

# Viewpoint

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**Scottish Enterprise Area**  
Sector Skills Agreement  
workshop outcomes



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

**HORIZON**

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the sector skills agreement  
for building services engineering

# Business & workforce development

*This is a 'work in progress' document. The solutions listed throughout these pages were suggested by delegates at the Horizon workshop in Edinburgh and will contribute to the Sector Skills Agreement for the Scottish Enterprise area.*

## 1. Benchmarking

### THE ISSUE:

Lack of formalised benchmarking makes the sector blind to competition.

The majority of companies choose not to access formal benchmarking systems that are available, though many use informal techniques. Does benchmarking need to be more formalised through management and supervisor training? Or are there other solutions?

### SOLUTIONS FROM THE GROUP:

- Need to de-mystify: what is benchmarking? Perhaps call it 'learn about your business'. Make it sector-specific and relevant to small to medium enterprises. Lose the academic feel.
- Providers and others can facilitate through meetings and help with information dissemination.
- SNIPEF is developing a customer satisfaction leaflet which will help employers to benchmark. This could be developed to link into a comparison against others to get proper benchmark.
- Promote real life stories of those who have benefited
- Get someone else to do the work and use trade bodies to help disseminate. Pitch at the right level – benchmarking is not for all, especially micro-businesses but more informal methods could suit e.g. meetings and workshops linked to profit.

## 2. Skills requirements

### THE ISSUE:

Skills requirements are changing more than the industry realises.

This applies to existing workers. Finding qualified craft operatives is increasingly difficult. Employers require greater awareness of changing skills needs to meet technological changes.

### TOP SOLUTIONS (INVOTE ORDER):

- Schools – improve basic skills/vocational skills to create work ready entrants.
- Improve the image of sector to get right entrants. De-mystify the industry.
- Employers to train more. Don't ignore the basic skills of the existing workforce.
- Legislative compliance and leadership from government.
- A 'UK approach' to training is needed with common skills across the industry.

### OTHER SOLUTIONS FROM THE GROUP:

- Flexibility from providers – need to respond quickly.
- Beware of programme led apprenticeships – we want employed status only.
- Funding for adults to retrain and enter the industry.
- Educate government on industry requirements, so not misleading public about entry requirements or salaries.
- Some form of register of quality training provision.

## 3. Retirement

### THE ISSUE:

Too few employers plan to replace staff before they retire or leave.

The majority of firms do not plan to replace staff retiring with key skills. And changes in the population profile (e.g. fewer younger people) may affect traditional recruitment streams.

### TOP SOLUTIONS:

- "Succession Planning" – natural wastage and loss of experience is an issue in addition to retirement.
- Tool kit to help employers and employees understand the implication of retirement/succession planning.

### OTHER SOLUTIONS FROM THE GROUP:

- Retiring workers to mentor younger staff.
- Support from Scottish Enterprise on retirement issues: not just starting a business, but also getting out of business and/or sustaining business.
- Empowering staff to help/take on once the owner retires.
- Promote what options are available to retiring staff. Don't rule out training for over 50s.

## 4. Research and development

### THE ISSUE:

Too few industry members conduct research to share commercial knowledge.

Only 23% of regional companies do any kind of research and development (R&D) of their own. Companies know of little R&D conducted by trade associations and professional institutions, including higher education institutions. Who should be doing and sharing more? Knowledge is power.

### TOP SOLUTION:

- Communicate the value and benefits of carrying out research and development. Use case studies and 'construction demonstration' projects (e.g. Gigha) as an example of partnering (through University of Dundee).

### OTHER SOLUTIONS FROM THE GROUP:

- Sharing of information – a communication forum to identify what's out there currently, SummitSkills to advise.
- Work with the Construction Innovation Centre to use information and share – include the client in this.
- Employers – work with HE and students for real life examples, for instance the 'Interface' initiative through Scottish Funding Council and 'Graduates in Business'.

**The following four issues were not discussed by the delegates. We would like your views on:**

- Q: How important are these issues to business?
- Q: What are the most effective ways of dealing with them?
- Q: Are there solutions already in place that meet the needs identified?
- Q: Can existing solutions be adjusted or developed?

## 5. Rivalry

### THE ISSUE:

Companies need to think more positively about partnering because competition isn't always good.

Skills shortages lead to rivalry to poach and secure trained staff. Rivalry extends to extreme competitive tendering. Extended contracts and partnering arrangements are becoming more common in the public sector, encouraging cooperation rather than competition.

## 6. Bargaining Power

### THE ISSUE:

Clients and companies must see bargaining power as something beyond price.

