BUILDING & ENGINEERING SERVICES ASSOCIATION

BUSINESS FOCUS JUNE/JULY 2012



a new brand; a new HVCA



The regional/regional branch network allows you, as a member of the Building & Engineering Services Association (B&ES), to engage not only with other members, but also with key issues that face your company, your clients and the industry at large.

These include matters that will be discussed and decided at the forthcoming meeting of the B&ES Council – a number of which require member consultation.

IMPORTANTLY, IT ALSO PROVIDES YOU WITH ACCESS TO COMMERCIALLY VALUABLE INTELLIGENCE THAT CAN HELP YOU IMPROVE YOUR PROFITABILITY, DEVELOP YOUR CORE SKILLS, IDENTIFY NEW MARKET OPPORTUNITIES, GROW YOUR BUSINESSES, EXTEND YOUR SERVICES AND INCREASE THE SIZE AND SCOPE OF YOUR CUSTOMER BASE.

Outlined on the right are the principal subjects on which the spotlight will be turned during the forthcoming round of regional and regional branch meetings – which you, or a colleague, should make every effort to attend.

Further information on all items featured is available from:

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Discussion has

taken place

on the value

of a specialist group focusing

on renewable

engineering

solutions

1 Creating a natural home for renewable technologies

As part of its current re-positioning programme, B&ES is committed to establishing a "natural home" for firms involved in the design and installation of renewable technologies (ground-source and air-source heat pumps, biomass, solar thermal, photovoltaics, etc).

A survey undertaken in December 2010 revealed that 77% of Association members were already engaged with such technologies – either carrying out the work themselves, acting as project managers or fulfilling both roles – and the indications are that the market is continuing to grow, stimulated to some extent by high-profile Government initiatives such as the Feed-in-Tariff (FiT), the Green Deal and the Renewable Heat Incentive (RHI).

Key to the successful application of many renewable technologies is their integration into a building's overall engineering services – a discipline in which many B&ES members can claim particular knowledge and expertise.

Discussion has taken place from time to time across the Association about the value of forming a new specialist group to bring together companies focusing on renewable engineering solutions.

However, given the range of technologies involved, the diversity of the client base and the fact that the market straddles both the industrial/commercial and the residential sectors – in each of which the route to market differs significantly – there are those who believe that the specialist group solution is not appropriate in this instance.

As this matter is to be the subject of in-depth debate and decision at the forthcoming meeting of Council, it would be extremely useful to learn to what extent your renewable technology needs are being met (from within the Association or elsewhere) in relation to, for example:

- technology-specific technical advice, guidance and support;
- the availability of quality standards and guides to best practice;
- national and international regulation and legislation;
- Government initiatives (FiT, Green Deal, RHI, etc);
- networking opportunities for collaboration, discussion and debate with fellow members;

- and how much extra you believe the formation of an additional specialist group would add to the value of B&ES membership.

gareth.keller@b-es.org

Feedback to and

further information rom Gareth Keller at

MEMBER ACTION

Consider and discuss the strategies which the Association might adopt to establish itself as "the natural home for renewable technologies".

Disappointing start for Renewable Heat Incentive

Although the Renewable Heat Incentive (RHI) is now operational in relation to renewable heat projects in the industrial/commercial sector – and represents a potential business opportunity for building engineering services contractors – uptake of RHI is running well behind the Government's predictions, with no more than 77 successful applications having been made by 1 June.

RHI is essentially the equivalent of the Feed-in Tariff for heat generation. You do not need to be accredited with a microgeneration certification scheme to become involved, as qualifying systems are over 45kW capacity.

B&ES has taken the initiative by making available to clients a register of members that are competent in producing the heat meter reports required by the regulator Ofgem in order to pre-certify projects for RHI funding. To date, however, only 27 Association members have taken up this opportunity.

This contrasts with the stated Government objective of growing the market for RHI-compliant projects by 700% by the year 2020, with an estimated 110,000 commercial installations being supported in that period.

RHI is essentially the equivalent of the Feed-in Tariff for renewables technologies

Feedback to and further information from David Frise at david.frise@b-es.org

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Potential barriers to RHI uptake are believed to include: low overall awareness; a lack of understanding among both contractors and clients of what is involved; and reluctance to make the necessary capital investment at a time of continuing economic uncertainty.

