



Sustainability Group

Establishing An Equitable Competency Solution for Multi-Skilled Building Services Businesses and Their Operatives in the Residential Sector in England & Wales

Briefing Summary

This paper sets out a proposal for an equitable competency solution for multi-skilled building services businesses. The solution is aimed at the residential sector in England & Wales.

It seeks to show that by combining the plethora of schemes under one co-ordinated single industry led scheme it would simplify and help to remove industry fragmentation. It would also remove both overlaps under multiple scheme arrangements and reduce the high cost of multiple compliance routes.

It seeks to show that it will assist in many key areas including the Government Red Tape Challenge, simplification for green retro-fit companies and achieving the Government Green Deal agenda. It will give a major cost benefit boost to building services businesses during what is a difficult period for the construction industry.

One co-ordinated voluntary self managed scheme will give building services businesses more reasons to participate in any green initiative. This simplification will open up the sustainability markets to SME businesses through a more accessible and less onerous approach to dealing with the issue of competency in design and installation work activities. Participation in sustainability initiatives will become open to a wider audience of businesses and standardisation will become more acceptable to the mass of installation businesses. Government targets will for the first time be able to be contributed to by a wider audience with greater clarity. Standards of these installations will be higher and more regulated due to higher potential participation levels.



1.0 **Background**

1.1 Over a number of years the building services industries have seen the introduction of a series of schemes/initiatives relating to establishing the competency of organisations and operatives to undertake work. Most of those schemes have been Government led initiatives that taking a simplistic view have two overlapping core aims -

- To provide a level of consumer protection through the use of fair trading practices (business level).
- To provide a level of assurance that operatives employed in businesses are technically competent to carry out work activities (operative level).

1.2 The following chart shows the full range of Government led schemes that have/or are being established across the sector –

Scheme	Government Department
Gas safety registration scheme	Health & Safety Executive (HSE) - (non departmental public body of the Department of Work & Pensions (DWP))
Water regulations approved contractor scheme	Department of the Environment, Food & Rural Affairs (DEFRA)
Competent persons scheme	Communities & Local Government (CLG)
Trustmark	Department for Business Innovation & Skills
Microgeneration certification scheme	Department of Energy & Climate Change
Green deal installer scheme	Department of Energy & Climate Change

1.3 The chart shown at appendix 1 shows how these schemes relate to areas of technical competence across the building services sector. The chart itself is particularly useful in demonstrating significant overlap areas between competing schemes that are all endeavouring to achieve similar outcomes.

1.4 The outcome of such a number of overlapping schemes particularly in the area of piped mechanical services in residential properties has been to –

- a) Introduce significant industry fragmentation.
- b) Introduce barriers to multi-skilling due to the high costs related to participation in the plethora of schemes; this is directly contrary to the needs of the end user (customer) who in the main look for multi-skilled companies/personnel to undertake work particularly in the area of piped services in residential properties.
- c) Drive legitimate companies into non-participation owing to the costs and complexities of multi-skilling set against the plethora of overlapping schemes.



- d) Create customer confusion related to the overall understanding of coverage of the large range of schemes, which business should be selected to undertake work and from which source (listing).

Competency solutions are in place but are not delivering on the objectives set by them of establishing relatively high participation levels (with the exception of the gas safety registration scheme which has statutory backing and perhaps the Part P electrical schemes which were supported by extensive consumer marketing on launch).

- 1.5 Many installers report to both the sector trade bodies and via the trade media that they are not prepared to participate until such time as either -
 - a) the enforcement strategy is improved, to penalise those that are trading incorrectly or carrying out poor standards of work, or
 - b) there is a significant uptake in scheme participation levels creating a level playing field for most contracting businesses.

This statement is supported by analysis of the relatively poor take up levels on a number of sector schemes e.g. Competent Persons.

Similar concerns are expressed by those participating in schemes related to a 'level playing field' when trading who actively identify that they are placed at a trading disadvantage owing to the large numbers not operating within schemes and the relatively high levels of non-compliant (poor) work that is carried out in the residential sector across building services.

- 1.6 A review of current Government policy via the 'Red Tape Challenge' identifies that it is unlikely that there is a will to legislate to ensure mandatory schemes participation, in fact the current Government is actively seeking to remove bureaucracy and 'red tape' from businesses. Any move to legislate to ensure participation would therefore be unlikely to form a part of Government policy.
- 1.7 An alternative approach to significantly increasing participation levels and addressing the barriers put forward under items 1.4 a) to d) would be to look at an alternative approach to addressing business and operative competence through a single industry led voluntary scheme which would remove many of the barriers to participation and should prove more cost effective to businesses.

