is directed towards skills that are of no economic value to the sector.	All public funding is used to support training recognised by the sector and demanded by employers.	Redeployment of NEVS funding

Skill Priority 5: Management and Leadership

Demand	Current Supply	Gap – what is needed?	Solution/Sector Programme
Effective continual professional development opportunities for craft operatives to technician and first line management.	There is a skill gap between craft and first line supervisory levels which is currently not being addressed.	Improved succession planning in SMEs with increased use of supervisory training for first line managers to create greater effectiveness and productivity for the sector.	Progression and development of first line and middle managers
Tools to prepare current and future managers of SMEs and micros with the skills to thrive in a competitive market	The sector is very reactive to new opportunities	Equip people with business skills to increase competitiveness and proactively develop new business opportunities.	Developing enterprise skills for SMEs and micros
Address the skills needed for business managers and leaders to realise the benefits of management and leadership training for their companies.	There is a general lack of the use of general business skills across the sector.	The sector is proactive in the exploitation of innovation, service and business competitiveness.	Developing skills to increase competitiveness of the sector.

In section eight to follow, SummitSkills expands on the sector programmes and presents more detail on how activity is structured under each of the five skills priorities.

8 Identified skills priorities and sector programmes: our draft collaborative solutions

Taking the findings, recommendations and feedback from stages one and two SummitSkills was able to map out the main issues affecting the sector and link this to the suggestions that had generated from the consultation so far. A clear series of priorities emerged, and under those a number of programmes that could be developed to support and address these priorities.

In this section we map out those priorities and explain the programmes. These priorities and programmes form the basis of our Sector Skills Agreement. At the end of each sub-section, SummitSkills has created a table for each skills priority which identifies the priority and within it at national level the programmes (presented here as draft solutions), along with partner involvement, timescales and the positive impact that activity will make if it is successful.

8.1 Skills Priority 1: Professional Image and Competence

Sector image and competence was a hot topic at the workshops around the country. It was felt that in order for the sector to recruit and train the right level of personnel, the public needed to have an image of building services engineering that is professional, aspirational and competent. All around the UK, stakeholders were calling for the promotion of a professional image and the development of a competent workforce.

The strength of feeling around this topic also linked to some of the issues identified in the SNA and ACP reports: concerns around competence card inspection, lack of basic skills of new entrants and the lack of diversity within the sector.

Within this priority are five sector programmes:

8.1.1 Aspirational sector image

It is difficult for people on the outside of the sector – parents, careers advisors and students – to understand building services engineering careers and the routes to enter the workforce. Lack of clarity, awareness and misperceptions deter many suitable and high-achieving people from considering sector careers. This programme will promote an aspirational sector image by improving building services engineering careers guidance and active marketing to establish work in the sector as an aspirational choice for high-achievers.

“Enhance reputation of industry with schools and young people. To bring better quality entrant into the industry”

Yorkshire & Humber
workshop comment

By developing sector ambassadors, updating careers materials and implementing a sector marketing campaign we aim to ensure that careers advisors and students have a clear and current understanding of the sector’s career options to position base as the occupation of choice for 16-21 year olds.

8.1.2 Fresh approaches to diversity

Females, ethnic minorities and their mentors either have no understanding of or a negative perception of the building services engineering sector, which has led to an under-representation of these groups in the workforce. Migrant workers that may be qualified at home have no way of recognising their skills in the UK. Taking fresh approaches through diversity will transform the attitudes of students and parents towards vocational and professional careers in the sector. We will conduct research on diversity and recruitment patterns, develop a migrant work qualification framework and promote the sector to under-represented groups to attract, recruit and retain a diverse workforce.

8.1.3 Ensuring everyone in the sector is competent

The sector currently has people with a range of experience, who are partly qualified or with no qualifications or recognition of competence at all. There is a need to recognise these workers and upskill them, to recognise achievement in terms of qualifications, standards and training which is fit-for-purpose and meets employer needs. Through developing flexible upskilling methods and promoting these qualifications, SummitSkills will recognise competence for different groups and categories of workers to ensure everyone in the sector is competent.

8.1.4 Public recognition of competence

Because customers do not have a clear understanding of what a competent craftsperson is, they do not know how to make sufficient checks before awarding work, which leads to a perception of cowboy workforce. By developing a competence assurance framework against which people can be assessed and registered, it will create a mandatory, fully registered and qualified workforce which is recognised by the sector and public, and in turn will raise the image of the sector.

“There should be one rule for all to which everyone needs to comply”

South West
workshop comment

8.1.5 One well-policed competency card

There are a variety of competence cards across the sector which have little recognition or understanding by clients.

Employers are also frustrated about the many cards which are not actively policed. This programme will benchmark existing skill card schemes and harmonise into a new skill card which is well publicised, consistently recognises the competence of the sector, valued by the workforce and understood by customers.

Skills Priority 1: Professional Image and Competence

Promoting a positive image of the sector and develop a skilled and sustainable workforce

The issue		Proposed solution	
<ul style="list-style-type: none"> Lack of awareness and misperception of the sector deter many suitable people from considering building services engineering careers. Underrepresented groups have either no understanding or a negative perception of the sector. There are many in the sector with a range of experience but are part-qualified or have no qualifications or recognition of competence. Customers do not have an understanding of competence when awarding work to contractors. There are a variety of competence cards which are causing confusion across the sector. Many cards are not actively policed. 		<ul style="list-style-type: none"> Aspirational sector image: Improve careers guidance and active marketing to establish work in the BSE sector as an aspirational career choice for high achievers. Fresh approaches to diversity: Transform the attitudes of students and parents towards vocational and professional careers in the BSE sector. Ensuring everyone in the sector is competent: Implement ways to recognise achievement in terms of qualifications, standards and training which is fit for purpose and meets employer needs. Public recognition of competence: Develop a competence assurance framework against which people can be assessed and registered. A common understanding of competence across the sector which is easy to understand and communicate. One well policed competency card: Benchmark existing skill card schemes for the sector and harmonise into a new skill card which is well publicised. 	
Proposed action for employers	Proposed action for partners*	Impact/outcome if successful	Timescales
<p>Employers to act as ambassadors and role models for the sector with schools.</p> <p>Stakeholder trade associations, including employer members, to market the sector and promote careers information.</p>	<p>Careers & Diversity Interest Group: develop and steer career strategies and diversity research.</p> <p>Training providers: train and prepare new entrants effectively for the sector.</p> <p>Career advisors and organisations: provide up to date information advice and guidance on the opportunities in the sector</p> <p>Schools: motivate interest in the sector and vocational qualifications.</p> <p>Learndirect advice line: provide clear advice and guidance to all enquirers</p> <p>Unite Trade Union: part of the negotiation of one competency card.</p>	<ul style="list-style-type: none"> Careers routes that are clearly understood by people from all groups and backgrounds to position the sector as the occupation of choice. Flexible methods are established to create a mandatory, fully registered and qualified workforce which is recognised both internally and externally, to raise the image of the sector and its employees. One skill card which recognises competency across the sector which is valued by the workforce and understood by customers. 	<p>Yr 1: careers materials developed; diversity and recruitment patterns researched; Sector marketing programme implemented; Sector Ambassadors developed; Flexible upskilling developed; National Training Awards delivered; Migrant worker equivalence qualification framework produced; existing competency cards benchmarked.</p> <p>Yr 2: flexible upskilling methods implemented; high achiever ambassador programme developed; student & parent initiative implemented; criteria for new harmonised competency card developed; recognised entry and progression pathways promoted; Skills competitions UK and World Skills supported.</p> <p>Yr 3: one competency card implemented for the sector, including marketing campaign and policing mechanism; UK World Skills and UK skills competitions supported.</p>