MEMBER ACTION

Share your experiences of the Renewable Heat Incentive to date, and discuss the reasons you believe lie behind its relative failure so far to capture the imagination of the sector.

Heat Meter Guide to be published as "living document"

The guide will be published electronically, as a "living document"

Wednesday 18 July will see pubication of the B&ES Guide to Good Practice: Heat Meters, which is designed to clarify and de-mystify the heat metering process, as well as to establish industry-recognised standards.

The quide will be published electronically via the Association's website, as a "living document" capable of continuous updating, revision and expansion.

Indeed, it has already been the subject of open consultation with a broad range of stakeholders - thus serving to underline the B&ES commitment to pan-industry collaboration, one of the principal elements of the re-positioning programme with which the Association is moving vigorously forward.

The first document to be published under the B&ES imprimatur, the *Guide to Good Practice*: Heat Meters represents a significant new service to members and to the sector at large, and precedes the launch – later in the year – of the B&ES System Integrator Guide.

This will focus on the ways in which renewable technologies can, with the expert assistance of B&ES members, be integrated most effectively into a building's overall engineering systems.

Following its launch, download the first edition of the Guide to Good Practice: Heat Meters from the B&ES website at www.b-es.org. Copies will also be available to

Feedback to and further information from David Frise at david.frise@b-es.org

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Members are subject to a simplified application process

Feedback to and further information from **David Frise** at david.frise@b-es.org

non-members at a cost of £50.00 each.

Free member access to supplier accreditation scheme

B&ES members are being granted free access to a new Carbon Trust supplier accreditation scheme - membership of which otherwise involves a £1,000 first-year subscription - and will be subject to a simplified application process in recognition of their adherence to the criteria of the Association's own independent inspection and assessment regime.

Inclusion on the scheme allows companies to be considered for entry on to the tender list for Carbon Trust-supported energy efficiency projects, and potential clients are put in touch with competent suppliers capable of providing high-quality energy efficiency solutions.

MEMBER ACTION

Learn more about the Carbon Trust scheme and the application process by contacting Sarah Wicks on 020 7313 4938.

Registered suppliers can apply for finance

Feedback to and further information sarah.wicks@b-es.org

Becoming a Carbon Trust/Siemens registered supplier

In a separate initiative, the Carbon Trust/Siemens energy efficiency financing scheme has been established to provide a total of £550m to finance energy efficiency and renewable energy projects undertaken by organisations in either the public or the private sector.

Under the scheme, registered suppliers – including building engineering services contractors - can apply for finance on behalf of customers and so play a proactive role in making the projects happen. If you wish to achieve registered supplier status, you must have been in business for at least three years, and must complete and submit a simple application form.

MEMBER ACTION

Learn more about the scheme and the application process by contacting Sarah Wicks on 020 7313 4938.

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The "training toolkits" comprise over 100 courses of relevance to the building engineering services sector.

Feedback to and further information sarah.wicks@b-es.org

Health and safety e-learning service for members

The Association is working with industry partner Human Focus in developing a cost-effective health and safety e-learning service which will provide you with access to over 27 "training toolkits" on key issues, and allow you to maintain your staff heath and safety training records securely online.

Each B&ES firm will have its own secure account, allowing members of your workforce to undertake training and to store their training records free-of-charge. There is no software to install or maintain, and your employees can carry out their training anywhere and at any time.

The "training toolkits" comprise over 100 courses representing a wide-ranging "library" of particular relevance to building and engineering services. In addition to frontline training, the system also fulfils a range of supervisor/managerial training needs.

The Human Focus e-learning system will be especially attractive to smaller members as it is designed to be both low-cost and "light-touch". Courses can be taken in 30-minute sessions, and can usually be fitted around normal work routines.

Over the next few weeks, the B&ES Education and Training Department will be contacting you to provide you with further details of the service – including the full range of e-learning modules - to allow you to register your interest in both the free records storage service and the e-learning modules, which will be available for purchase at heavily discounted rates.

MEMBER ACTION

Consider and comment on the potential value of the proposed health and safety e-learning service to their business.

The research has been designed to provide information on the commercial environment

Feedback to and further information brigitte.faubert@b-es.org

State of trade survey will provide market intelligence

In order to improve its market intelligence and ensure that its services continue fully to meet the requirements of its membership, B&ES has introduced a twice-yearly member state of trade survey - the first of which covers the period January to June 2012 and is taking place in the first half of July.

