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EMPLOYMENT AND SKILLS

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UK Sector Skills Assessment: Real Estate and Facilities Management

Asset Skills

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Views expressed in this Evidence Report are not necessarily those of the UK Commission for Employment and Skills.



Foreword

The UK Commission for Employment and Skills is a social partnership, led by Commissioners from large and small employers, trade unions and the voluntary sector. Our ambition is to transform the UK's approach to investing in the skills of people as an intrinsic part of securing jobs and growth. Our strategic objectives are to:

- Maximise the impact of employment and skills policies and employer behaviour to support jobs and growth and secure an internationally competitive skills base;
- Work with businesses to develop the best market solutions which leverage greater investment in skills;
- Provide outstanding labour market intelligence which helps businesses and people make the best choices for them.

The third objective, relating to intelligence, reflects an increasing outward focus to the UK Commission's research activities, as it seeks to facilitate a better informed labour market, in which decisions about careers and skills are based on sound and accessible evidence. Relatedly, impartial research evidence is used to underpin compelling messages that promote a call to action to increase employers' investment in the skills of their people.

Intelligence is also integral to the two other strategic objectives. In seeking to lever greater investment in skills, the intelligence function serves to identify opportunities where our investments can bring the greatest leverage and economic return. The UK Commission's third strategic objective, to maximise the impact of policy and employer behaviour to achieve an internationally competitive skills base, is supported by the development of an evidence base on best practice: "what works?" in a policy context.

Our research programme provides a robust evidence base for our insights and actions, drawing on good practice and the most innovative thinking. The research programme is underpinned by a number of core principles including the importance of: ensuring 'relevance' to our most pressing strategic priorities; 'salience' and effectively translating and sharing the key insights we find; international benchmarking and drawing insights from good practice abroad; high quality analysis which is leading edge, robust and action orientated; being responsive to immediate needs as well as taking a longer term perspective. We also work closely with key partners to ensure a co-ordinated approach to research.

Sector Skills Assessments (SSAs) are key sources of authoritative and focused sectoral labour market intelligence (LMI), designed to inform the development of skills policy across the UK. They combine “top-down” analysis of official data with bottom-up intelligence to provide a consistent, comparable and rich understanding of the skills priorities within different sectors of the economy, across the four UK nations. This SSA focuses on the Real estate and facilities management sector and was produced by Asset Skills.

Sharing the findings of our research and engaging with our audience is important to further develop the evidence on which we base our work. Evidence Reports are our chief means of reporting our detailed analytical work. Each Evidence Report is accompanied by an executive summary. All of our outputs can be accessed on the UK Commission’s website at www.ukces.org.uk

But these outputs are only the beginning of the process and we are engaged in other mechanisms to share our findings, debate the issues they raise and extend their reach and impact. These mechanisms include our *Changing Behaviour in Skills Investment* seminar series and the use of a range of online media to communicate key research results.

We hope you find this report useful and informative. If you would like to provide any feedback or comments, or have any queries please e-mail info@ukces.org.uk, quoting the report title or series number.

Lesley Giles

Deputy Director

UK Commission for Employment and Skills

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Executive Summary

Introduction

This is the Sector Skills Assessment (SSA) for the Real Estate and Facilities Management sector in the UK. It provides authoritative labour market intelligence (LMI) for the sector to inform the strategic decision making of national governments in the development of employment and skills policy.

The Real Estate and Facilities Management sector is comprised of the following sub-sectors:

- Real estate activities (incorporating housing and property);
- Security and investigation activities; and
- Services to buildings and landscapes (incorporating cleaning and facilities management).

The SSA combines top-down data from official sources with bottom-up sectoral intelligence to provide a detailed understanding of the skills priorities within the Real Estate and Facilities Management sector across the four UK nations.

The report is designed to provide sectoral intelligence at a relatively broad level for strategic decision making purposes. Whilst it does contain some sub-sectoral and occupational intelligence, further intelligence at a more detailed level is available from Asset Skills.

Economic performance and size of the sector

The Real Estate and Facilities Management sector accounts for a total Gross Value Added (GVA) figure of £303,179 million across the UK. This is higher than any other sector.

There are 149,325 Real Estate and Facilities Management sector establishments across the UK, 87 per cent of these are based in England. From a spatial perspective, there is a strong correlation between regional concentrations of the Real Estate and Facilities Management sector workforce and concentrations of the built environment. As a result London accounts for a higher proportion of Real Estate and Facilities Management establishments than any other region (21 per cent).

The vast majority of Real Estate and Facilities Management sector establishments are micro-businesses with 62 per cent employing between two and four members of staff, which compares with 52 per cent across the whole economy. Total employment within the Real Estate and Facilities Management sector in the UK stands at 978,000.

The Real Estate and Facilities Management sector workforce

The majority (66 per cent) of Real Estate and Facilities Management sector employees are employed on a full-time basis; but this is significantly lower than the whole economy average of 73 per cent. The proportion of staff employed on a part-time basis within the sector is 35 per cent - higher than the whole economy average of 27 per cent. This is largely due to the high number of part-time workers employed in the services to buildings and landscapes sub-sector (predominantly cleaning).

A high proportion (23 per cent) of the Real Estate and Facilities Management sector workforce is self-employed; this is higher than the whole UK economy average of 14 per cent. This creates a specific set of challenges for the sector, in that evidence suggests that self-employed workers do not tend to engage in training and achieve qualifications to the same extent as company employees, with the self-employed only half as likely to participate in work-related training or education (Davies *et al*, 2012).

The majority of the UK Real Estate and Facilities Management sector is male (57 per cent); this is higher than the whole UK economy average of 54 per cent. However, this figure masks some significant differences across the sub-sectors. While the majority of staff within the facilities management, property and security workforce are male, the majority of staff in housing organisations and cleaning companies are female.

The UK Real Estate and Facilities Management sector is characterised by an ageing workforce, with 48 per cent of employees aged 45 years or over.

There is a higher proportion (13 per cent) of Real Estate and Facilities Management sector employees classified as Black, Asian and Minority Ethnic (BAME), compared with the whole UK economy (nine per cent).

The overall occupational distribution within the Real Estate and Facilities Management sector is polarised, with 41 per cent of employment within elementary occupations (compared to 11 per cent across all UK sectors), and 16 per cent of workforce employment in manager and senior official occupations.

Cleaners and domestics account for the highest proportion of staff (24 per cent) within the Real Estate and Facilities Management sector, more than double the number of any other occupation.

Demand for, and value of, skills

The nature of skills used by employees within the Real Estate and Facilities Management sector is often dependent upon the occupation within which they are based. In the case of managers and senior officials for example (which represent a significant proportion of the real estate activities sub-sector workforce) higher level skills (such as management and leadership) are particularly important. Whilst within elementary occupations (of which there is a significant proportion within the services to buildings and landscapes sub-sector), there is more of a focus on employability skills and basic skills.

Value is increasingly being placed on skills to aid economic recovery and help in the drive toward a more productive UK. Qualifications can often be used as a proxy for skills and remain a commonly used indicator when it comes to comparing skills levels across the sectors and nations. For example, 14 per cent of the Real Estate and Facilities Management sector workforce across the UK have no qualifications – double the number seen across the whole UK economy, while 40 per cent of the UK sector is qualified to Level 3 or above; this is significantly lower than the all economy average of 57 per cent.

However, rather than simply producing more staff with higher qualifications, it is more important to equip staff with the skills they need to perform their job. Training is crucial in up-skilling employees, improving efficiency and increasing productivity.

Evidence suggests that overall, 57 per cent of UK Real Estate and Facilities Management sector employers provide training (compared with 59 per cent across all sectors). Across the nations, employers in Northern Ireland account for the highest proportion of training provision (67 per cent), while employers in Wales account for the lowest proportion of training provision within the sector (44 per cent).

Research shows that 40 per cent of Real Estate and Facilities Management employers across the UK (compared with 38 per cent across all sectors) have a training plan that specifies in advance the level and type of training their employees will need in the coming year. Just under a third of employers (32 per cent) in the Real Estate and Facilities Management sector have a training budget (compared with 29 per cent across all sectors) (UKCES, 2011).

Investment in staff through accredited training activities can make individuals feel like valued members of the company. The quotation below indicates that this can in turn, benefit employers.

“Training is obviously a big thing, because if people think that someone has taken the time to invest in them, then there is some loyalty from the employee to the employer, generally speaking.” (Housing Employer, England)

However, there are often significant barriers to training within the Real Estate and Facilities Management sector. These barriers typically revolve around a lack of time, financial constraints, staff reluctance to participate and difficulties overcoming language barriers. Additionally, employers may also be reluctant to invest in training if they feel that they will not get the benefit of this training in the long-term. For example, high staff turnover rates within the services to buildings and landscapes sub-sector often deter employers from investing in staff due to concerns that once the training is completed staff will search for better paid employment.

Extent of skills mis-match

Real Estate and Facilities Management sector establishments across the UK currently have 31,155 vacancies, of which 5,773 (19 per cent) are classed as hard-to-fill and 4,252 (14 per cent) are classed as skills shortage vacancies.

Research shows that four per cent of employers based in the UK Real Estate and Facilities Management sector have experienced difficulties retaining staff in particular job roles, compared to five per cent across the whole UK economy (UKCES, 2011).

The main causes of difficulties retaining staff in the sector are: not enough people interested in doing this type of work (48 per cent); the impact of the benefits trap (43 per cent); and employees do not want a long-term commitment (42 per cent). The average hourly wages earned by those staff employed within the Real Estate and Facilities Management sector (£11.71 compared to £14.60 across the whole UK economy) also contribute to higher rates of staff turnover; this is particularly true for the services to buildings and landscapes sub-sector where elementary roles are typically low paid and offer few opportunities for career progression.