* specific nations/regions partners are considered in more detail in the action plans found in Section 9

8.2 Skills Priority 2: Communication and Information

Underpinning all of the consultation to date was the need for clear communication to and between all parties involved in the sector, and up-to-date, easy to digest information on skills issues. What emerged from the research was a lack of understanding of business issues such as research & development, benchmarking and competitive analysis and the emerging opportunities and threats related to areas such as these.

Many firms in the sector did not understand fully what training provision was on offer, or the curriculum content within the courses they were aware of. This was teamed with a general unwillingness to pay more for training or recruit apprentices. Consultation around the country revealed that if businesses were made aware of the current training system and the benefits of staff development it may result in a change of approach and attitude.

A series of sector programmes dedicated to communication and information was seen to be vital to remedy these issues:

8.2.1 SummitSkills knowledge centre

Information on skills development in the sector is scattered amongst a wide variety of sources and it is difficult for companies and people to access, resulting in confusion and skills gaps across the sector with firms not taking action due to a lack of knowledge. A business focused national hub with a regional content structure will become a one-stop-shop for the sector's skills matters, using simple language and consistent terminology to help businesses understand benchmarking, supply chain management and other issues. This knowledge centre will provide authoritative insight and market intelligence on building services engineering competitiveness to educate and help businesses plan ahead.

“Get down to grass roots. Increase in communication to allow all to understand the issues. Disseminate with signposting to help with information, funding and training.”

London workshop comment

8.2.2 Provision clarity

A significant number of courses and qualifications across the sector are surplus to employer requirements, with confusion over what training and funding is on offer to employers and their workforce. SummitSkills will work with the LSC to remove any out-of date curriculum and develop clarity with providers on authorised progression and funding routes. To assist this, a course database for upskilling the sector will be publicised to employers. Through this activity, employers will have a clear understanding of the provision available and how it fits with their needs.

“Produce material in summary format – easy to read and bite-size chunks”

Belfast workshop comment

8.2.3 Apprenticeship cost/benefit analysis

Employers in the sector already make a significant contribution to the training and development of staff, especially in supporting and mentoring apprentices and in-house training. But as yet this is not officially quantified and therefore not understood or recognised by Government. SummitSkills will develop and refine its work-in-progress cost models to place costs on employer support of this kind, which will be promoted to Government in order to help achieve a sensible balance between employer and government contributions to training.

8.2.4 Proof that training pays

The majority of employers are unwilling to pay more for their training and need convincing about the benefit to business of funding more than they do currently. Through developing case studies that show the benefit of training and clearly defines the contribution that training makes to increased productivity and profitability will provide employers with the proof that training pays. The anticipated result will be employers that value technical and business training and commit to training their staff and fund this training to increasing levels.

Skills Priority 2: Communication and Information

Create a one stop knowledge centre for all building services engineering skills development needs

The issue		Proposed solution	
<ul style="list-style-type: none"> Information on skills development is scattered amongst a variety of sources and is difficult to access, resulting in confusion and skills gaps. Sector LMI is not regularly available. There are a significant number of sector courses and qualifications that are surplus to employer requirements. There is also confusion over training availability and access to public funding. Employers in the sector make a significant contribution to the training and development of staff, especially in supporting and mentoring apprentices, but this contribution is not understood or recognised by Government. The sector needs convincing about the business benefits of training and persuaded to train more than they currently do. 		<ul style="list-style-type: none"> SummitSkills knowledge centre: develop and communicate a one stop knowledge centre for sector skills matters. Implement annual LMI surveys and wider research and share business insights to improve competitiveness. Provision clarity: work with the LSC to remove out of date curriculum from the Learning Aims Database and develop clarity with providers on authorised progression pathways and availability of public funding. Develop and publicise a course database for upskilling the sector. Apprenticeship cost benefit analysis: develop and refine models that review all the costs, including employer contributions, of apprenticeship training. Proof that training pays: develop and communicate employer case studies to show the benefit of training, clearly defining the contribution that training makes to increased productivity and profitability. 	
Proposed action for employers	Proposed action for partners*	Impact/outcome if successful	Timescales
<p>Employers: provide data on apprenticeship costs to help refine cost models and case studies to show training pays.</p> <p>Stakeholder trade associations: contribute data to the knowledge centre and help to publicise its availability and value, and proof that training pays.</p>	<p>LSC and other relevant nations funding bodies: work with SummitSkills to develop clarity in the sector provision available.</p> <p>DIUS: consider the apprenticeship cost benefit models developed to achieve a funding balance for employers.</p> <p>RSP/RDA: work with the Knowledge centre to refine the sector LMI at regional level.</p> <p>HE / HEFCE: share research data on the sector with the knowledge hub.</p> <p>FE: work with SummitSkills to provide clarity in the provision offered through authorised progression routes.</p> <p>Various LMI sources: work to develop up to date information on the sector.</p> <p>Regional observatories: share information and work with the knowledge hub on sector issues.</p> <p>Unite the Union: help to promote the proof that training pays.</p>	<ul style="list-style-type: none"> A business focussed national hub for skills-related knowledge, development and support, providing authoritative insight and market intelligence on sector competitiveness and skills matters. Employers have a clear understanding of provision and how it fits with their business and employee needs. A robust model that assesses the total costs of apprenticeship training and helps to achieve a sensible balance between employer and government training contributions. Employers value and commit to training, and to fund it to increasing levels. 	<p>Yr 1: national data set for approved qualifications refined; learning databases tidied; course database developed and publicised; Employer/student /provider meetings; 'training pays' case studies developed and publicised; apprenticeship models developed; Business Solutions portal expanded; sector LMI projects implemented.</p> <p>Yr 2: LMI communications plan implemented; Government lobbied for funding balance using apprenticeship model; skills gap matrices for the sector developed; SummitSkills knowledge hub developed.</p> <p>Yr 3: knowledge hub launched linked with observatories and sector; Proactive skills gap planning implemented; E-learning material sourced available through knowledge hub.</p>