The online research has been designed to provide valuable information on the commercial environment in which members are operating, along with their principal hopes and concerns for the future.

While individual responses will be treated with complete confidentiality, the aggregated findings of the survey will be made available to you in due course, to help you with your own business planning and development.

MEMBER ACTION

Take a few minutes to complete the questionnaire – at http://lychgate.orsl.co.uk/bes – and so so assist B&ES in monitoring workload and other key factors affecting your businesses and your industry.

The B&ES Book – a member marketing opportunity

Distribution to named key clients

The autumn of this year will see publication of the first annual edition of The B&ES Book, which represents a joint venture between B&ES and Open Box, a well-established publisher of business-to-business magazines, yearbooks and directories.

Aimed specifically at clients and end users, it will address their need for an integrated one-stop approach to the procurement of building and engineering services, and will enjoy a targeted distribution to named key clients as well as all B&ES member firms.

Feedback to and As such, The B&ES Book will offer valuable guidance on the commercial, technical, manpower, environmental and legislative issues of the day, along with a comprehensive guide to industry brigitte.faubert@b-es.org contacts and a searchable listing of all B&ES members.

further information

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In common with all Association members, your organisation will receive a FREE standard entry in The B&ES Book, and you can also access additional opportunities to promote your company to a highly influential audience.

The B&ES Book replaces The Specifier's Guide to Heating, Ventilating and Air Conditioning, which was previously published on behalf of the Association by EMAP Inform.

MEMBER ACTION

Find further details of the marketing opportunities being offered by The B&ES Book by e-mailing B&ES@ob-mc.co.uk.

9 Updated pipeline contains 600 construction projects

All construction projects that are commissioned bv central **Government** will be included

The Government-funded Construction Pipeline, which contains over 600 projects and programmes representing £40bn of public and private sector investment over four years, has been updated, and will in future be re-published on a six-monthly basis.

The intention is that, over time, all central Government construction projects will be included in the pipeline, so that businesses can make informed decisions as to whether and to what extent they should compete for such contracts, and can calculate the level of investment they must make in order to do so successfully.

In a parallel development, the Government has launched the *Procurement Pledge*, which has already been signed by 17 organisations including the UK Contractors Group and Network Rail, and which demands a commitment to work alongside Government to reform public procurement processes.

Lower-value Government contracts are now being advertised via a portal called Contracts Finder, which allows small and medium-sized firms to find work from main contractors that

do not already have their entire supply chain in place.

Visit www.hm-treasury.gov.uk/infrastructure_pipeline_data_update.htm for the Construction Pipeline and www.contractsfinder.businesslink.gov.uk for Contracts

Feedback to and further information rob.driscoll@b-es.org

MEMBER ACTION

Government

is looking to

construction

sustainable

to invest in technology

Feedback to and

further information from Rob Driscoll at

rob.driscoll@b-es.org

solutions and

to deliver

10 B&ES lobbies minister on VAT on listed buildings

The Association has joined with a number of like-minded industry organisations in a bid to urge the Government not to abolish the zero-rate VAT charged on construction works on listed buildings.

B&ES has warned David Gauke, Exchequer Secretary to the Treasury, that charging VAT at the standard rate on such projects would militate against achievement of the 20% reduction in construction costs being sought by Government.

During a meeting with Mr Gauke and in a subsequent letter, the Association stressed that this was especially the case at a time when:

- materials prices are rising substantially;
- Government is looking to construction to deliver sustainable engineering solutions;
- firms are being urged to invest in technology and training;
- a serious skills shortage is looming;

of listed buildings projects.

Finder.

almost 6,000 insolvencies were recorded in the sector in 2010 and 2011, and the Office for National Statistics recorded a quarterly fall of 4.8% in construction sector output for the first quarter of 2012.

B&ES believes that the imposition of standard-rate VAT would only serve to undermine Government initiatives designed to maximise the contribution a revitalised construction

Comment on this lobbying activity, and indicate the importance to your businesses

sector could make to the economic health of the nation.