Employers within the Real Estate and Facilities Management sector cite a number of negative impacts as a result of this excessive labour turnover, such as: the loss of valuable skills and knowledge, increased workloads for staff, increased costs and reduced productivity (UKCES, 2011).

Skills gaps are self-defined by employers when they perceive that the lack of skills an employee possesses prevents them from being fully proficient in their job role. Within the Real Estate and Facilities Management sector eight per cent of employers report that their employees have skills gaps. The main causes of skills gaps in the sector are that staff are new to their job roles (50 per cent) and have only partially completed their training (43 per cent).

Drivers of change

Drivers of change have a range of impacts on employers in the Real Estate and Facilities Management sector – most notably around skills requirements. Seven drivers of change have been identified as follows:

- Regulation and multi-level governance;
- Demographic and population change;
- Environmental change;
- Economics and globalisation;
- Technological change;
- Changing values and identities; and
- Changing consumer demand.

Evidence suggests that economics and globalisation is the most significant driver of change for employers within the Real Estate and Facilities Management sector, regardless of the sub-sector or nation within which they are based. Changing customer demands have also been highlighted as significant, and it is highly likely that these two drivers are interlinked.

Future skills needs

Evidence suggests that there will be a net increase of 1,550,000 workplace jobs in all occupations across the whole UK economy between 2010 and 2020 (an increase of five per cent). The occupational groups experiencing the most significant increases are: manager, director and senior official occupations (18 per cent increase); professional occupations (15 per cent increase); and associate professional and technical occupations (14 per cent increase).

In contrast to the situation seen across the whole economy, the UK Real Estate and Facilities Management sector is forecast to experience a 19 per cent increase in the number of positions across all occupational groups between 2010 and 2020. Managers and professional occupations are forecast to account for 59 per cent of the new positions in the sector.

Across the nations, England will experience the most significant increase in workplace jobs (28 per cent), followed by Scotland (15 per cent), Northern Ireland (13 per cent) and Wales (two per cent).

If the Real Estate and Facilities Management sector is to maintain a competitive position in the coming years, the following skills needs must be addressed in order to ensure that the workforce is capable and equipped to fill future workplace jobs:

- Basic skills;
- Change management skills;
- Commercial acumen;
- Employability skills;
- English for Speakers of Other Languages (ESOL);
- Greens skills;
- Management and leadership;
- Technical skills;
- Technological skills; and
- Written communication and report writing.

Priority areas for action

Based on the evidence within this report the following key priority areas for action have been identified:

- Supporting employers in capitalising on the opportunities that technology brings to the sector;
- Meeting the challenge of increasingly demanding customers.
- Encouraging professionalism and up-skilling;
- Providing strong management and leadership;

- Responding to the green agenda;
- Delivering adult literacy and numeracy in the workplace;
- Developing effective career pathways;
- Removing barriers to training and delivering pathways to learning;
- Raising the profile and attractiveness of the Real Estate and Facilities Management sector;
- Addressing workforce retention issues; and
- Addressing issues around gender disparity across the sector.

1. Introduction

1.1 Purpose of report

The aim of this report is to provide authoritative labour market intelligence (LMI) for the Real Estate and Facilities Management sector to inform the strategic decision making of national governments in the development of employment and skills policy. It is one of 15 UK Sector Skills Assessment (SSA) reports produced by Sector Skills Councils¹ and the UK Commission for Employment and Skills.

SSAs combine top-down data from official sources with bottom-up sectoral intelligence to provide a consistent, comparable and rich understanding of the skills priorities within sectors across the four UK nations. The reports below have been produced to a common specification (developed by the UK Commission in consultation with the four UK governments) and follow a consistent structure.

Reports have been produced for the following sectors of the economy:

- Agriculture, forestry and fishing
- Energy production and utilities
- Manufacturing
- Construction, building services engineering and planning
- Wholesale and retail trade
- Transportation and storage
- Hospitality, tourism and sport
- Information and communication technologies
- Creative media and entertainment
- Financial, insurance and other professional services
- Real estate and facilities management
- Government
- Education

¹ Please note, the Education report was produced by LSIS who are not a licensed Sector Skills Council

- Health
- Care

The reports contain intelligence on sectors and sub-sectors of particular interest to the four UK governments. As each nation has different 'key sectors', that are defined in different ways, it has not been possible to define the SSA sectors in a way that matches precisely the key sectors identified by each nation's government.

Therefore, as far as possible, data has been reported in such a way that it can be aggregated to produce an overall picture for key sectors of interest. In some cases this will involve gathering information from more than one SSA report.

The reports are designed to provide sectoral intelligence at a relatively broad level for strategic decision making purposes. Whilst they do contain some sub-sectoral and occupational intelligence, further intelligence at a more granular level may be available from individual Sector Skills Councils.

In addition to the main UK reports, executive summaries have been produced for Scotland, Wales and Northern Ireland. The UK reports contain information on key regional variations between the four UK nations and within England where appropriate (for example if sectoral employment is focused in a particular geographic area). However, the reports are not designed to provide a comprehensive assessment of sectoral skills issues beyond the national level.

1.2 Defining the sector

The Real Estate and Facilities Management sector is comprised of the following sub-sectors, and is defined using a set of Standard Industry Classification (SIC) codes, known as SIC 2007. Table 1.1 presents the SIC codes at a two digit level that comprise the sub-sectors within the Real Estate and Facilities Management sector.

Table 1.1: Composition of the Real Estate and Facilities Management sector

SIC 2007 Codes	Description of sub-sectors
68	Real estate activities
80	Security and investigation activities
81	Services to buildings and landscapes

Source: Office for National Statistics

The sub-sectors identified in Table 1.1 can be separated into a further level of detail, whilst out of scope in terms of the data provision of this report, the three and four digit SIC codes that comprise the Real Estate and Facilities Management sector are presented in Table 1.2. This enables the reader to develop a more informed understanding of the composite parts of the wider Real Estate and Facilities Management sector.

Table 1.2: Detailed Composition of the Real Estate and Facilities Management sector

SIC 2007 Codes	Description
Real estate activities	
68.10	Buying and selling of own real estate
68.20	Renting and operating of own or leased real estate
68.3	Real estate activities on a fee or contract basis
68.31	Real estate agencies
68.32	Management of real estate on a fee or contract basis
Security and investigation activities	
80.10	Private security activities
80.20	Security systems service activities
80.30	Investigation activities
Services to buildings and landscapes	
81.10	Combined facilities support activities
81.2	Cleaning activities
81.21	General cleaning of buildings
81.22	Other building and industrial cleaning activities
81.29	Other cleaning services
81.30	Landscape service activities

Source: Office for National Statistics

To provide a complete profile of the Real Estate and Facilities Management sector, information is also gathered at an occupational level. Table A1 (Annex A) presents the Standard Occupational Classification (SOC) relevant to the sector and composite sub-sectors.

Further information on the Real Estate and Facilities Management sector and its composite sub-sectors are presented below.

Real Estate Activities

The real estate activities sub-sector covers the provision of services in connection with property in both the private and public sectors, including its valuation or appraisal, planning, surveying, purchase, sale, lease and management. The real estate activities sub-sector is driven primarily by owners, investors, developers, funders and occupiers of property. The real estate activities sub-sector also includes social housing (housing associations and council housing), and private social landlords.

Security and Investigation Activities

This sub-sector encompasses a wide range of disciplines, including: security guarding, cash and valuables in transit, close protection, door supervision, surveillance (CCTV), access control, electronic alarm systems, investigation activities and key holding. As a result security occupations range from the traditional uniformed security guard to highly skilled technicians specialising in the installation of security systems.

The UK security and investigation activities sub-sector provides many of the non-core functions that were previously undertaken by police officers through security firms outsourcing security services to corporate businesses, including: shopping centres, sporting events, banks and bars.

Services to Building and Landscapes

This sub-sector includes the provision of a number of general support services, such as the provision of a combination of support services within a client's facilities, the interior and exterior cleaning of buildings of all types, and, the provision of landscape care and maintenance services.

Facilities management involves the provision of services that ensure the smooth running of the environments people encounter in their working and personal lives. Facilities managers have a range of titles, but they perform a vital job function within any organisation, they work supporting organisations from building maintenance through to services such as cleaning, reception, security, and energy and space management.

1.3 Sector Skills Councils

Asset Skills is one of 21 Sector Skills Councils (SSCs) that have been established by the government to tackle the skills and productivity needs of their sector throughout the UK. SSCs are independent employer-led organisations that cover different business sectors of economic or strategic significance.

Each SSC agrees sector priorities and targets with its employers and partners to address three key goals:

- Reducing skills gaps and shortages;
- Improving productivity, business and public service performance; and
- Increasing opportunities to boost the skills and productivity of everyone in the sector's workforce, through apprenticeships, higher education and national occupational standards.

The industries and occupations Asset Skills has an interest in are set out below using Standard Industrial Classification (SIC) and Standard Occupational Classifications (SOC).