* specific nations/regions partners are considered in more detail in the action plans found in Section 9

8.3 Skills Priority 3: Training Provision

SummitSkills' sector needs analysis at stage one identified a need for business and management provision and renewable energy training. Following this, the assessment of current provision highlighted the strengths and shortcomings of the sector's existing training mechanisms, and revealed the need for a considerable amount of work to address fundamental concerns and areas for improvement. A requirement for sustainable entry routes; more relevant and better quality provision; mechanism to identify informal training, standalone technical certificates and improved higher education provision were all high on the agenda.

SummitSkills' report findings and recommendations were supported by the views of employers around the UK who attended the workshops held to discuss these issues.

Six sector programmes were identified to tackle these issues and create a sustainable training structure for the sector that would benefit both the sector's employers and the wider economy.

8.3.1 Relevant training reflecting NOS at all levels

Qualification content is seen in some cases as being out of date or not suitable for the needs of the sector. With the need for qualifications being driven by external influences such as renewable energy targets, high quality and relevant training needs to be developed within fast timescales. Within this programme of work, SummitSkills will develop a process through its Sector Qualifications Strategy for maintaining and updating qualifications regularly to reflect the real work requirements of employers.

8.3.2 Accredited training mapped to NOS

There is a significant amount of high-quality training that is either non-qualification-based, being carried out in-house or through manufacturers, but does not lead to formally recognized qualifications. Through creating a system of credit accumulation transfer and accrediting training mapped to national occupational standards, the sector can ensure that these types of valuable training can add to the sector's skills base.

“Responsive provision to meet employer needs – greater engagement needed between providers and industry.”

North East
workshop comment

8.3.3 Sustainable entry routes

Across the UK there are significant numbers of learners on technical certificate courses and other qualifications that lead to non-economically valuable skills and are not suitable entry routes into the sector. The number of people receiving this training outstrips any sector requirement by at least five fold. SummitSkills will work with partners on a national basis to develop authorised entry and progression routes for a specific number of people that have been directly linked to the sector's skills requirements. This will ensure that new entrants have a realistic chance of employment in the sector and employers can support a sustainable number of workers.

8.3.4 Wider and sustainable HE provision

There is a low number of higher education establishments offering building services engineering sector courses spread unevenly around the UK, resulting in some areas with no provision at all. This is an acute problem for individuals who need to gain a professional qualification alongside their work. SummitSkills would like to work with new and existing providers to develop a sustainable UK-wide network of HE provision which is relevant to the 'real world'. This will bridge the gap between operatives and professionals within the sector and encourage the uptake of higher level qualifications.

8.3.5 Quality assured training provision including quality marks

Employers have a general dissatisfaction with the quality and service and teaching provided by further education, this is combined with a wide variation in the achievement of quality marks by providers. In this programme SummitSkills plans to work with providers to improve the quality of teaching and administration and also encouraging achievement of quality marks. The end result will be that employers will have confidence that FE, HE and private training provision delivers quality training that motivates trainees and maintains good communication links between provider, trainee and employer.

8.3.6 Renewables and environmental technologies

There is a real government commitment for renewables and environmental technologies but the sector's national occupational standards and qualifications are not up to date in this area, which means the sector is lagging behind in vital skills needed for this new market. By developing and implementing standards and qualifications for environmental technologies that embrace craft, technical and professional occupations, we can ensure these skills are in place. A mechanism will also be put in place to review and update qualifications expediently in this fast-changing arena.

“Develop training in entrepreneurial skills and integrate this into existing provision.”

West Midlands
workshop comment

Skills Priority 3: Training Provision

Pro-active, timely, high quality public funded provision for all training and fast-changing sector priorities