MEMBER ACTION

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The campaign included advertising in construction industry media

Feedback to and further information from Jack McDavid at jack.mcdavid@b-es.org

MEMBER ACTION

Presentation
of the awards
will take place
during the
Skills Show in
Birmingham
on Friday
16 November

Feedback to and further information from Roger Brown at roger.brown@b-es.org

MEMBER ACTION

Marketing campaign supports B&ES name change

Following the change of name of the Association to B&ES – the Building & Engineering Services Association – with effect from Thursday 1 March 2012, an extensive marketing campaign designed to ensure that the industry at large is alerted to this new chapter in the history of the Association ran throughout April, May and June.

The campaign comprised: advertising in a broad range of construction, building and engineering services and facilities management publications and their associated websites/e-newsletters; direct mailshots; e-mail marketing activity; and a selection of corporate gifts.

This activity was supported by the development of a specifically client-focused area of the B&ES website, to which electronic advertisements can link directly.

In order further to raise awareness of the B&ES identity with key stakeholders and the industry press, a reception will take place on Wednesday 18 July.

Order FREE leaflets designed to help you market your company to its customers and clients – available in A4 and A5 format– from membership services manager Val O'Reilly at val.oreilly@b-es.org.

Nominations sought for Awards for Excellence 2012

Nominations are being sought for the SummitSkills Awards for Excellence 2012, presentation of which will take place during the Skills Show at the National Exhibition Centre, Birmingham, on Friday 16 November.

Included among the award categories are three which are sponsored by B&ES.

The **Alfred Manly Management Award** celebrates the achievements of young engineers who already occupy a junior or middle management position in the sector and are judged capable of progressing to a senior management role.

The **Professional Engineer of the Year Award** recognises those who have already achieved a higher-level qualification in building engineering services and are working towards membership of an appropriate chartered professional body.

The **Experienced Existing Worker of the Year Award (Mechanical)** celebrates the achievement of existing experienced workers who have returned profitably to study and so have achieved professional qualifications.

Further information and nomination forms for the Alfred Manly and Professional Engineer awards are available from the B&ES website at www.b-es.org.

Further information and nomination forms for the Existing worker Award are available from the SummitSkills website at www.summitskills.org.uk.

Nominate candidates for the awards, in the hope of reaping the real development benefits they deliver to employer and employee alike.

13 H&V agreement negotiators issue best and final offer

Following the submission by Unite the Union of a wage claim under the H&V Operative National Agreement to take effect from October 2012, B&ES representatives have attended three negotiating meetings with representatives of the Union. During these meetings, the opportunity has been taken to emphasise the fact that market conditions for Association members remain extremely difficult, and that those who adhere to the agreement are not in a position to grant any increase in pay rates, except in the context of a longer-term settlement.

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At the most recent of these meetings, which was held on Tuesday 12 June, the B&ES team tabled its best and final offer, as follows.

With effect from Monday 1 Ocotber 2012:

Market conditions remain extremely difficult, with the result that Association members who adhere to the H&V National Agreement are not in a position to grant an increase in pay rates, except

- an increase in employer's pension contribution from 1% to 2% of basic earnings above the primary earnings threshold;
- a 10% increase in sickness, accident, death, dismemberment and disability benefits;
- introduction of a responsibility allowance of £0.51 per hour for operatives certified to carry out inspection and testing of commercial gas systems;
- introduction of an entitlement to a weekend return fare for lodging employees who travel home (other than in employer-provided transport) on the middle weekend of the two-week cycle envisaged under the agreement, on the grounds that no weekend work is available.

With effect from Monday 3 June 2013:

- a 1.5% increase in rates of pay, benefits and allowances including basic hourly rates, premium rates 1 and 2, responsibility allowances, daily travelling allowances, and weekly sickness and accident and other welfare benefits;
- a further increase in employer's pension contribution from 2% to 3% of basic earnings above the primary earnings threshold.

With effect from Monday 7 October 2013:

removal of the primary earnings threshold, resulting in a further increase in employer's pension contribution to 3% of *all* basic earnings.

The parties have also agreed in principle to address other elements of Unite's claim – relating to welfare benefits, working patterns and productivity – outside the current wage review.

Although the Unite negotiators felt unable to recommend acceptance of this offer, the union will be conducting a consultative ballot of its membership over the next few weeks, so that its members can confirm whether or not they are prepared to accept the offer.

Communicate to your employees the provisions of the employer's best and final offer, further details of which are contained in a private and confidential letter to all B&ES member companies.

Feedback to and further information from Peter Rimmer at peter.rimmer@b-es.org

in the context of

a longer-term

settlement.

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