Table 1.3 Asset skills industry footprint

Sector	SIC Code	Definition of Industry Group
Property	55.9	Other Accommodation
	68.10/0	Buying and selling of own real estate
	68.20/2	Letting and operating of conference and exhibition centres
	68.20/9	Other letting and operating of own or leased real estate
	68.31/0	Real estate agencies
Housing	68.20/1	Renting and operating of Housing Association real estate
Facilities management	68.32/0	Management of real estate on a fee or contract basis
	77.33	Renting and leasing of office machinery and equipment (including computers)
	81.10/0	Combined facilities support activities
Cleaning	81.2	Cleaning activities

Table 1.4 Asset skills occupational footprint

SOC Code	Description
9231	Window cleaners
9232	Road sweepers
1231	Property housing and land managers
2434	Chartered surveyors (not quantity surveyors)
31211	Town planning assistants and technicians
3232	Housing and welfare officers
3531	Estimators, valuers and assessors
3544	Estate agents, auctioneers
6232	Caretakers
6292	Pest control officers
9132	Industrial cleaning process occupations
9233	Cleaners, domestics
9239	Elementary cleaning occupations (not elsewhere classified)
9242	Traffic wardens
9245	Car park attendants
2432	Town planners
3121	Architecture technologists and town planning technicians
6231	Housekeepers and related occupations
7129	Sales related occupations not elsewhere classified (property negotiators)

These industries make a vital contribution to the built environment both in terms of the management and protection of built assets, but also to the quality of people's lives, and the sustainability and regeneration of communities.

Asset Skills is the sole author of this report.

Further information on Asset Skills and further sector-specific research is available at www.assetskills.org/research

1.4 Summary of methodology

This report combines top-down data with bottom-up intelligence to provide a rich assessment of sectoral skills priorities that is consistent and comparable with assessments produced for other sectors of the economy.

Three main types of information have been drawn on in the preparation of this report:

- Economy-wide quantitative data from core labour market information sources (such as the Labour Force Survey and the UK Employer Skills Survey)
- Sectoral, sub-sectoral and occupational specific quantitative data generated by SSCs, sector bodies and others (including government departments and agencies, academics and professional associations)
- Qualitative information collected by SSCs, sector bodies and other organisations

To ensure consistency and comparability across all 15 SSA reports, data from core labour market information sources was centrally collected, processed and formatted. It was then distributed by the UK Commission to Sector Skills Councils and sector bodies for inclusion within the report. This data was quality assured by contractors, the UK Commission and by Sector Skills Councils.

To meet consistency requirements, sub-sector analysis of data from core sources has primarily been undertaken at a 2-digit Standard Industrial Classification (SIC) code level (or by combining 2-digit SIC codes where appropriate).

Data from core sources has been supplemented within the report with data from sector specific sources.

Asset Skills undertake a comprehensive research programme that generates robust and reliable labour market intelligence about the Real Estate and Facilities Management sector across the four nations of the UK. This research programme helps us to compare current skills against the future needs of the workforce and to identify skills gaps and shortages. The 'Skills Barometer' is an on-going quantitative research study, designed to periodically sample employers' response to skills and productivity issues at six monthly intervals, and therefore better understand the current performance of, and challenges to, companies within the sub-sectors that comprise the Asset Skills footprint, across all four home nations. This report draws on the latest wave of the Barometer (2011) and includes responses from a total of 358 sector employers, with 53 per cent real estate sub-sector employers and 45 per cent services to buildings and landscapes sub-sector² employers.

The report also draws on qualitative research that has been undertaken to explore sector skills issues in more detail, including through interviews and focus groups. Samples tend to be designed to be broadly representative of the wider population, designed mainly around size and sector characteristics.

The report synthesises and contextualises information from the sources identified and, by undertaking a rigorous analysis of it, turns the information into intelligence.

Further information

Further methodological information is provided within the Technical Appendix. This includes descriptions of the main quantitative and qualitative sources used within the report.

² The total does not come to 100 per cent as not all responses were attributed to a sector. Further detail is available in the Technical Appendix.

2. Current performance of the sector

Chapter Summary

- The GVA figure of £303 billion within the Real Estate and Facilities Management sector is higher than the GVA figure in any other sector and offers almost a quarter (24 per cent) of all GVA contributions across the economy.
- Differences can be seen in several areas when comparing the Real Estate and Facilities Management sector with activity across the whole economy. For example, the sector saw its GVA figure rise at a faster rate between 1999 and 2008 than was the case across the whole economy. However, the number of establishments in the sector fell by 17 per cent between 2006 and 2010, compared to a two per cent increase across the whole economy in the same period due to the effects of the recession.
- The majority of establishments (83 per cent) within the Real Estate and Facilities Management sector employ fewer than 10 people, compared to 74 per cent across all sectors.
- The number of enterprise closures in the Real Estate and Facilities Management sector is 27 per cent higher than the number of start-ups, again reflecting difficult economic conditions. A similar pattern was seen across the whole economy with closures 18 per cent higher than the number of enterprise start-ups.
- The increase in total employment between 2002 and 2010 was higher in the Real Estate and Facilities Management sector (nine per cent) than it was across the whole economy in the same period (three per cent). The services to buildings and landscapes (particularly facilities management) sub-sector is likely to have contributed significantly to this difference due to its rapid expansion since 2002.

This chapter of the report discusses the current performance of the Real Estate and Facilities Management sector. It briefly reviews:

- the current economic performance and competitive position of the sector;
- how the economic performance and competitive position of the sector has changed over recent years;
- the number of people working in the sector, and where; and
- how sector employment levels have changed over the last ten years.

2.1 Economic performance

The main source of information on economic performance is provided by an analysis of Gross Value Added (GVA). This measure establishes the contribution of each individual producer, industry or sector to the economy.

The Real Estate and Facilities Management sector accounts for a total GVA figure of £303,179 million across the UK – higher than any other sector. England accounts for the majority of this figure (89 per cent) whilst Scotland accounts for seven per cent. Wales and Northern Ireland account for three per cent and two per cent of the total respectively. The Real Estate and Facilities Management sector accounts for 24 per cent of the all sectors GVA figure in the UK. This rises to 25 per cent in England, but falls to 20 per cent in Scotland and 18 per cent in Wales and Northern Ireland (Table 2.1).

Table 2.1: GVA by nation (£m in current basic prices), (2008)³

	UK	England	Scotland	Wales	Northern Ireland
	£m	£m	£m	£m	£m
Agriculture, hunting, forestry and fishing	9,715	7,982	1,180	145	407
Mining and quarrying of energy producing materials	2,661	1,298	1,277	60	27
Other mining and quarrying	2,365	1,777	282	134	173
Manufacturing	150,298	124,860	13,555	7,734	4,149
Electricity, gas and water supply	21,342	17,414	2,653	729	545
Construction	80,756	68,247	7,328	2,924	2,256
Wholesale and retail trade	147,158	127,900	10,441	5,166	3,651
Hotels and restaurants	36,428	30,938	3,297	1,424	770
Transport, storage and communication	91,347	80,262	7,065	2,529	1,491
Financial intermediation	116,801	104,574	8,501	2,305	1,422
Real estate, renting and business activities	303,179	268,770	20,829	8,380	5,200
Public administration and defence	63,281	51,275	6,148	3,275	2,583
Education	76,493	64,478	6,322	3,502	2,191
Health and social work	93,775	76,336	9,851	4,788	2,800
Other services	65,563	57,177	4,804	2,420	1,162
All sectors	1,261,162	1,083,288	103,533	45,515	28,827

Source: *Regional Accounts, ONS, 2010*

³ Data is not organised by SSA sector. This is because data is not available at a 2-digit (division) level. Therefore, the lists of sectors presented are those used in Regional Accounts.

Table 2.2 shows that GVA contributions in the Real Estate and Facilities Management sector is at its highest in London, which accounts for 28 per cent of the total figure for the sector across England. In contrast GVA is lowest in the North East which accounts for just three per cent of the total across the country.

Table 2.2: GVA by English Region (£m in current basic prices), (2008)⁴

	North East £m	North West £m	Yorkshire & The Humber £m	East Midlands £m	West Midlands £m	East £m	London £m	South East £m	South West £m
Agriculture, hunting, forestry and fishing	303	777	966	996	915	1,387	86	1,168	1,383
Mining and quarrying of energy producing materials	81	90	140	130	82	164	280	270	61
Other mining and quarrying	178	142	156	379	84	132	60	202	442
Manufacturing	6,706	19,336	14,332	13,299	13,974	13,518	13,651	18,084	11,961
Electricity, gas and water supply	979	1,622	1,511	1,952	1,920	1,948	1,823	3,061	2,598
Construction	2,990	8,236	6,266	5,835	6,588	8,946	10,262	12,482	6,643
Wholesale and retail trade (including motor trade)	4,424	14,906	11,348	10,850	12,313	15,933	22,016	24,588	11,522
Hotels and restaurants	1,123	3,527	2,383	2,012	2,905	3,041	7,717	5,063	3,166
Transport, storage and communication	2,668	8,846	6,518	5,866	6,596	9,871	17,509	16,218	6,170
Financial intermediation	2,195	8,356	6,641	3,702	5,260	9,352	48,190	13,828	7,050
Real estate, renting and business activities	7,842	26,072	17,146	16,325	20,405	29,769	74,039	55,440	21,733
Public administration and defence	2,623	5,843	4,753	3,919	4,376	5,634	7,642	10,218	6,267
Education	3,156	8,008	6,302	4,877	6,541	6,725	11,972	10,861	6,036
Health and social work	4,004	10,080	7,552	5,894	7,215	8,201	13,719	11,975	7,696
Other services	1,715	5,174	3,459	3,314	4,583	5,577	18,190	10,551	4,615
All sectors	40,987	121,015	89,473	79,350	93,757	120,198	247,156	194,009	97,343

Source: *Regional Accounts, ONS, 2010*

⁴ Data is not organised by SSA sector. This is because data is not available at a 2-digit (division) level. Therefore, the lists of sectors presented are those used in Regional Accounts.