The issue		Proposed solution	
<ul style="list-style-type: none"> Some qualification content is seen as out of date or not suitable for sector needs. New content needs to be developed to meet the changing needs of the sector. Non qualification based training is not currently monitored or formally recognised across the sector. A significant amount of funding is directed at standalone technical certificates* and non-economically valuable skills, which only offer a theory based qualifications and which are not suitable entry routes into the sector. The number of people receiving this training outstrips any sector requirement at least five fold. There very few HE establishments offering sector courses which are also spread unevenly around the UK, with some regions with no provision at all. Employers have a general dissatisfaction with the quality of service and teaching provided by FE. The take up of quality marks by providers across the sector is varied. NOS and qualification content is out of date in relation to renewables and environmental technologies. This means that the skills of the sector are lagging behind the market requirements to be able to design, install and maintain new technologies. <p>* standalone technical certificates do not apply in Scotland</p>		<ul style="list-style-type: none"> Relevant training reflecting NOS at all levels: develop a process to regularly maintain and update qualifications to reflect the real world requirements of employers Accredited training mapped to NOS: develop credit accumulation transfer and ensure manufacturer and non -qualification-based training is mapped to NOS Sustainable entry routes: authorised entry and progression routes into the sector are defined, implemented and promoted for a specific number of people and directly linked to the skill needs of the sector Wider and sustainable HE provision: develop a UK-wide sustainable network of HE provision which is relevant to the real world, including foundation degrees, to help bridge the gap between sector operatives and professionals Quality assured training provision including quality marks: work with partners to improve the quality of teaching and administration and increase achievement of quality standards. Existing inspection regimes reviewed for the sector and support provided to improve them. SummitSkills to decide if it develops its own quality mark scheme for the sector. Renewables & Environmental Technologies: develop and implement national occupational standards for current and emerging environmental technologies to embrace craft and professional occupations. Ensure environmental technologies are fully integrated within other activities such as the careers strategy and apprenticeship training frameworks. 	
Proposed employer action	Proposed action for partners*	Impact/outcome if successful	Timescales
<p>Employers: contribute to the development of up to date NOS and a process for accrediting training</p> <p>Trade associations: work with SummitSkills to support development and implementation of NOS and qualifications, including HE</p> <p>Manufacturers: contribute to develop an accreditation process for the sector</p>	<p>LSC: work with SummitSkills to remove funding for standalone technical certificates and introduce sustainable entry routes. Work in partnership with providers to ensure sector approved qualifications and courses are funded</p> <p>FE: actively remove standalone technical certificate provision and will ensure their provision reflects the latest NOS delivered in a quality and professional way</p> <p>HE/ HEFCE/Professional Bodies: work with SummitSkills to develop sustainable HE network of degree and sub-degree courses for the sector</p> <p>Nations standards bodies: ensure the latest sector NOS are reflected in the qualifications</p> <p>Awarding Bodies: develop qualifications reflecting the latest NOS</p> <p>QCA: work to accredit qualifications for the sector</p> <p>Third party certification bodies: work to develop an accreditation process</p> <p>DIUS: help to ensure appropriate inspection regimes maintain quality provision for the sector</p>	<ul style="list-style-type: none"> A sector qualification strategy which meets the needs of the sector and is updated in a timely fashion. A credit accumulation transfer mechanism to monitor and recognise employer, manufacturer and non qualification based courses Recognised entry and progression routes to maximise recruitment and retention of a diverse range of applicants, minimising potential for partly trained practitioners and linking requirements to LMI A sustainable network of degree and sub degree courses across the UK Employers have confidence that all providers deliver quality training with good communication links between provider, trainee and employer. Updated and maintained NOS and qualifications that reflect renewables and environmental technology skills needs. 	<p>Yr 1: L1/2 entry routes developed; NOS review completed; renewable technologies NOS completed; SQS started; sector-specific criteria developed for quality standard;; professional body forum established; more employers involved in HE</p> <p>Yr 2: New entry routes implemented; SQS continued; LSC standard implemented; fast track accreditation process developed; variety of HE delivery modes developed; Proactive new skills planning for sector undertaken</p> <p>Yr 3: SQS completed; credit accumulation process completed; early adopters of accredited training promoted; CPD passport scheme developed; UK HE network completed</p>

* specific nations/regions partners are considered in more detail in the nations/regions action plans found in Section 9

8.4 Skills Priority 4: Funding

In order to help the sector achieve its aims to create a skilled workforce, a more flexible funding system is imperative. Current structures that include age caps on funding or funding for non-sector approved courses are seen to be restrictive or even detrimental to the sector's progression, development and productivity.

Through the programmes below SummitSkills intends to create a mutually beneficial funding system that not only assists the sector in recruiting, training and developing a productive workforce but also ensures that funding agencies are directing money at skills that will be of economic benefit.

8.4.1 Increased flexibility of funding

Current funding structures often restrict employers in their training efforts and they often have special requirements to fund areas that are not the norm, such as mature entrants. At the same time it is difficult for public bodies to ensure that funding is aligned to employer needs. SummitSkills will develop employer-centric brokerage for building services engineering skills development, supported by flexible demand-led funding, to ensure that public funding for training delivers maximum benefit for businesses and individuals.

"19+ funding is a must"

East of England
workshop comment

8.4.2 Redeployment of NEVS funding

As detailed in the ACP summary, a considerable amount of current funding is directed at qualifications that are of no economic value and not relevant to the sector. Working with regional partners, SummitSkills will seek a more effective use of this funding and redirect it into areas that will increase the sector's productivity and skills levels. The aim is to ensure that all public funding available to the sector is used to support training recognised by the sector and demanded by employers, with all non-economically valuable skills training eradicated.

Skills Priority 4: Funding

Flexibility in funding to meet fast-changing skills needs to develop business and workforce

The issue		Proposed solution	
<ul style="list-style-type: none"> It is difficult for public funders of training to ensure it is aligned to employer needs. There are also special requirements across the sector for funding to support areas which are outside of the norm e.g. mature adults. A considerable amount of current publicly funded training provision leads to non-economically valuable skills (NEVS) and therefore is not relevant to the sector. There is also a need for new training provision to be funded to meet the changing needs of the sector. 		<ul style="list-style-type: none"> Influencing flexibility of funding: develop employer-centric brokerage for sector skills development, supported by flexible demand-led funding Redeployment of NEVS funding: work with regional and national partners to seek a more effective use of public funding to meet the changing needs of the sector, to increase productivity and skills levels of the workforce 	
Proposed action for employers	Proposed action for partners*	Impact/outcome if successful	Timescales
<p>Employers: promote and support authorised entry and progression routes with their providers and help to deliver up to date provision</p> <p>Trade associations: promote and support authorised entry and progression routes with their employers and help to deliver up to date provision</p>	<p>LSC: work with SummitSkills to redeploy NEVS funding with providers whilst maintaining the overall funding for the sector</p> <p>LSC: work with providers to review and reduce all NEVS funding</p> <p>FE providers: actively reduce any NEVS provision and replace it with new provision demanded by the sector</p> <p>Unite the Union: lobby for flexible funding opportunities for the sector</p>	<ul style="list-style-type: none"> Public funding for training delivers maximum benefit to businesses and individuals. All public funding available is used to support training that is recognised by the sector and demanded by employers. All non-economically valuable skills training is stopped. 	<p>Yr 1: Alternative uses for NEVS funding mapped; NEVS redeployment started; social agenda items identified for funding; common strategy for ESF opportunities developed, brokers working with managing agents modelled; adult retention initiatives developed</p> <p>Yr 2: NEVS redeployment continued; funding opportunities outside academic year developed; fast track process approved for skills gap funding</p> <p>Yr 3: NEVS redeployment completed; further NEVS prevented</p>

* specific nations/regions partners are considered in more detail in the nations/regions action plans found in Section 9

8.5 Skills Priority 5: Management and Leadership

Business management and leadership was a clear theme emerging from the Sector Needs Analysis – a lack of any discernable business planning or management is affecting competitiveness and makes firms vulnerable when pitched against those who are prepared and proactive in this respect. A number of SummitSkills’ stakeholders also have management and leadership as a priority, which will be highlighted through the regional action plans.