2.0 The Single Industry Led Voluntary Scheme

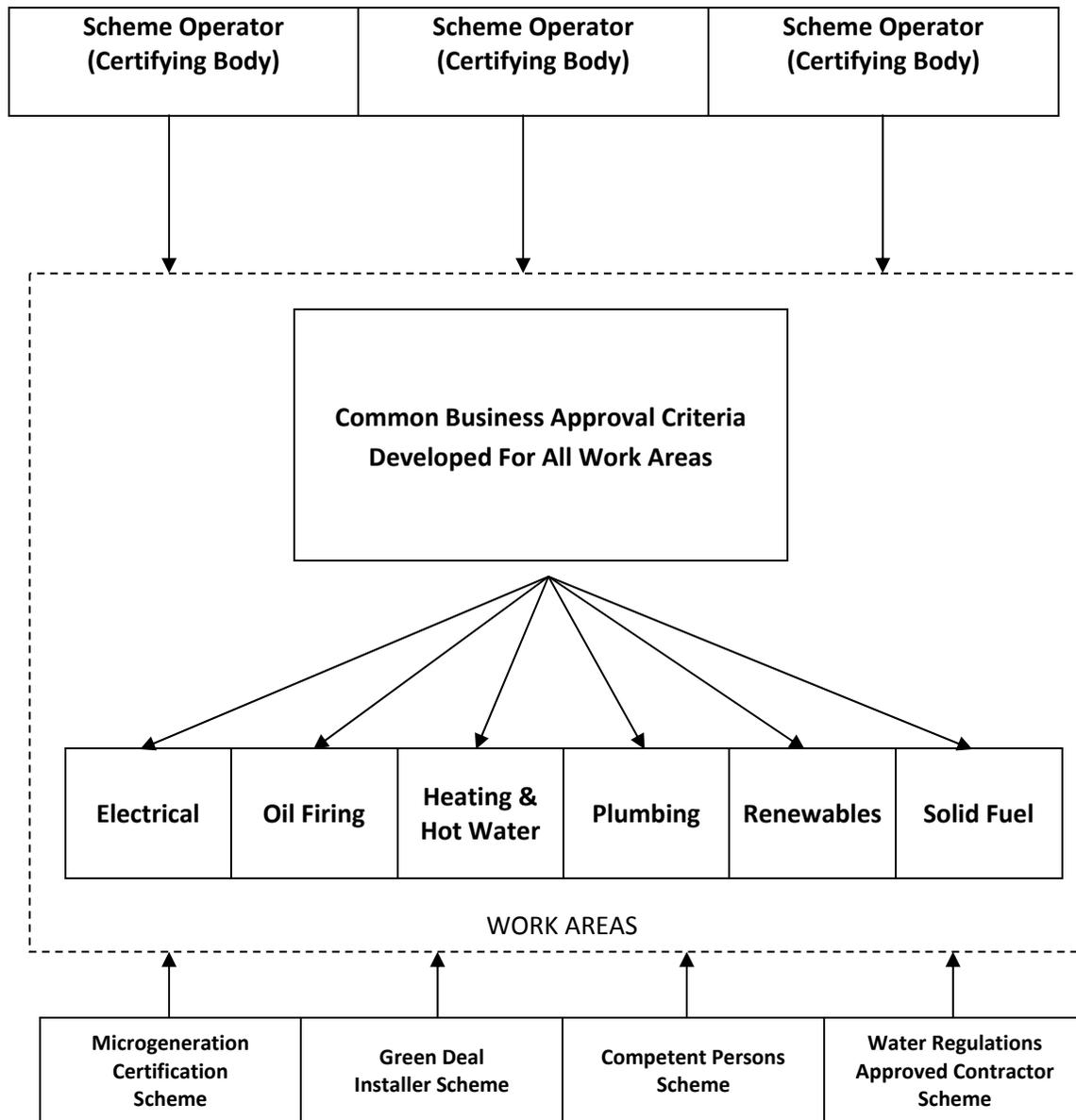
- 2.1 Moving to a single industry led scheme for the residential building services sector would present the following advantages -

- It would remove the considerable complexities, confusion and overlaps that exist with current multiple scheme arrangements.
- It would take pressure off Central Government to identify solutions to addressing competency issues in the residential building services sector.



- It would free-up Central Government resources that are being duplicated in developing and supporting schemes, with a proportion of the savings made being used to promote/launch a new initiative.

2.2 The chart overleaf demonstrates the fundamental structure of a single competence scheme. Gas competence has not been proposed to be addressed through the single scheme as this area is covered by statute law and significant legislative change and expensive contract termination would be required to address its inclusion in the scheme.



Scheme operators approve businesses against standard operating criteria laid down for the scheme with external monitoring by UKAS.

Assessment of the business (legal entity) against a range of common core criteria items such as insurance, safety procedures.

Assessment of operative capabilities against common design/installation standards matrix using existing SummitSkills unit structure, the basis of a license to practise.

Government schemes profiled against relevant work areas to ensure that once business is approved by scheme operator then business is recognised to operate the scheme and/or funding solution e.g. RHI.

2.3 Stages in Moving to a Single Industry Led Voluntary Scheme

a) Stage One

- Establish potential participants in a single industry led voluntary scheme.
- Engage with Government Departments to establish cross departmental support for developing a single industry led voluntary scheme possibly through initial piloting.

b) Stage Two

- Establish umbrella group (organisation) from industry participating organisation representatives and determine key financial mechanisms to support the ongoing development and operating costs of the single scheme.
- Establish common operating criteria using expertise of participating organisations and based on key principles of existing schemes wherever possible.
- Engage with third party scheme approvals body e.g. UKAS to provide independent approval of scheme operators against quality standard requirements.
- Establish final Government commitment to recognise the single scheme as meeting the requirements of the range of Government schemes.

c) Stage Three

- Open application process to industry scheme operators for approval purposes.
- Carry out initial approval of applicant scheme operators against scheme operating requirements possibly via an initial piloting exercise.
- Progress promotion/marketing of the initiative to the consumer and the trade.

d) Stage Four

- Scheme operators 'roll out' full scheme to building services businesses.
- Ongoing marketing costs met by cash support from Government using monies saved across departments.
- Ongoing monitoring of scheme operators against scheme criteria taking place on a periodic basis overseen by approval body e.g. UKAS



3.0 Conclusion

This outline paper has identified a basic need for introducing a single industry led voluntary scheme for the residential building services sector which would overcome the sizeable complexities and issues that have arisen from the introduction of multiple scheme arrangements.

4.0 Next Steps

Further dialogue now needs to take place on –

- A) Establishing the level of interest from building services industry bodies to the proposition for this new approach, and**
- B) Initial dialogue needs to take place with Government to establish the viability of producing a single scheme which will operate across the responsibility areas of several Government Departments.**



Core business assessment
Company insurance, business status,
Health and safety policy etc.