Table 2.3 shows that the average UK GVA per employee job in the Real Estate and Facilities Management sector is £85,000, which is almost twice the all-economy figure of £46,000.

A key point to note is that the GVA figure for Real estate includes a contribution from owner-occupier imputed rental, reflecting the methodology for the Regional Accounts. This serves to raise the level of GVA per employee substantially and is also probably a factor behind the variations at national level, linked to differences in the rates of owner occupation.

Using GVA figures for Real estate taken from the Annual Business Survey (which exclude owner-occupied imputed rental together with the real estate activities of local government and of private landlords with no employees) the estimated level of GVA per employee job falls to £30,000, somewhat lower than the all-sector average.

The average for the Real Estate and Facilities Management sector masks some significant differences between the sub-sectors. For example, productivity per employee in the services to buildings and landscape sub-sector is typically significantly lower than the sector average figure, while in the real estate activities sub-sector it is significantly higher.

Table 2.3: Estimated workplace gross value added per employee job at current basic prices, 2009

SSA Sector	UK £000s	England £000s	Wales £000s	Scotland £000s	Northern Ireland £000s
Agriculture, forestry and fishing	35	41	11	21	25
Energy production and utilities	131	134	118	127	107
Manufacturing	52	51	49	61	53
Construction, building services, engineering and planning	65	66	54	60	56
Wholesale and retail trade	33	33	27	29	27
Transportation and storage	50	51	44	50	41
Hospitality, tourism and sport	23	23	21	22	20
Information and communication technologies	83	84	72	77	63
Creative media and entertainment	45	49	30	12	38
Financial, insurance & other professional services	86	89	57	69	63
Real estate and facilities management	85	86	103	67	98
Government services	39	40	33	35	40
Education	33	33	32	36	33
Health	27	27	26	25	23
Care	30	30	28	31	26
Not within scope	32	33	27	35	30
All sectors	46	47	38	43	38

Source: UK Commission estimates based on Regional Accounts; Annual Business Survey; Business Register and Employment Survey (BRES). See technical appendix for basis for estimates.

Notes: Figures for Real estate and facilities management sector include contribution from owner-occupier imputed rental. All figures exclude Extra-Regio element. Estimates will tend to overstate the level of GVA per job in those sectors with high levels of self-employment.

The *Working Futures* model (Wilson and Homenidou, 2011) provides historic estimates of productivity (output per job) by sector on a constant price (chained volume measure) basis. This analysis indicates an average rate of productivity growth for the UK Real estate sector⁵ for the first half of the last decade (2000-2005) of 0.4 per cent per annum. In the second half of the decade productivity is estimated to have fallen by an average rate of -1.2 per cent per annum. This compares with an average rate for the wider UK economy of 1.4 per cent for 2000-2005 and 0.7 per for the second half of the decade. According to *Working Futures* the sector's pattern of productivity performance is due to the negative impact of the recession on demand for property services combined with limited scope to adjust the level of labour inputs.

Table 2.4 shows that between 1999 and 2008 the UK GVA figure for the Real Estate and Facilities Management sector increased by £129,850 million (a rise of 75 per cent in current price terms, compared with a rise in the UK as a whole of 56 per cent). UK GVA for the Real Estate and Facilities Management sector between 1999 and 2007 has steadily increased. Between 2007 and 2008, GVA for the sector increased, however the rate of growth was not as significant as in previous years. This is highly likely to be due to the impact of the recession.

⁵ Security activities and services to buildings / landscapes are not included in these figures.

Table 2.4: UK GVA (£m in current basic prices), (1999-2008)⁶

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Agriculture, hunting, forestry and fishing	9,022	8,532	8,333	9,007	9,807	10,670	7,530	7,792	8,632	9,715
Mining and quarrying of energy producing material	2,059	1,998	1,874	1,661	1,456	1,643	2,055	2,297	1,861	2,661
Other mining and quarrying	1,700	1,784	1,750	1,469	1,519	1,848	2,115	2,145	2,291	2,365
Manufacturing	151,157	150,009	149,223	146,308	144,845	145,689	148,110	151,455	154,726	150,298
Electricity, gas and water supply	15,703	15,798	15,660	16,052	16,405	16,106	16,685	20,279	21,884	21,342
Construction	42,236	45,626	50,526	54,684	59,522	66,029	69,868	74,619	80,675	80,756
Wholesale and retail trade (including motor trade)	99,509	103,410	110,249	113,777	120,520	127,367	129,810	135,366	141,735	147,158
Hotels and restaurants	24,146	25,605	26,928	28,639	30,120	31,870	32,902	34,594	35,962	36,428
Transport, storage and communication	64,961	69,201	70,502	73,064	76,587	79,020	80,889	83,655	88,280	91,347
Financial intermediation	48,545	44,989	48,202	63,367	71,530	75,117	79,553	90,807	103,731	116,801
Real estate, renting and business activities	173,329	188,361	204,041	214,849	232,204	248,677	260,116	276,108	296,955	303,179
Public administration and defence	39,891	41,645	43,855	46,212	49,768	53,779	58,229	60,385	61,503	63,281
Education	44,914	48,111	51,675	55,099	58,328	61,934	65,739	68,926	72,766	76,493
Health and social work	51,577	55,282	59,549	64,492	70,593	75,154	79,965	85,965	89,381	93,775
Other services	39,821	42,085	44,560	48,311	51,804	54,947	57,961	60,166	62,824	65,563
All sectors	808,570	842,436	886,927	936,991	995,008	1,049,850	1,091,527	1,154,559	1,223,206	1,261,162

Source: *Regional Accounts*, ONS, 2010

⁶ Data is not organised by SSA sector. This is because data is not available at a 2-digit (division) level. Therefore, the list of sectors presented are those used in Regional Accounts.

Business Start-ups and Closures

The number of business closures in the Real Estate and Facilities Management Sector is 27 per cent higher than the number of start-ups, perhaps reflecting the difficult conditions within which the sector has had to operate⁷.

A similar pattern is seen across the whole economy with closures 18 per cent higher than the number of start-ups. Overall, the Real Estate and Facilities Management sector accounts for five per cent of all start-ups and six per cent of all closures across the UK.

The services to buildings and landscapes sub-sector accounts for a particularly high number of start-ups because barriers to entry within the sub-sector are typically low. However, low profit margins, coupled with challenging economic conditions may also have contributed substantially to the number of closures (Asset Skills 2011^a).

Number and Location of Establishments

Six per cent of all the establishments based in the UK are in the Real Estate and Facilities Management sector⁸. The vast majority of establishments in the UK sector are based in England (87 per cent). Scotland accounts for a further seven per cent of all establishments in the sector, followed by four per cent in Wales and two per cent in Northern Ireland, reflecting the national picture. This is not dissimilar to the split of establishments across all sectors in the UK, with 85 per cent based in England and eight per cent based in Scotland. Wales accounts for four per cent of all establishments while Northern Ireland accounts for the remaining three per cent.

Across the nations, Real Estate and Facilities Management sector establishments account for a higher proportion of all establishments in England (six per cent) than any other nation, while Northern Ireland accounts for the lowest proportion of establishments in the Real Estate and Facilities Management sector (four per cent).

From a spatial perspective, there is a strong correlation between regional concentrations of the Real Estate and Facilities Management sector workforce and concentration of the built environment⁹.

⁷ Data on the number of business start-ups and closures is provided in Tables A3 Annex A.

⁸ Data on the number and location of establishments is provided in Tables A4 Annex A.

⁹ Data on the location of establishments is provided in Table A5 in Annex A.

As a result London accounts for a higher proportion of Real Estate and Facilities Management establishments than other English region (21 per cent). The South East also accounts for a significant proportion of establishments (18 per cent), while the North East only accounts for three per cent.

A similar pattern is seen across the whole economy with London again accounting for the highest proportion of establishments (18 per cent) and the North East accounting for the lowest (three per cent).

The Real Estate and Facilities Management sector accounts for six per cent of the total establishments in every region with the exception of Yorkshire and the Humber, and the East Midlands (where it accounts for five per cent) and London (where it accounts for seven per cent).

The number of establishments within the Real Estate and Facilities Management sector in the UK fell by 17 per cent in the period 2006 to 2010. The reduction in the number of establishments has been even more significant since 2008 (when the figures reached a peak). In the last two years the number of establishments in the Real Estate and Facilities Management sector in UK has fallen by 26 per cent¹⁰.

This reflects the extent to which the Real Estate and Facilities Management sector has been affected by a downturn in the economy. In 2009 the impact of the recession on the sector is clearly visible with a 23 per cent decline in the number of establishments between 2008 and 2009.

The picture across the whole economy over the same period is somewhat different with a two per cent increase occurring since 2006. Figures again reached a peak in 2008; however they have remained relatively stable over the period as a whole.

Size of Establishments in the Real Estate and Facilities Management Sector

The majority of Real Estate and Facilities Management sector establishments are micro-businesses with 62 per cent employing between two and four members of staff, this compares with 52 per cent across the whole economy. In contrast, only one per cent of establishments in the sector employ over 250 staff (Table 2.5).

¹⁰ Data on the location of establishments is provided in Table A6 in Annex A.

Across the whole economy the majority of establishments are small in size (with 74 per cent employing fewer than 10 staff). However, a higher proportion of establishments consist of between 10 and 250 employees (25 per cent) when compared to the Real Estate and Facilities Management sector (17 per cent).