Three programmes of work here will underpin SummitSkills’ work in this area to develop and support managers and leaders who will create successful, productive and profitable businesses.

“Create a culture that encourages and invites ideas from top to bottom of company – all levels of staff.”

North West
workshop comment

8.5.1 Progression and development of first line and middle managers

There is a skill gap between craft and first line supervisory levels which is not being addressed, and people on the tools being placed in supervisory positions without relevant training, which has a negative impact on staff and business performance. SummitSkills will develop continual professional development opportunities for craft operatives through to technician and first line management to help address this gap. Pilot initiatives in developing business and management skills that are rolled out to encourage take-up will increase the use of supervisory training for first line managers which will lead to not only greater business effectiveness and productivity but also staff motivation.

8.5.2 Developing enterprise skills for SMEs and micros

The sector is very reactive to new opportunities and generally SMEs and micro-businesses do not forward plan or proactively manage their business to take external drivers into account. This is affecting the sector’s productivity. In this programme various tools will be developed to prepare current and future managers with the enterprise skills needed to thrive in a competitive market.

SummitSkills will develop and implement pilot initiatives such as the already successful ‘action learning for leaders’ to equip the workforce with the skills needed to proactively develop new business opportunities. National occupational standards will also be developed as part of this activity to create standards that tailor specific entrepreneurial skills to the needs of the sector.

“There is a wealth of existing information out there – need to tailor to our sector to make relevant.”

East Midlands
workshop comment

8.5.3 Developing skills to increase business competitiveness

One of the major findings of the SNA was the lack of awareness and use of business skills such as benchmarking, competitiveness analysis or future skills planning. Inaction in this respect is creating a reactive sector that is extremely vulnerable to competition both home and abroad. There is a real need to develop skills in this area and help business managers realise the benefits of this work. SummitSkills will do this by developing training and pilot programmes on strategic business planning skills and promote those who are already reaping rewards. This activity will pave the way for the building services engineering sector to become proactive in both management approach and exploitation of business innovation.

Skills Priority 5: Management and Leadership

Ensuring the sector has the skills it needs to plan and develop profitable and competitive business

The issue		Proposed solution	
<ul style="list-style-type: none"> There is a skill gap between craft and first line supervisory levels which is currently not being addressed. People on the tools are being placed in supervisory positions without relevant training to maximise effectiveness and productivity. The sector is very reactive to new opportunities. Generally SMEs and micro-businesses do not actively manage their business to take external drivers into account. As a result the productivity of the sector is low. There is a general lack of the use of business skills across the sector to formally benchmark the effectiveness of businesses and improve competitiveness. The sector uses informal benchmarking rather than formal methods. 		<ul style="list-style-type: none"> Progression and development of first line and middle managers: develop and promote continual professional development opportunities for craft operatives to technician and first line management. Pilot initiatives in business and management skills and encourage employer take-up. Developing enterprise skills for SMEs and micros: develop and promote various tools to prepare current and future managers of SMEs and micros in the sector with the skills to thrive in a competitive market. Develop and use pilots to encourage wider employer take-up. Develop enterprise national occupational standards relevant for the sector. Developing skills to increase competitiveness of the sector: develop benchmarking and strategic planning training to help businesses realise the benefits of management and leadership training and increase competitiveness and productivity. Pilot programmes, document and promote benefits achieved. 	
Proposed action for employers	Proposed action for partners*	Impact/outcome if successful	Timescales
<p>Large employers: pilot the first line manager training on key sites regionally.</p> <p>Employers: recognise and understand the benefits of management training and be more prepared to train their staff and then promote the benefits.</p> <p>Trade associations: provide training courses and guidance to their employers to encourage management and leadership development.</p>	<p>RSP: help to develop an action learning programme for leaders in the sector.</p> <p>LSC/RDAs: provide funding for management and leadership training for the sector.</p> <p>Business solutions: develop the business leader development initiative.</p> <p>SFEDI: promote to employers the benefits of management and leadership training.</p> <p>DBERR: help to develop leadership skills for innovation for the sector.</p> <p>Trade Unions to promote the benefits of management and leadership training.</p>	<ul style="list-style-type: none"> Improved succession planning in SMEs with increased use of supervisory training for first line managers leading to greater effectiveness and sector productivity. People equipped with increasingly sophisticated business skills to increase competitiveness and proactively develop new business opportunities. The UK BSE sector is proactive in the exploitation of innovation, service and business competitiveness. 	<p>Yr 1; pilot programme for first line managers mapped; benefits of KPI and benchmarking promoted; Solutions for Business website promoted; business benefits for manager/leader training developed and promoted ;'business planning made easy' developed.</p> <p>Yr 2; Programme of employers using KPIs and benchmarking reviewed; case studies of first line manager programmes developed and promoted; develop pilot enterprise skills programme developed; wider strategic skills programme developed.</p> <p>Yr 3; Implement enterprise skills programme in sector implemented, case studies developed and promoted; wider strategic skills programme in sector piloted, case studies developed and promoted; best practice 'business planning demystified'.</p>

* specific nations/regions partners are considered in more detail in the nations/regions action plans found in Section 9

8.6 Underpinning programmes: enabling activity

Positioned across all of the priorities and programmes listed above are two areas that are a fundamental part of any activity carried out under the Sector Skills Agreement. Rather than allocate these under one particular priority or programme, it was felt important that the forming of partnerships and exerting influence on government weaved through most if not all of the programmes planned for the sector and will act as enablers to support the various projects being undertaken.

8.6.1 Partnerships

Setting up networks to foster a partnership culture was seen to be vital following the events around the country. There was much enthusiasm for all parties within the sector working together, but a requirement for some coordinated activity to encourage people to work more closely together.

SummitSkills will be setting up various partnership networks as part of the Sector Skills Agreement and also encouraging other parties to do the same. Already in many regions there are successful forums and we want to maximise on this. The SSA implementation groups that will be established as part of this project will also be a core partnership mechanism. Consisting of key local stakeholders and influential employers, these groups will take responsibility for progressing SSA action at local level. They will be the lynchpin of the Sector Skills Agreement implementation on the ground.

Employers, providers, manufacturers, government and other key stakeholders working together: partnership of this kind is the source of a more proactive sector and will enable members to share knowledge and best practice and instill a sense of society into the sector.

