



Skills for the future

Discussion
Paper

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'Skills for the Future' is a discussion document. Its aim is to help shape the agenda for a collective industry-wide approach to recruitment, skills and training.

The challenges identified are based on feedback from SBWWI members. Statistical input has been provided by the Energy and Utility Skills Council (EUSC), the Sector Skills Council for the gas, power, waste management and water industries.

SBWWI recognises there are already exciting initiatives in place which will impact on skills and training in the water sector. For example, SBWWI supported EUSC's Growth and Innovation Fund bid that led to the creation of 'TalentBank'; the Institute of Water has established mentoring and MasterClass schemes; Business Secretary, Vince Cable, has put measures in place to make it easier for companies to take on apprentices. Each of these initiatives has merit, but they are fragmented and, consequently, fail to get to the core of the employment and skills challenges facing the water industry.

SBWWI looks forward to discussing 'Skills for the Future' with water companies, Ofwat and other interested parties.

Together we can achieve great things.

Collective action

'Skills for the Future' is a water industry challenge. Collective action is needed.

There isn't a labour shortage; there will be a skills shortage. The water industry needs to attract, develop and retain skilled workers: manual, technical, managerial. This is best achieved through collective and co-ordinated action of a united water industry.

Raised profile

The water industry can market itself better to potential job seekers: across all age groups, and in all skill areas.

The provision of clean drinking water and the treatment of waste water are almost 'taken for granted'. Whilst children may learn about the water cycle, there is little understanding of the exciting engineering, construction and scientific challenges involved in delivering water services.

The water industry needs to raise its profile in the public consciousness to become a career of choice: he who shouts loudest will be heard. It has to counter the perception of shortages, flooding and leakage with positive messages. It needs heroes (Bazalgette et al), ambassadors, and mentors.

To be more prosaic, it needs marketing.

Television, for example, has immense power to influence perceptions and attitudes at the national level. How does water reach your tap? How is sewage treated? Why is there leakage? How is the water industry responding to climate change? Why isn't water 'free'?

Universality, simplicity and clarity

If a consistent approach to the skills, qualifications and accreditations required of contractors' workforces was applied universally across the water industry, the supply chain would be able to invest in training with confidence and greater certainty.

A legacy of privatisation, there is an absence of standardisation across the water industry with regard to the skills and qualifications required for activities that are common to all water companies. The resulting 'duplication' of training requirements wastes resources, devalues training in the eyes of employees, and adds unnecessary complexity to tender processes. All parties would benefit from a simple, clear and universally accepted water industry skills framework.

Regulatory assistance

The current regulatory environment is a barrier to the retention of skilled workers in the industry, and to investment in skills training.

The five year regulatory cycle delivers a series of peaks and troughs in terms of capital investment. This fluctuation in revenues and the need to manage cash flow 'encourages' flexible manpower management: short-term employment contracts, sub-contracting, 'hire and fire'.

Unemployed skilled workers find opportunities in other sectors: the 'Tesco van driver' scenario. When investment picks up, they stay in their new, lower skilled job because it is more secure. The water industry recruits replacements, but the skills base is diluted.

Improving job security and encouraging organisations, particularly in the supply chain, to 'risk' investment in training requires the positive participation of the water companies and the regulator: both have key roles to play.

Note: The following statistics were provided by the Energy and Utility Skills Council in response to a parliamentary question asking for the numbers employed in the water industry in each year of the last regulatory cycle. They highlight the degree to which supply chain employment levels rise and fall during the cycle:

| | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
|---------------------------------|---------|---------|---------|---------|---------|
| Water/ Sewerage companies | 37,000 | 37,500 | 37,500 | 38,000 | 38,000 |
| Supply chain | 60,000 | 80,000 | 100,000 | 80,000 | 60,000 |
| TOTAL | 97,000 | 117,500 | 137,500 | 118,000 | 98,000 |

New skills

New skills are needed: customer service, information technology, no-dig techniques. Skilled and semi-skilled will become multi-skilled over the coming decade.

The Service Incentive Mechanism (SIM) and the transfer of private drains and sewers increase the value of customer service and communications skills.

The productivity gains from mobile workforce management require IT skills. Minimising operational disruption through no-dig technologies continues to grow in importance. New skills are needed, both for existing workers and new recruits.

Funding skills

Training costs money. Price reviews need to deliver ring-fenced funds for skills training, or reward those that invest.

The water sector is very competitive at the supply chain level, and the regulator is seeking to drive further competition in wholesale and retail water supply. The understandable political imperative to keep water bills as low as possible, particularly during a time of economic hardship, already focuses on cost reduction. Investment in skills training is a soft target.

Price reviews need to deliver ring-fenced funds to both water companies and the supply chain to protect skills training.

Best behaviour

Acquiring skills is only a step on the journey. Encouraging the correct behaviours so skills are continuously applied is vital.

Qualifications, registration schemes and skills training themselves can only go so far in delivering improved performance. Encouraging the correct behaviours and attitude are vital ingredients in the mix. Workers on site are, for many customers, the only direct interface they have with the water industry.

Raising the societal status and aspirations, particularly of skilled manual workers, would help in this task. There is a perception that skilled manual work in, for example, Germany and Scandinavia is held in higher esteem. There appears to be a virtuous circle linking training and qualifications with greater job security and, consequently, greater professionalism and pride in the job in hand.

National resource

It is often said that water is the new oil. The Government should be encouraged to view water as an international growth sector in which British companies can thrive and deliver substantial earnings.

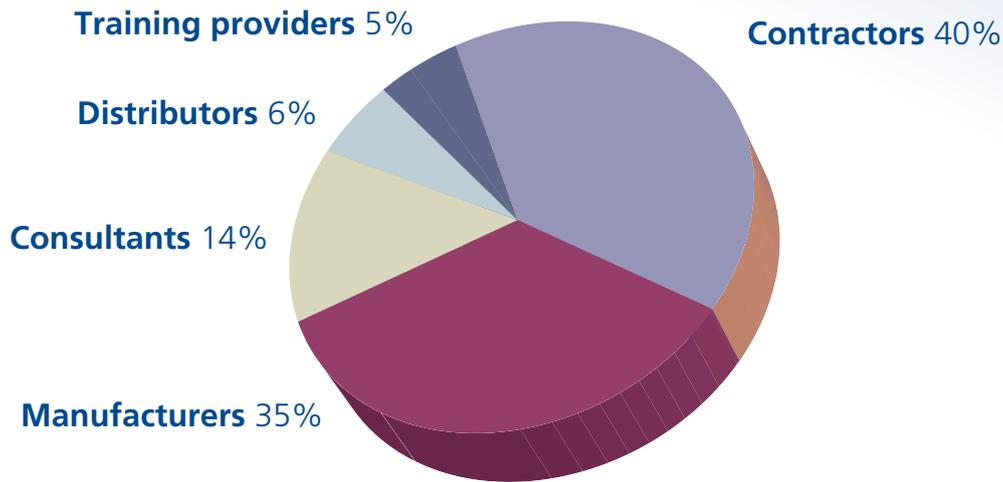
Water should be seen by Government as a critical growth sector which stands alongside others such as information technology, bio-technology, and defence. It is in the national interest to invest in water industry skills.

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Membership type



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Discussion Paper