Table 2.5: Size of establishments by sector (UK) (2010)

	2-4	5-9	10-24	25-49	50-250	251+	All
	%	%	%	%	%	%	Number
Agriculture, forestry and fishing	80	14	5	1	0	0	97,910
Energy production and utilities	36	22	20	10	10	2	10,265
Manufacturing	43	22	18	8	8	1	108,050
Construction, building services, engineering and planning	67	18	10	3	2	0	211,710
Wholesale and retail trade	49	27	16	4	3	1	385,760
Transportation and storage	48	20	16	7	8	1	52,620
Hospitality, tourism and sport	42	30	19	6	3	0	198,630
Information and communication technologies	68	15	10	4	3	1	56,710
Creative media and entertainment	66	17	10	4	3	0	62,305
Financial, insurance and other professional services	57	21	14	4	3	1	134,900
Real estate and facilities management	62	21	11	3	3	1	95,270
Government services	34	21	20	10	12	4	41,505
Education	20	14	20	23	21	2	56,740
Health	31	24	25	10	7	2	47,570
Care	26	24	28	13	8	0	75,725
All economy	52	22	15	6	4	1	1,742,370

Source: Inter-departmental Business Register (IDBR), ONS

The proportion of establishments employing more than 250 people is consistently low across all four nations (never rising above one per cent). The proportion of establishments in the Real Estate and Facilities Management sector that employ fewer than 10 staff is at its highest in Wales and Northern Ireland (85 per cent) (Table 2.6).

Table 2.6: Size of establishments within the sector, by nation (2010)

	England		Scotland		Wales		Northern Ireland	
	Number	%	Number	%	Number	%	Number	%
2-4	51,550	62	3,755	56	2,380	66	1,590	70
5-9	17,135	21	1,470	22	670	19	345	15
10-24	8,870	11	925	14	330	9	200	9
25-49	2,365	3	300	4	105	3	65	3
50-250	2,295	3	215	3	95	3	65	3
251+	475	1	45	1	10	0	15	1
Total	82,690	100	6,710	100	3,590	100	2,280	100

Source: Inter-departmental Business Register (IDBR), ONS

Almost three quarters (74 per cent) of all sector establishments across the UK employ fewer than 10 staff. There is little change in this figure across nations - it is at its highest in Wales (76 per cent) and at its lowest in Scotland (72 per cent). Just one per cent of establishments across the UK employ over 250 staff – an identical proportion to the Real Estate and Facilities Management sector.

The proportion of establishments in the Real Estate and Facilities Management sector that are small in size (employing fewer than 10 staff) is generally higher than the proportion seen across all sectors of the economy. This difference is likely to be driven by the real estate activities sub-sector which is typically comprised of a particularly high proportion of small establishments.

There is little difference when comparing the size of establishments across nations. England accounts for 84 per cent of all establishments across the UK – when considering establishments that are small in size (employing less than 10 people) this figure remains at 84 per cent, but rises marginally to 85 per cent when looking at establishments employing over 250 staff.

The fact that the Real Estate and Facilities Management sector is dominated by small companies, means that work based assessment of competence can sometimes be difficult, and can also limit the uptake of training and qualifications generally¹¹.

¹¹Data on the size of establishments by nation for all sectors is provided in Tables A7 and A8 in Annex A.

2.2 Employment

Total employment within the Real Estate and Facilities Management sector in the UK stands at 978,000. The majority of staff (87 per cent) are based in England. The sector accounts for three per cent of employment across the economy in the UK. It also accounts for three per cent of all employment in each of the nations, with the exception of Northern Ireland (where it falls marginally to two per cent) (see Table 2.7).

Table 2.7: Total employment by sector and nation, 2010

	UK		England		Scotland		Wales		Northern Ireland	
	000s	%	000s	%	000s	%	000s	%	000s	%
Agriculture, forestry and fishing	406	100	296	73	51	13	31	8	27	7
Energy production and utilities	473	100	346	73	88	19	25	5	14	3
Manufacturing	2,970	100	2,542	86	199	7	138	5	91	3
Construction, building services, engineering and planning	2,697	100	2,270	84	244	9	113	4	71	3
Wholesale and retail trade	4,140	100	3,471	84	353	9	205	5	112	3
Transportation and storage	1,448	100	1,252	86	117	8	46	3	33	2
Hospitality, tourism and sport	2,046	100	1,704	83	198	10	100	5	44	2
Information and communication technologies	761	100	675	89	56	7	18	2	13	2
Creative media and entertainment	987	100	876	89	65	7	32	3	14	1
Financial, insurance and other professional services	2,001	100	1,768	88	138	7	53	3	41	2
Real estate and facilities management	978	100	848	87	75	8	38	4	18	2
Government services	2,209	100	1,835	83	173	8	111	5	89	4
Education	3,088	100	2,625	85	235	8	154	5	75	2
Health	2,087	100	1,713	82	199	10	111	5	64	3
Care	1,729	100	1,409	81	183	11	97	6	40	2
Whole economy	28,855	100	24,331	84	2,446	8	1,312	5	766	3
Weighted bases	194.448	100	161.501	83	17.022	9	8.693	4	7.232	4

Source: Labour Force Survey 2010, ONS

Table 2.8 shows that the Real Estate and Facilities Management sector accounts for between three per cent and five per cent of total employment across each region. It rises to five per cent in London but falls to three per cent in a number of regions, such as the East Midlands and the North East.

Table 2.9 shows that between 2002 and 2010 total employment within the Real Estate and Facilities Management sector increased by nine per cent.

This was significantly higher than the rise seen across the whole economy in the same period (three per cent). The services to buildings and landscapes sub-sector, is likely to be a major factor behind this difference – it has seen significant expansion in terms of both establishments and employment since 2002. However, despite this difference, the proportion of employment across the whole economy accounted for by the Real Estate and Facilities Management sector has remained consistent over the period (three per cent). Employment figures for the Real Estate and Facilities Management sector reached a peak in 2007 at just over a million – by 2010 they had settled back to a similar level to that which was seen in 2006. Employment across the whole economy followed a similar pattern, reaching a peak in 2008 before falling slightly over the next two years.

Table 2.8: Total employment by sector and English region, % share within region (2010)

	London	South East	East of England	South West	West Midlands	East Midlands	Yorkshire and the Humber	North West	North East
Agriculture, forestry and fishing	*	1	1	3	2	2	1	1	1
Energy production and utilities	1	2	1	2	2	2	1	2	2
Manufacturing	4	9	11	11	14	15	12	12	11
Construction, building services, engineering and planning	9	10	10	9	9	9	9	9	9
Wholesale and retail trade	12	14	14	14	14	16	16	16	15
Transportation and storage	5	5	5	4	5	6	5	5	4
Hospitality, tourism and sport	8	7	6	7	7	7	7	7	7
Information and communication technologies	3	4	3	3	2	2	2	2	2
Creative media and entertainment	8	4	3	3	2	2	2	2	2
Financial, insurance and other professional services	13	8	8	6	6	5	6	6	4
Real estate and facilities management	5	4	3	4	3	3	3	4	3
Government services	8	8	7	7	7	7	8	8	9
Education	10	11	11	11	11	11	11	10	11
Health	6	7	6	7	7	7	8	8	8
Care	5	5	5	6	6	5	6	6	8
Whole economy	100	100	100	100	100	100	100	100	100
Weighted bases	3,726	4,147	2,779	2,515	2,413	2,099	2,382	3,126	1,145
Unweighted bases	18.925	26.614	18.998	17.015	16.534	15.044	17.467	22.418	8.486

Notes: *Sample size too small for reliable estimate

Source: Labour Force Survey 2010, ONS

Table 2.9: Total employment by sector 2002-2010 (UK)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
	000s	000s	000s	000s	000s	000s	000s	000s	000s
Agriculture, forestry and fishing	394	389	396	421	417	422	448	364	406
Energy production and utilities	434	389	407	422	436	479	486	483	473
Manufacturing	4,153	3,870	3,687	3,615	3,562	3,575	3,368	2,915	2,970
Construction, building services, engineering and planning	2,223	2,333	2,434	2,500	2,560	2,615	2,639	2,875	2,697
Wholesale and retail trade	4,368	4,545	4,536	4,489	4,404	4,349	4,446	4,143	4,140
Transportation and storage	1,486	1,485	1,461	1,511	1,501	1,490	1,517	1,489	1,448
Hospitality, tourism and sport	1,718	1,720	1,730	1,714	1,773	1,807	1,799	1,991	2,046
Information and communication technologies	813	813	839	832	835	851	871	784	761
Creative media and entertainment	1,102	1,139	1,108	1,111	1,138	1,142	1,156	975	987
Financial, insurance and other professional services	1,671	1,662	1,623	1,677	1,696	1,744	1,735	2,038	2,001
Real estate and facilities management	898	869	924	946	984	1,036	1,028	948	978
Government services	2,115	2,166	2,194	2,251	2,282	2,285	2,323	2,265	2,209
Education	2,295	2,414	2,543	2,580	2,642	2,636	2,664	2,939	3,088
Health	1,811	1,881	1,980	2,048	2,079	2,033	2,118	2,038	2,087
Care	1,288	1,338	1,408	1,456	1,479	1,446	1,506	1,721	1,729
Whole economy	27,908	28,172	28,456	28,740	28,987	29,164	29,382	28,811	28,855
Unweighted bases	247.273	238.005	230.951	227.794	222.196	221.046	217.000	203.221	194.448

Source: Labour Force Survey 2010, ONS

3. The workforce

Chapter Summary

- The proportion of the Real Estate and Facilities Management workforce employed on a part-time basis (35 per cent) or self-employed (23 per cent) is significantly higher than across the UK economy as a whole (27 per cent and 14 per cent respectively).
- The proportion of part-time staff and self-employed workers can have significant implications for skills and development. Part-time working can be a barrier to training for example, while evidence suggests that self-employed workers do not tend to engage in training and education in the same way as company employees, leading to widening skills gaps between the two groups.
- The Real Estate and Facilities Management sector is characterised by an ageing workforce. Evidence suggests that this issue has become more prominent over time – in 2002 the proportion of staff in the sector aged over 44 stood at 39 per cent - by 2010 this had risen to 48 per cent.
- An ageing workforce brings with it a number of implications for businesses around flexible working and training for example, and the need to attract younger staff has also become particularly significant.
- Compared with the UK workforce, the Real Estate and Facilities Management sector has a high proportion of employees classed as Black, Asian and Minority Ethnic (BAME) (13 per cent), compared with nine per cent across the whole economy.
- The overall occupational distribution within the Real Estate and Facilities Management sector is polarised, with 42 per cent of employment within elementary occupations and 17 per cent of staff employed as managers and senior officials.
- Cleaners and domestics account for the highest proportion of staff (24 per cent) within the Real Estate and Facilities Management sector (more than double the number of any other single occupation).