8.6.2 Government influence

Ensuring that the sector liaises closely with government will be central to the whole Sector Skills Agreement process. All areas of the SSA will involve helping the government and its agencies to understand the building services engineering sector and its employer needs. For each skills priority the Government will have a central role, either through learning from the sector and recognising its activity, or directing funding to ensure a structure is in place to support skills development.

In many areas the sector is also looking for government to lead by example to assist the sector in its efforts. Specifying and awarding contracts to firms that can demonstrate clear staff training and development for instance, or creating legislation in consultation with the sector to avoid potential pitfalls when trying to implement on the ground.

Working with the government to influence and liaise in this way will provide the Sector Skills Agreement with a solid foundation from which to work and progress.

9 English regional priorities and potential solutions

9.5 West Midlands

9.5.1 Sector background

SummitSkills' West Midlands region covers the geography of the Regional Development Agency, Advantage West Midlands and has a population of 5.3m, representing around 9% of the national population. 51,000 people are employed in the sector in the West Midlands, representing 10% of all jobs in the sector across the UK. This includes around 19,300 (38%) who are sole-traders. The number of people employed in the sector is forecasted to fall by around 11% to 45,524 by 2014.

9.5.2 Sector priorities

The five skills priorities and 20 sector programmes SummitSkills has identified in this document were generated as a result of extensive research and consultation in the West Midlands region with sector employers both at stages 1 & 2. The following points are made here related to each of the five priorities as they have particular resonance in the West Midlands:

- *Professional image and competence:* The proportion of women and people from ethnic minorities employed in the sector is relatively small as employers have little evidence about the business benefits of a diverse workforce. There are still too few site managers asking for evidence of competence (Skillcards) so there is little motivation for employers to seek qualifications for their employees.
- *Communication and information:* There appears to be a misalignment between college efforts to engage employers and employer expectations of involvement so opportunities for closer working are being missed. Employers without a dedicated HR role are generally confused about apprenticeships, NVQs, qualifications, training and the proliferation of courses available.
- *Training provision:* Colleges generally continue to place emphasis on training which attracts funding rather than that which meets sector needs. Claims by colleges that stand-alone technical certificates lead to employment in the sector are not supported by data from the LSC. There continues to be an oversupply of learners wishing to enter the sector, most of who are disappointed. There are no sector-related degree courses in the West Midlands so employers have to look outside of the region.
- *Funding:* The government agenda to have a qualified workforce does not fit comfortably with many employers whose agenda is to have a skilled workforce. There is limited funding for taking on and training people above the age of 19, a group employers see as desirable. As skills needs around renewable energy and microgeneration become clearer, the need for training in these areas will increase but, at present, no funding is available to support such training.

- *Management & leadership:* Generally, employers are reactive rather than proactive about addressing business issues including skills shortages and succession planning. Many leaders aspire to be entrepreneurial but often lack the skills needed to run a business effectively. There is little formal benchmarking or involvement in research and development, seemingly because employers do not see any business benefits or do not know how to do it. Opportunities may be being missed because of competition instead of cooperation to exploit possibilities offered from effective supply chain involvement.

9.5.3 Regional partners/stakeholders

In completing this action plan, key partner strategies have been mapped against the skills priorities and sector programmes to identify where linkages exist. These linkages will be crucial in delivering this action plan.

SummitSkills' key strategic partners in the West Midlands are:

- Advantage West Midlands (AWM)
- Regional Skills Partnership (RSP)
- Learning & Skills Council (LSC)
- Jobcentre Plus (JCP)

Each of these partners provided key strategic documents for the mapping exercise. These documents were:

- Advantage West Midlands (AWM)
 - West Midlands Economic Strategy, Consultation Draft, May 2007
 - Building Technologies Cluster 3 Year Plan 2005 – 2008
 - EnviroTRADE (Environmental Technologies Cluster) Business Plan 2005 – 2008
 - Regional Sustainable Development Framework Jul 2006
 - Regional Energy Strategy Nov 2004
- Regional Skills Partnership (RSP)
 - RSP Workplan Jul 2007
- Learning & Skills Council (LSC)
 - Regional Commissioning Plan 2007 – 2008
 - Review of Education and Training within the Construction Sector Aug 2006
 - Sector Intelligence Plan 2006 – 2007
- Jobcentre Plus (JCP)
 - Business Plan 2007-2008
 - Birmingham, Coventry & Black Country City Strategy Business Plan Appendixes 29 Dec 2006
 - European Social Fund Regional Strategic Framework 2007-2011

Skills Priority 1	Professional Image & Competence: promote a positive image of the sector and develop a skilled and sustainable workforce			
Employer Need	<ul style="list-style-type: none"> Lack of awareness and misperception of the sector deter many suitable people from considering building services engineering careers Underrepresented groups have either no understanding or a negative perception of the sector There are many in the sector with a range of experience but are part-qualified or have no qualifications or recognition of competence Customers do not have an understanding of competence when awarding work to contractors There are a variety of competence cards which are causing confusion across the sector. Many cards are not actively policed 			
Stakeholder Strategies/Policies	<p>AWM (WMES) Employing a diverse labour force; Improving business competitiveness; Aspirations for skills and learning progression</p> <p>RSP (Workplan) Align the supply of training to the demands of employers and individuals</p> <p>JCP (Business Plan) Help more people from ethnic minorities find work</p> <p>JCP (ESF Strategic Framework) Tackle barriers to work faced by disadvantaged groups; reduce gender segregation in the workforce</p> <p>LSC (RCP) Closing gap on national benchmark for adults qualified to Level 2; developing high level skills within to meet the regional productivity challenge</p>			
Sector Programme	Actions	Partners	Employer Engagement/Action	Target Date
1.1 Aspirational Sector Image	Recruit, train and support employer ambassadors across the region, developing relationships with schools and colleges	CIBSE, HVCA, ECA, APHC	Become ambassadors	2009
	Provide accurate and up-to-date information, advice and guidance about sector careers, roles & skills	JCP, Connexions,	Become ambassadors	2008
	Promote skills competitions in the region	Providers	Interest & participation	2007/08
	Attend and support appropriate careers events		Awareness/involvement	2008/09
1.2 Fresh approaches to diversity	Promote the sector to females and people from ethnic minorities	BEST, JTL, Colleges, Providers	Be willing to recruit a more diverse workforce	2008
	Develop opportunities for females and people from ethnic minorities to enter employment/training within the sector	LSC, Colleges, Providers	Provide work placements/jobs	2009
	Include the need for a diverse workforce into tenders/contracts	Local Authorities, Developers, JMCG	Respond to tenders	2009
	Use the breadth of Train 2 Gain's benefits to encourage employers to diversify	Brokers	Awareness /experience opportunities	2007
	Identify and utilise successful employer role models to sell the business benefits of a diverse workforce	Employers	Participation	2008
1.3 Ensure everyone in the sector is competent	Actively promote Train to Gain to sector employers	LSC, Providers	Provide ONA opportunities	2008
	Include the need to demonstrate evidence of competence in contracts/tenders	Local Authorities, Developers, JMCG	Respond to tenders	2010
	Promote SummitSkills National Assessment Programme (SNAP) and integrate into OSAT projects; work to facilitate SNAP within ESF projects.	JTL, BEST, Providers, Colleges, AWM, LSC	Take-up	2008
1.4 Public recognition of competence	Lobby local Government to raise public awareness of competency through the citizen advice bureau and trading standards	AWM	Promote competency standards in responding to new business and recruitment of staff	2008
1.5 One well policed competency card	Enforce requirement to have and carry a skills card	Local Authorities, Developers, JMCG	Support card-carrying	2008
	Make building services engineering companies aware of the Major Contractor Group commitment to have 'all card' sites	CSkills, Local Authorities, Developers, JMCG	M & E contractor compliance	2007