Whilst service and reputation do influence, the majority of employers see price as their major bargaining factor. Supply chain management was mentioned by only a small percentage of companies. Would more efficiency be achieved through training in supply chain management techniques? And what else?

## 7. Information Technology

### THE ISSUE:

Information technology could be more effectively used to improve productivity.

Almost all companies use IT daily. But more training is needed to ensure IT is used effectively. IT training tailored to sector needs could improve performance and cost efficiencies.

## 8. Enterprise

### THE ISSUE:

The sector aspires to be entrepreneurial but needs to develop these new skills

Employers see this as important. Many are even asking for training. People at all levels in our sector from craft to management need to come to grips with the skills it takes to be a good entrepreneur.

# External influences

## 1. Globalisation

### THE ISSUE:

Globalisation presents new opportunities and potential threats.

4 out of 5 employers don't think the market will be affected by foreign competition. Foreign competition is unfamiliar currently but Europe and Asia are potential threats. Open tendering is an opportunity for foreign traders to access the Scottish market.

### TOP SOLUTIONS:

- Grow smaller/medium companies to allow them to compete for major contracts.
- Identify the length of time migrant workers are here.

### OTHER SOLUTIONS FROM THE GROUP:

- Partnerships to allow smaller firms to compete.
- Employers – look at who is tendering for similar jobs abroad to see if they could get involved.
- Be clear on quality and qualifications of migrant workers
- Providers – have flexibility in approach and provide courses in new technologies.
- SQA is mapping equivalent qualifications across borders.
- Trade Associations can help to disseminate information on the number of migrant workers registered with them.

## 2. Technology/Environment

### THE ISSUE:

The sector is not aiming far enough ahead in new and environmental technology.

Most recognise this as a major issue but have no plan to address it. Employers' environmental skills tend to be driven by legislation; the sector reacts to change rather than plans for it. Technology is changing faster and planning future skills well ahead will become more important.

### TOP SOLUTION:

- Government to tighten regulations around installation to ensure a proper job is done. Fund training for skilled installers. Need to get timing right and give enough lead time for employers to train up on new products.

### OTHER SOLUTIONS FROM THE GROUP:

- Promote the need, find the 'toe in the water' for example, the use of energy saving light bulbs for people to try.
- Incentivise for correct environmental usage/disposal.
- Government to inform clients and consumers to generate demand. Also manufacturers.
- It may need to be 'have to' rather than 'want to' – make it mandatory e.g. condensing boilers.
- Manufacturers group to feed into employers to advise of new developments.

## 3. Government

### THE ISSUE:

Government regulation is placing burden on the sector.

Legislation and building regulations are seen to have increased business costs and red tape. The skills card regime is felt to be implemented piecemeal and insufficiently inspected. The good guys feel penalised. What can skills and training do to help?

### TOP SOLUTIONS (IN ORDER OF VOTES):

- A body to enforce/regulate card schemes and regulations. Communicate what the legislation means – de-mystify. Need to consult with employers to make it relevant.
- Government agencies can help to lobby national government on employer issues.

### OTHER SOLUTIONS FROM THE GROUP:

- A common competence card that works across all disciplines – employers to lobby for.
- Providers to standardise training to create a common quality across UK.
- Health and safety legislation need to be clarified i.e. use of steps on site.
- Industry ombudsman for the sector. Construction Licensing Executive might already do.
- Government need to back, support and provide tax breaks/incentives to encourage more employers to train.

# New entrants

## 1. Basic Skills

### THE ISSUE:

Lack of basic skills is a rising issue for our sector.

20% of employers are alarmed at low level literacy and numeracy, as well as poor attitudinal skills of new entrants. Young people with lack of basic skills are attracted to this sector. How must the SSA address this?

### TOP SOLUTIONS (INVOTE ORDER):

- Employers – take workplace experience to young people in schools. Greater engagement between industry and schools – for example develop enterprise initiatives.
- Clarify the difference between ‘core skills’ and ‘basic skills’ when moving forward – be careful with how we use the terms.

### OTHER SOLUTIONS FROM THE GROUP

- Schools – help to ensure employability skills are in place.
- Make the curriculum more flexible – able to opt out in favour of an employability route.
- All need to see benefits – it’s a long lead time but we will benefit.
- Are employers open to accepting that there is a problem within their organisation?

## 2. Diversity

### THE ISSUE:

While overt anti-diversity comments are fewer these days, the sector is still not diverse.