This chapter of the report sets out the major characteristics of existing employment within the Real Estate and Facilities Management sector. It briefly reviews:

- the working patterns which are prevalent in the sector;
- the characteristics of those currently working in the sector; and
- the occupations people in the sector work in.

3.1 Working patterns

This section examines the working patterns, including the nature of full and part-time employment, employment status and permanent and temporary employment within the Real Estate and Facilities Management sector.

Working hours

Table 3.1 indicates that the majority of Real Estate and Facilities Management employees (66 per cent) are employed on a full-time basis compared to 73 per cent across the whole economy.

The proportion of staff employed on a part-time basis in the sector (35 per cent) is significantly higher than the whole economy average (27 per cent). This is largely due to the high number of part-time workers employed in the services to buildings and landscapes sub-sector. The predominance of part-time employment can pose significant barriers for the provision of training and development within the sector. For example, employers are more unwilling to train part-time staff, and there is evidence that part-time workers are less motivated to undertake additional training or qualifications (Asset Skills, 2011^a).

35 per cent of employees in the sector in England are employed on a part-time basis, with the same proportion of employees in Wales also employed part-time. The proportion of part-time employees in Scotland is the same as the whole economy average (27 per cent)¹².

¹² Data on working hours by sector and nation is provided in Table A9 in Annex A

Table 3.1: Working hours by sector, 2010 (UK)

	Full-time 000s	Part-time 000s	Full-time %	Part-time %	Weighted base 000s	Unweighted base 000s
Agriculture, forestry and fishing	326	79	80	19	406	2.976
Energy production and utilities	435	38	92	8	473	3.244
Manufacturing	2,688	281	91	9	2,969	20.400
Construction, building services, engineering and planning	2,435	260	90	11	2,695	17.917
Wholesale and retail trade	2,549	1,590	62	39	4,139	27.571
Transportation and storage	1,218	229	84	16	1,447	9.729
Hospitality, tourism and sport	1,127	920	55	44	2,046	13.183
Information and communication	682	79	90	10	761	4.875
Creative media and entertainment	737	249	75	25	986	6.186
Financial, insurance and other professional services	1,623	377	81	18	2,001	12.804
Real estate and facilities management	643	334	66	35	977	6.561
Government services	1,800	408	82	19	2,208	15.098
Education	1,872	1,215	61	40	3,087	21.537
Health	1,344	742	64	34	2,086	14.742
Care	1,056	672	61	37	1,728	12.001
Whole economy	21,083	7,760	73	27	28,843	194.363

Source: Labour Force Survey 2010, ONS

Table 3.2: Employment status by sector, 2010 (UK)

	Employee 000s	Self- employed 000s	Employee %	Self- employed %	Weighted base 000s	Unweighted base 000s
Agriculture, forestry and fishing	189	202	47	50	405	2.973
Energy production and utilities	446	25	95	5	472	3.240
Manufacturing	2,776	184	94	6	2,968	20.397
Construction, building services, engineering and planning	1,716	964	64	36	2,692	17.897
Wholesale and retail trade	3,731	390	90	9	4,133	27.534
Transportation and storage	1,194	250	83	17	1,447	9.729
Hospitality, tourism and sport	1,817	219	89	11	2,044	13.168
Information and communication technologies	635	124	84	16	761	4.871
Creative media and entertainment	672	310	68	31	987	6.191
Financial, insurance and other professional services	1,706	291	85	15	2,001	12.804
Real estate and facilities management	744	229	76	23	977	6.561
Government services	2,145	58	97	3	2,207	15.091
Education	2,891	188	94	6	3,082	21.507
Health	1,928	155	92	7	2,085	14.740
Care	1,577	140	92	8	1,723	11.971
Whole economy	24,774	3,952	86	14	28,817	194.200

Source: Labour Force Survey 2010, ONS

Employment status

According to recent research, there has been a significant rise in self-employment across the UK economy. Currently almost four million people are self-employed (14 per cent), compared to 12 per cent in 2002.

Just under a quarter (23 per cent) of the Real Estate and Facilities Management sector workforce is self-employed; this is nine percentage points higher than the whole UK economy average of 14 per cent.

There is evidence to suggest that self-employed workers do not tend to engage in training and achieve qualifications in the same way as company employees. Compared with employees, the self-employed are only half as likely to participate in work-related training or education. This raises an important question about whether, over time, this lower level of work-related training leads to a widening skills gap between employees and the self-employed, as the latter fail to update and develop their skills and competences (UKCES, 2011).

Furthermore, in areas with extensive self-employment it is often very difficult to find employers who are willing to up-skill workers due to the costs associated with on-site supervision, mentoring work-based practice and assessing competence on the job (West Midlands Regional Observatory, 2007).

Across the nations, England accounts for the highest proportion of the Real Estate and Facilities Management workforce classed as self-employed (24 per cent); this is one percentage point higher than the UK sector average of 23 per cent and 10 percentage points higher than the whole economy average for England (14 per cent).

Wales has the second highest proportion of the sector workforce classed as self-employed (21 per cent); this is lower than the UK sector average (23 per cent) and seven percentage points higher than the whole economy average for Wales (14 per cent). Only 15 per cent of the Scottish Real Estate and Facilities Management workforce is self-employed (eight percentage points lower than the UK sector average); however, this is four percentage points higher than the whole economy average for Scotland (11 per cent)¹³.

¹³ Data on employment status by sector and nation is provided in Table A10 in Annex A

Permanent and temporary employees

Table 3.3 indicates that the majority of the Real Estate and Facilities Management sector workforce (95 per cent) is employed on a permanent basis; this is marginally higher than the whole economy average of 94 per cent.

There are 39,000 employees in the Real Estate and Facilities Management sector employed on a temporary basis; this accounts for three percent of the temporary workforce across the whole UK economy.

Table 3.3: Permanent and temporary employees by sector, 2010 (UK)

	Permanent 000s	Temporary 000s	Permanent %	Temporary %	Weighted base 000s	Unweighted base 000s
Agriculture, forestry and fishing	181	8	96	4	189	1.306
Energy production and utilities	430	16	96	4	446	3.060
Manufacturing	2,652	123	96	4	2,775	18.984
Construction, building services, engineering and planning	1,648	66	96	4	1,714	11.317
Wholesale and retail trade	3,573	156	96	4	3,728	24.614
Transportation and storage	1,132	62	95	5	1,194	7.970
Hospitality, tourism and sport	1,631	183	90	10	1,814	11.563
Information and communication technologies	612	22	97	3	635	4.048
Creative media and entertainment	615	56	92	8	671	4.181
Financial, insurance and other professional services	1,651	55	97	3	1,706	10.835
Real estate and facilities management	704	39	95	5	743	4.957
Government services	2,028	117	95	5	2,145	14.642
Education	2,563	327	89	11	2,890	20.195
Health	1,825	103	95	5	1,928	13.639
Care	1,474	103	93	7	1,576	10.953
Whole economy	23,247	1,513	94	6	24,760	166.200

Source: Labour Force Survey 2010, ONS

3.2 Workforce characteristics

This section examines the gender, age and ethnic profile of the Real Estate and Facilities Management workforce.

Gender distribution

There has been an increase in female participation in the labour market over the last decade, increasing by five percent between 2002 and 2005. Table 3.4 and Table 3.5 show the gender distribution of the Real Estate and Facilities Management sector workforce compared to the whole economy across the UK.

Table 3.4: Employment within sector by gender and nation (2010)

	Male	Female	Total	Male	Female	Total	Unweighted base
	000s	000s	000s	%	%	%	000s
UK	561	417	978	57	43	100	6.565
England	486	361	848	57	43	100	5.626
Scotland	45	30	75	60	40	100	0.520
Wales	18	19	38	49	51	100	0.254
Northern Ireland	12	6	18	65	35	100	0.165

Source: Labour Force Survey 2010, ONS

The majority of the UK Real Estate and Facilities Management sector is male (57 per cent); this is slightly higher than the whole UK economy average of 54 per cent (shown in Table 3.5).

However, this figure masks some significant differences across the Real Estate and Facilities Management sector – while the majority of staff employed within the facilities management, property and security sub-sectors are male, there is also a high proportion of female employment within housing organisations and cleaning companies.

The proportion of male employment in the Real Estate and Facilities Management sector is higher than the all economy average across every nation with the exception of Wales. Differences are particularly marked in Scotland and Northern Ireland.