Skills Priority 2 Communication & Information: one stop knowledge base for all BSE skills development needs				
Employer Need	<ul style="list-style-type: none"> Information on skills development is scattered amongst a variety of sources and is difficult to access, resulting in confusion and skills gaps. Sector LMI is not regularly available There are a significant number of sector courses and qualifications that are surplus to employer requirements. There is also confusion over training availability and access to public funding Employers in the sector make a significant contribution to the training and development of staff, especially in supporting and mentoring apprentices, but this contribution is not understood or recognised by Government The sector needs convincing about the business benefits of training and persuaded to train more than they currently do 			
Stakeholder Strategies/ Policies	<p>AWM (WMES) Stimulating employer investment in skills and training AWM (BTC) Developing skills to support integration of new products AWM (RSDF) Promote ongoing investment and engagement in learning and skills development RSP (Workplan) Use a data driven approach; align the supply of training to the demands of employers; ensure employers understand their future needs and invest in skills LSC (RCP) Developing and delivering an integrated Employment and Skills System; shifting the mix and balance of provision to better meet the needs of employers JCP (Business Plan) Developing partnerships to help people gain and develop skills throughout their working life JCP (City Strategies) Improve use of data to plan services</p>			
Sector Programme	Actions	Partners	Employer Engagement/Action	Target Date
2.1 SummitSkills knowledge hub	Ensure all sector information is fed into Regional Observatory			2008
	Exchange key data and information	AWM, RSP, LSC, JCP		2008
	Develop and promote use of SummitSkills and Solutions4Business website	APHC, ECA, HVCA	Awareness & usage	2008
2.2 Provision clarity	Identify and remove unused training from curriculum	LSC, Colleges, Providers	Input into identification	2009
	Create, maintain and publish a directory of provision in the region	Specialist Provider Network		2009
2.3 Apprenticeship cost benefit analysis	Use sector approved model to lobby funding bodies to achieve funding balance for the region		Promote the benefit of Apprenticeships for the sector	2009
2.4 Proof that training pays	Identify and promote employer role-models and case studies to sell business benefits of training	RSP, LSC, CIBSE, HVCA, ECA, APHC	Willingness to be used	2008
	Encourage and support employers to provide work placements	LSC, JCP, Connexions	Provide work placements	2009
	Utilise current sector and partner research into why employers are not training to develop a positive employer message	AWM, RSP, LSC	Stating their requirements	2008

Skills Priority 3	Training Provision: proactive, timely, high quality public-funded provision for all training and fast changing sector technologies			
Employer Need	<ul style="list-style-type: none"> Some qualification content is seen as out of date or not suitable for sector needs. New content needs to be developed to meet the changing needs of the sector Non qualification based training is not currently monitored or formally recognised across the sector A significant amount of funding is directed at standalone technical certificates and non economically valuable skills, which only offer a theory based qualifications and which are not suitable entry routes into the sector. The number of people receiving this training outstrips any sector requirement at least five fold There very few HE establishments offering sector courses which are also spread unevenly around the UK, with some regions with no provision at all Employers have a general dissatisfaction with the quality of service and teaching provided by FE. The take up of quality marks by providers is varied NOS and qualification content is out of date in relation to renewables and environmental technologies. This means that the skills of the sector are lagging behind the market requirements to be able to design, install and maintain new technologies 			
Stakeholder Strategies/Policies	<p>AWM (WMES) Stimulating employer investment in skills and training; Investing in high value skills for the future economy</p> <p>AWM (BTC) Ensure appropriate training provision at all skill levels; developing skills to support integration of new products</p> <p>AWM (ETC) Identifying existing skills needs and supporting provision</p> <p>AWM (RSDF) Promote and ensure high standards of sustainable resource-efficient design, construction and maintenance of buildings; increase the proportion of energy generated from renewable and low-carbon sources; ensure that the region's workforce is equipped with the skills to access high quality employment opportunities suited to the changing needs of the regional economy</p> <p>AWM (RES) ... alleviating skills shortages in the application of energy efficiency and generation</p> <p>RSP (Workplan) Align the supply of training to the demands of employers</p> <p>LSC (RCP) Developing and delivering an integrated Employment and Skills System; shifting the mix and balance of provision to better meet the needs of employers; closing the gap on the national benchmark for Level 2 at 19; closing the gap on the national benchmark for adults qualified to Level 2; developing high level skills within the workforce to meet the regional productivity challenge</p> <p>JCP (City Strategies) Identify training needs of clients to inform development of bespoke programmes matched to the requirements of specific employers; development and commissioning of bespoke training programmes</p> <p>JCP (ESF Strategic Framework) Developing a Skilled and Adaptable Workforce</p>			
Sector Programme	Actions	Partners	Employer Engagement/Action	Target Date
3.1 Relevant training reflecting NOS at all levels	Ensure spatial coverage for sector qualifications through <i>New Standard</i> centres	LSC, Colleges, Providers	Specify need	2010
	Use large infrastructure projects to bring employers and providers together to identify and address skills issues using a skills academy approach	ConstructionSkills	Involvement in academy	2008
	Address the lack of assessors in sector trades	Specialist Provider Network	Provide work-based assessors	2009
	Explore the feasibility of mobile training facilities to facilitate greater access for SMEs	RSP, LSC		2009
	Identify and remove provision which does not provide progression into employment in the sector	LSC, Providers, Colleges	Input to identification	2010
	Monitor and advise on the demand for and development of current private provider courses.	LSC; Private providers; Manufacturers	Verification of demand	2008/9
3.2 Accredited training mapped to NOS	Identify relevant training and third party accrediting bodies for mapping	Employers, Colleges, Providers	Input into identification	2009
	Review manufacturer & provider training resources and promote best practice	LSC; Providers; BPEC	Specifying demand	2008/9
3.3 Sustainable entry routes	Establish number of people starting technical certificates who progress to employment within the sector	LSC, Colleges, Providers		2008
	Cease funding for technical certificates not linked to an approved pathway	LSC		2009
	Promote the use of full-time students to fill vacancies in sector	Specialist Provider Network	Increased take-up of full-time students	2008
	Develop and promote approved pathways	Providers, Colleges	Input to development	2009