57% of firms employ no women outside administrative roles and very few when they do. 33% of businesses employ people from ethnic minority groups. Where do training and skills feature in this issue?

### TOP SOLUTIONS):

- Tie-in with schools to promote careers.
- Change the image of sector in order to raise perceptions of it.

### OTHER SOLUTIONS FROM THE GROUP:

- Providers to promote the sector more to a wider audience.
- Is there a problem? Employers will open doors to all, perhaps the sector is just not attractive to other groups.
- Others have tried to diversify for business case e.g. if traditional pools dry up, we need to identify niche markets for example women may be more effective in gaining entry into certain home environments.
- Target others who have highest influence e.g. parents, career advisors.
- Media role models and case studies.
- League tables for FE/schools leads to biased careers advice – we need to address this.

## 3. Migrant Workers

### THE ISSUE:

Migrant workers are a hot news topic...

37% of firms claim to employ migrant workers. Retirement and people leaving the sector will need more migrant workers to replace them. Skills training needs to be planned to accommodate this near future trend.

### TOP SOLUTION:

- Card policing – only those with requisite health and safety could work. No back door – a certain level of English should be needed.

### OTHER SOLUTIONS FROM THE GROUP:

- Employers to identify if they’re looking for a short or medium term solution and respond accordingly.
- Providers – create tools for matching skills of migrant workers e.g. identify the training needs that these people have.
- Government to monitor to ensure equality and no discrimination.
- Qualification mapping.
- Importance of health and safety – English should we be teaching it? Or should they do themselves?
- Be aware they are a vulnerable group in terms of translation for example. They are new to the workplace here – will one size fit all?
- A mechanism to measure the level of English that a worker has. Should be part of the requirement to pass health and safety test.

## 4. Skills requirements

### THE ISSUES:

The country is not undertaking sufficient supervisory and management training. Regionally there are concerns at the quality of training provision.

### TOP SOLUTION:

- These skills requirements are fundamental to everything else – don’t lose sight of basic technical/skills craft in addition to the new technology as well as management/supervisory.

### OTHER SOLUTIONS FROM THE GROUP:

- Employers – formally identify potential managers – need a mechanism to do this.
- Providers – tailored management training programmes and progressive training.
- Government – recognise value of management training & fund accordingly.
- SummitSkills to work with employers to identify management skills required.
- Identify what type of management we are talking about.
- Career path to show routes & promote engineering.
- Need to match supply/qualifications with the demand – L4 – is that what’s needed?
- Manage expectations – not all employees will or want to progress.

These 'quick win' and 'long haul' solutions are also the views and suggestions of the delegates at the Horizon workshop in Edinburgh.

## TOP QUICK WIN SOLUTIONS FOR THE SSA –

Easy to do, but important

*(suggestions have been grouped into similar topics for ease of viewing/assessment)*

### QUALIFICATIONS AND TRAINING PROVISION

- As much as possible standardise training provision across the country.
- Ensure basic training for craft and technician is met by training centres.
- Clarify career path and consolidate qualifications.
- Qualification mapping

### NEW TECHNOLOGY

- Encourage government to help fund additional skills training in new technologies e.g. solar etc. before promoting to the public
- Technology/Environmental change.

### RETIREMENT/SUCCESSION PLANNING

- Succession/retirement planning trade associations already doing work with them to increase delivery of training.
- Introduce succession planning for retiring workers to ensure that skills are passed down to younger workforce.

### SCHOOLS ENGAGEMENT

- Get involved with Determined to Succeed, skills for work courses to take forward school engagement

### SWIFT ACTION

- Identify the industry needs quickly and act quickly – why do we need long haul?

## TOP LONG HAUL SOLUTIONS FOR THE SSA –

Difficult, far off, but important

*(suggestions have been grouped into similar topics for ease of viewing/assessment)*

### INDUSTRY IMAGE

- Improve image of industry.
- Changing the image of the sector is vital to attract workforce of the future who can operate and compete on a world stage.
- Image and awareness – need sustained effort to win hearts and minds.
- Improve image of industry through awareness.

### TRAINING AND QUALIFICATIONS

- Training for all, and continue at all stages of a person's career.
- Developing sector standards/action plan.

### CAREER DEVELOPMENT

- Inform engage inspire the future workforce – whether at school, college or in work.
- More involvement between schools, employers and colleges for careers advice and industry entrants.
- Improve core skills/basic skills and soft skills.

### LEGISLATION

- Change to legislation to make training etc. more mandatory.

### TIME RESTRICTIONS

- The industry may not have the luxury of time to develop long haul solutions.

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