Table 3.5: Employment by gender and nation, all economy (2010)

	Male	Female	Total	Male	Female	Total	Unweighted base
	000s	000s	000s	%	%	%	000s
UK	15,439	13,416	28,855	54	46	100	194.448
England	13,081	11,250	24,331	54	46	100	161.501
Scotland	1,257	1,189	2,446	51	49	100	17.022
Wales	692	620	1,312	53	47	100	8.693
Northern Ireland	409	358	766	53	47	100	7.232

Source: Labour Force Survey 2010, ONS

Table 3.6 indicates that the occupations accounting for the highest proportion of male employment in the Real Estate and Facilities Management sector are:

- Process, plant and machine operative occupations (96 per cent compared to 88 per cent across the whole UK economy);
- Skilled trade occupations (88 per cent compared to 92 per cent across the whole UK economy); and
- Professional occupations (72 per cent compared to 56 per cent across the whole UK economy).

The occupations that account for the highest proportion of female employment in the Real Estate and Facilities Management sector are:

- Administrative and secretarial occupations (86 per cent compared to 78 per cent across the whole UK economy); and
- Sales and customer service occupations (64 per cent compared to 66 per cent across the whole UK economy).

Table 3.6: Gender profile by broad occupational group, UK

	Real estate and facilities management			All economy		
	Male	Female	Total	Male	Female	Total
	%	%	000s	%	%	000s
Managers and senior officials	59	41	165	65	35	4,455
Professional occupations	72	28	25	56	44	4,028
Associate professional and technical	49	51	81	50	50	4,265
Administrative and secretarial	14	86	85	22	78	3,181
Skilled trade occupations	88	12	131	92	8	3,061
Personal service occupations	57	43	26	16	84	2,544
Sales and customer service occupations	36	64	33	34	66	2,146
Process, plant and machine operatives	96	*	17	88	12	1,907
Elementary occupations	57	43	414	55	45	3,257
All occupations	57	43	978	54	46	28,842

Source: Labour Force Survey 2010, ONS

Notes: *Sample size too small for reliable estimates

Age profile of the Real Estate and Facilities Management sector

Table 3.7 indicates that the Real Estate and Facilities Management sector is characterised by an ageing workforce with 48 per cent of employees aged 45 years or over. This is unsurprising given that the services to buildings and landscapes sub-sector typically employs a higher than average proportion of older staff. This brings with it a number of implications for employers in the sector – particularly around utilising the skills of older workers through the implementation of flexible working strategies and introduction of new technologies. It is increasingly important to attract younger workers to the sector through the development and delivery of qualifications, particularly within the services to buildings and landscapes sub-sector.

Table 3.7: Age profile of the sector workforce (by nation)

	UK		England		Scotland		Wales		Northern Ireland	
	000s	%	000s	%	000s	%	000s	%	000s	%
Under 25	100	10	88	10	7	9	4	10	1	5
25-34	184	19	153	18	18	24	8	22	4	23
35-44	224	23	196	23	15	20	9	23	5	30
45-59	343	35	299	35	25	34	12	32	6	35
60+	127	13	111	13	10	13	5	12	1	7
Total	978	100	848	100	75	100	38	100	18	100
Unweighted base	6.565		5.626		0.520		0.254		0.165	

Source: Labour Force Survey 2010, ONS

Table 3.8 indicates that 46 per cent of employees across the whole UK economy are aged between 25 and 44, while an additional 41 per cent of the workforce is aged 45 or over (compared to 48 per cent across the Real Estate and Facilities Management sector).

Table 3.8: Age profile of the workforce (by nation), whole economy

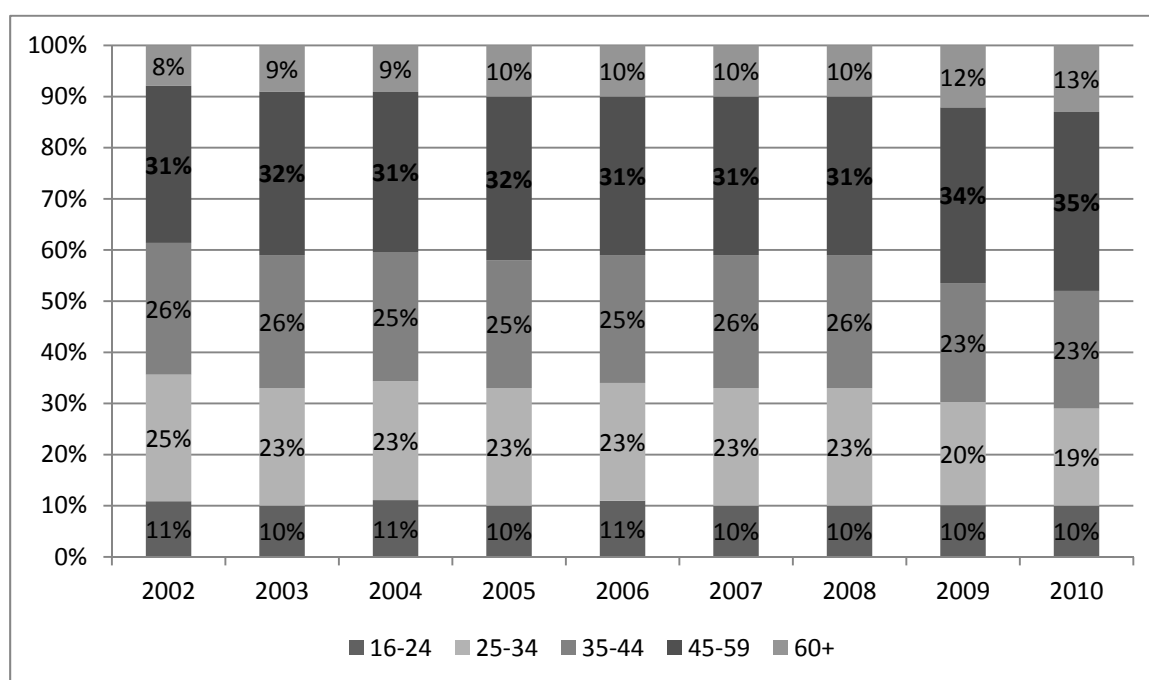
	UK		England		Scotland		Wales		Northern Ireland	
	000s	%	000s	%	000s	%	000s	%	000s	%
16-18	673	2	569	2	58	2	35	3	10	1
19-24	3,037	11	2,541	10	274	11	136	10	85	11
25-34	6,324	22	5,365	22	500	20	267	20	192	25
35-44	7,029	24	5,932	24	589	24	311	24	197	26
45-59	9,331	32	7,826	32	834	34	434	33	236	31
60-64	1,631	6	1,394	6	129	5	79	6	30	4
65+	831	3	702	3	62	3	49	4	17	2
Total	28,855	100	24,331	100	2,446	100	1,312	100	766	100
Unweighted base	194.448		161,501		17.022		8.693		7.232	

Source: Labour Force Survey 2010, ONS

The proportion of the UK workforce aged 45 or over increased from 36 per cent in 2002 to 41 per cent in 2010. Whilst significant, this increase was not as marked as the one seen across the Real Estate and Facilities Management sector in the same period¹⁴.

Figure 3.1 illustrates how the issue of an ageing workforce has become more acute within the Real Estate and Facilities Management sector over time. Between 2002 and 2010 the proportion of staff within the sector aged 45 or over has risen from 39 per cent to 48 per cent. In the same period, the proportion of staff aged under-25 has fallen from 11 per cent to 10 per cent. It is possible that the expansion of the services to buildings and landscapes sub-sector (which typically employs a high proportion of older workers) may be a reason for this change.

¹⁴ Data on the age profile of the workforce of the whole UK economy between 2002 and 2010 is available in Table A11 in Annex A.

Figure 3.1: Age profile of the sector workforce 2002-2010 (UK)¹⁵

Source: Labour Force Survey 2010, ONS

Ethnicity of the Real Estate and Facilities Management sector workforce

The workforce across all UK sectors is predominantly white (91 per cent). The English workforce accounts for the highest proportion of Black, Asian and Minority Ethnic (BAME) employees (11 per cent); this is two per cent higher than the whole UK economy average of nine per cent¹⁶.

Black, Asian and Minority Ethnic employees account for three per cent of the workforce across the whole economy in Scotland, with the same proportion of the workforce classed as Black, Asian and Minority Ethnic in Wales. This is six per cent lower than the whole UK economy average (nine per cent). In contrast, only two per cent of the workforce in Northern Ireland is classed as Black, Asian and Minority Ethnic – seven per cent lower than the whole UK economy average.

87 per cent of Real Estate and Facilities Management sector employees are classed as white, while the remaining 13 per cent of employees are classified as Black, Asian and Minority Ethnicity; this is equivalent to 125,000 employees and is higher than the whole UK economy average for Black, Asian and Minority Ethnic employees across the sector, (nine per cent)¹⁷.

¹⁵ Data on the age profile of the sector workforce between 2002 and 2010 is available in Table A12 in Annex A.

¹⁶ Data on the ethnicity of the UK workforce is available in Table A13 in Annex A.

¹⁷ Data on the ethnicity the sector workforce is available in Table A14 in Annex A.

Employment by country of birth

87 per cent of employees in the UK were born in one of the four UK nations, while an additional five per cent were born in Europe and nine per cent were born outside the European Union. Across the UK nations, Wales employs the highest proportion of UK born staff (94 per cent) followed by Scotland with 93 per cent and Northern Ireland with 92 per cent¹⁸. The employment profile for England is almost identical to the UK average. Employers in England employ the highest proportion of staff born outside the UK (14 per cent) compared to seven per cent in Scotland, Wales and Northern Ireland.