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3.4 Wider and sustainable HE provision	Develop appropriate pathways to provide progression to HE	Lifelong Learning Networks	Specify need	2009
	Ensure development of Foundation Degrees meets sector framework requirements	Providers, Colleges, HEA	Input to development	2009
3.5 Quality assured training provision	Support colleges and providers to attain <i>New Standard</i>			2008
	Develop a Service Level Agreement for use between colleges/providers and employers	Colleges, Providers	Input to SLA	2008
	Engage employers in sector-related groups	Colleges, Providers	Participation	2009
3.6 Renewables and environmental technologies	Identify current provision within region	LSC, Colleges, Providers		2008
	Define employer skills and training needs		Input	2008
	Identify opportunities for cross-sector working	Built Environment Alliance	Input	2008
	Monitor and advise on the demand for and development of current private provider courses.	LSC; Providers; BPEC	Specifying Demand	2008

Skills Priority 4	Funding: flexibility to meet fast changing skills needs to develop businesses and workforce
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Employer Need	<ul style="list-style-type: none"> It is difficult for public funders of training to ensure it is aligned to employer needs. There are also special requirements across the sector for funding to support areas which are outside of the norm e.g. mature adults A considerable amount of current publicly funded training provision leads to non-economically valuable skills (NEVS) and therefore is not relevant to the sector. There is also a need for new training provision to be funded to meet the changing needs of the sector
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Stakeholder Strategies/Policies	<p>AWM (WMES) Stimulating employer investment in skills and training AWM (WMES) Developing skills for employment AWM (BTC) Ensure appropriate training provision at all skill levels AWM (BTC) Developing skills to support integration of new products RSP (Workplan) Align the supply of training to the demands of employers LSC (RCP) Developing and delivering an integrated Employment and Skills System LSC (RCP) Shifting the mix and balance of provision to better meet the needs of employers LSC (RCP) Closing the gap on the national benchmark for Level 2 at 19 LSC (RCP) Closing the gap on the national benchmark for adults qualified to Level 2 LSC (RCP) Developing high level skills within the workforce to meet the regional productivity challenge JCP (ESF Strategic Framework) Developing a Skilled and Adaptable Workforce</p>
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Sector Programme	Actions	Partners	Employer Engagement/Action	Target Date
4.1 Influencing flexibility of funding	Provide support to partners on ESF-funded projects beneficial to the sector		Involvement in projects	2008
	Make funding available for upskilling training to meet employer needs	AWM, LSC	Provide details of training requirements	2009
4.2 Redeployment of NEVS funding	Identify and remove provision which does not provide economically valuable skills and remove funding	LSC, Providers, Colleges	Input to identification	2009
	Allocate ring-fenced budget for development and provision of training in renewables and microgeneration	AWM, LSC		2009
	Provide funding for adult apprenticeships/training	AWM, LSC, JCP		2009

Skills Priority 5	Management and Leadership: ensuring the sector has the skills it needs to plan and develop profitable and competitive business
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Employer Need	<ul style="list-style-type: none"> • There is a skill gap between craft and first line supervisory levels which is currently not being addressed. People on the tools are being placed in supervisory positions without relevant training to maximise effectiveness and productivity • The sector is very reactive to new opportunities. Generally SMEs and micro-businesses do not actively manage their business to take external drivers into account. As a result the productivity of the sector is low • There is a general lack of the use of business skills across the sector to formally benchmark the effectiveness of businesses and improve competitiveness. The sector uses informal benchmarking rather than formal methods
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Stakeholder Strategies/Policies	<p>AWM (WMES) Improving business competitiveness AWM (WMES) Stimulating employer investment in skills and training AWM (WMES) Raising demand for skills - Extending leadership and management AWM (RSDF) Encourage and support a culture of enterprise and innovation RSP (Workplan) Align the supply of training to the demands of employers JCP (ESF Strategic Framework) Developing a Skilled and Adaptable Workforce</p>
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Sector Programme	Actions	Partners	Employer Engagement/Action	Target Date
5.1 Progression & development of first line and middle managers	Identify and promote appropriate provision to employers (e.g. Carillion CHE Supervisors programme; M&E Supervisor training; <i>Step Up To Management</i> course)	RSP, APHC, ECA, HVCA	Take-up	2008
5.2 Developing enterprise skills for SMEs and micros	Promote use of Solutions4Business website	APHC, ECA, HVCA	SME Awareness	2008
	Identify funding/grants available and promote to employers	RSP, LSC		2008
	Promote DBERR <i>Inspirational Leadership Programme</i>	RSP, Brokers	Take-up	2008
5.3 Developing skills to increase competitiveness of the sector	Promote use of Solutions4Business website	APHC, ECA, HVCA	SME Awareness	2008
	Promote the benefits of benchmarking and provide guidance/training on how to do it	RSP, APHC, ECA, HVCA	Awareness	2009
	Ensure leaders have the knowledge and skills to maximize opportunities offered through competitive tendering and working as part of a supply chain	RSP		2009