The proportion of staff within the Real Estate and Facilities Management sector born outside the UK is likely to be driven, at least in part, by the services to buildings and landscapes sub-sector. Employers in this sector often employ migrant workers to fill vacancies and address the challenges of high levels of staff turnover (see Section 5.4.2).

83 per cent of the UK Real Estate and Facilities Management sector workforce were born in the UK compared to 87 per cent across the whole UK economy.

¹⁸ Data on employment by country of birth is available in Tables 5.29 and A15 in Annex A.

3.3 The jobs people do

Table 3.9 indicates that the overall occupational distribution within the Real Estate and Facilities Management sector is polarised, with 42 per cent of employment within elementary occupations (compared to 11 per cent across all UK sectors) and 17 per cent of employment as managers and senior officials.

As a consequence the Real Estate and Facilities Management sector is under-represented in a number of occupational areas compared to the UK economy as a whole:

- Professional occupations (three per cent compared to 14 per cent in the UK); and
- Associate professionals and technicians (eight per cent compared to 15 per cent).

The higher proportion of staff classed as managers and senior officials in the Real Estate and Facilities Management sector is largely driven by the real estate activities sub-sector which has a high proportion of employees within these roles – this offsets the impact of the services to buildings and landscapes sub-sector, where the proportion is far lower.

Table 3.9: Employment by occupation and sector, 2010 (UK)

	Real estate & facilities management		All economy	
	000s	%	000s	%
Managers and senior officials	165	17	4,455	15
Professional occupations	25	3	4,028	14
Associate professional and technicians	81	8	4,265	15
Administrative and secretarial	85	9	3,181	11
Skilled trade occupations	131	13	3,061	11
Personal service occupations	26	3	2,544	9
Sales and customer service occupations	33	3	2,146	7
Process, plant and machine operatives	17	2	1,907	7
Elementary occupations	414	42	3,257	11
All occupations	978	100	28,842	100
Unweighted base	6.563		194.372	

Source: Labour Force Survey 2010, ONS

The high proportion of staff within elementary occupations is largely driven by the services to buildings and landscapes sub-sector which has a particularly high proportion of staff working within elementary roles.

The proportion of staff working within this area is substantially higher than the all economy average, and, as a result, the proportion of staff employed in every other occupational group within the sector (with the exception of managers and senior officials, and skilled trade occupations) is lower than the all economy average.

The figures in Table 3.10 show that, England accounts for highest number of staff across each of the occupation groups, however the occupational split of the workforce is relatively similar across each of the nations.

Within England, the proportion of staff classed as managers and senior officials is higher than in any other nation, while the same is true of skilled trade occupations in Northern Ireland. There is little variation from the UK average across nations although some differences are seen when comparing UK figures with those seen in Northern Ireland.

Table 3.10: Employment by occupation, all sectors, 2010 (UK)

	UK		England		Scotland		Wales		Northern Ireland	
	000s	%	000s	%	000s	%	000s	%	000s	%
Managers and senior officials	4,455	15	3,866	16	331	14	173	13	85	11
Professional occupations	4,028	14	3,454	14	299	12	176	13	100	13
Associate professional and technicians	4,265	15	3,638	15	353	14	186	14	88	12
Administrative and secretarial	3,181	11	2,670	11	270	11	135	10	106	14
Skilled trade occupations	3,061	11	2,502	10	285	12	149	11	125	16
Personal service occupations	2,544	9	2,123	9	226	9	131	10	64	8
Sales and customer service occupations	2,146	7	1,772	7	209	9	111	8	54	7
Process, plant and machine operatives	1,907	7	1,570	6	174	7	99	8	63	8
Elementary occupations	3,257	11	2,724	11	300	12	153	12	81	11
All occupations	28,842	100	24,319	100	2,446	100	1,311	100	765	100
Unweighted base	194.372		161.438		17.020		8.690		7.224	

Source: Labour Force Survey 2010, ONS

Table 3.11 indicates that cleaners and domestics account for the highest proportion of staff (24 per cent) within the Real Estate and Facilities Management sector (more than double the number of any other single occupation). The impact of this on the sector as a whole is seen in other areas – such as the high proportion of staff employed within elementary occupations.

Other significant occupations within the Real Estate and Facilities Management sector are spread across a variety of sub-sectors; for example, 12 per cent of staff are employed as security guards or in related occupations, while 10 per cent of staff are employed as gardeners and grounds (wo)men.

In contrast, the occupational groups for chartered surveyors (one per cent), office managers (one per cent) and personal assistants (one per cent) account for the lowest proportions of the Real Estate and Facilities Management sector workforce.

Table 3.11: Largest occupational groups within sector, UK (2010)

Rank	Occupation	000s	% of workforce
1	Cleaners, domestics	232	24
2	Security guards and related occupations	115	12
3	Gardeners and grounds(wo)men	100	10
4	Property, housing and land managers	61	6
5	Estates agents, auctioneers	30	3
6	General office assistants or clerks	28	3
7	Window cleaners	25	3
8	Managers and prop. in other services n.e.c	23	2
9	Sales related occupations n.e.c	22	2
10	Accounts wages clerk, bookkeeper	18	2
11	Housing and welfare offices	18	2
12	Marketing and sales manager	16	2
13	Personal assistants and other secretaries	13	1
14	Office managers	11	1
15	Chartered surveyors (not quantity surveyors)	9	1
	Other occupations	258	26
	Total workforce	978	100
	Unweighted base (000s)	6.563	

Source: Labour Force Survey 2010, ONS

A number of the most prominent occupations within the Real Estate and Facilities Management sector are also present within the most prominent occupations across the whole economy – such as general office assistants or clerks and cleaners/domestics¹⁹.

¹⁹ Data on largest occupational groups in the UK is available in Table A17 in Annex A.

4. Demand for, and value of, skills

Chapter Summary

- A range of skills are important and of significant value across the sector. With many businesses experiencing significant change, skills around change management and management and leadership have been identified as important.
- The proportion of staff in the sector with no qualifications or a qualification at Level 1 would appear to be an area of some concern, not only because of how high this proportion is (38 per cent), but also because it has increased significantly since 2002 (from 25 per cent). This is in contrast to the whole economy which has seen the proportion of staff within this category fall from 30 per cent to 23 per cent.
- It is possible that this trend has been influenced by a lack of emphasis on training in the sector – the proportion of staff in the sector that reported receiving training in the last 13 weeks fell from 27 per cent in 2002 to 16 per cent in 2010.
- There is also some evidence to suggest that there is currently a lack of value attached to qualifications in certain areas of the sector – for example, the proportion of managers and professionals in the sector that do not hold a qualification at Level 4 increased significantly between 2002 and 2010 (from 41 per cent to 58 per cent).
- The green agenda has emerged as important to a significant number of employers in the sector and research has identified that there is a need for training, particularly for support staff, in this area.
- There is a demand for a range of skills within the sector, however some evidence suggests that training is down – this may be as a result of barriers such as cost and a lack of time which have been heightened by the current economic climate. When considering the proportion of employees that have received training in the last 13 weeks a particular drop is seen from 2008 for example.

This chapter of the report discusses the demand for, use of and value of skills. It reviews:

- the nature of the skills used in the sector, and within occupations, in terms of the balance between basic skills, intermediate skills and higher skills and the type of skills, for example, specific or generic;

- the specific skills that are required across the Real Estate and Facilities Management sector and in different occupations;
- the extent to which employers within the Real Estate and Facilities Management sector invest in developing the skills of their workforce; and
- the extent to which employers within the Real Estate and Facilities Management sector effectively utilise the skills of their workforce.

4.1 Nature of skills used

This section discusses the nature of the skills used in the Real Estate and Facilities Management sector, and within occupations. It explores the balance between different types of skills including: basic skills; employability skills; intermediate and higher level skills.

The nature of skills used by employees within the Real Estate and Facilities Management sector is often dependent upon the occupation within which they are based. In the case of managers and senior officials (which make up a significant proportion of the real estate activities sub-sector) higher level skills such as management and leadership are particularly important. Whilst within elementary occupations (of which there is a significant proportion within the services to buildings and landscapes sub-sector), there is more of a focus on employability skills and basic skills. However, despite these differences there are also a number of similarities across occupational groups in terms of the skills used. Basic skills and employability skills have an important role to play across all occupational groups for example, with skills around team working and problem solving providing a foundation for higher level skills.

Qualifications can be an indicator of the skills used within an occupation. In the case of elementary roles for example (such as a cleaners) staff are likely to be required simply to perform their role, either on their own or as part of team, meaning that the nature of the skills they will need to use is not likely to be that complex and, as a result, no more than a Level 1 qualification is typically required. However, in the case of professional occupations (such as energy assessors or advisors), their role may involve helping to meet low carbon targets or other wider goals which, in turn, requires a more complex set of skills and a greater depth of knowledge. In such instances the minimum level of qualifications typically required rises to at least Level 3.

Evidence suggests that the nature of the skills used by employees in the Real Estate and Facilities Management sector are reflected in the areas in which employers are investing. For example, 62 per cent of services to buildings and landscape sub-sector employers and 60 per cent of real estate activities sub-sector employers that took part in recent Asset Skills research claimed to have invested in management and leadership training during the last six months (Asset Skills, 2011^{a-d}). High levels of investment in technical training were also reported – unsurprising given the fact that technical skills are important across all occupations within the Real Estate and Facilities Management sector (see Section 4.1.7).

Table 4.1: Nature of Skills Used ²⁰

Broad occupational group	Sector occupations	Predominate level of skills required	Predominate type of skill required	Minimum qualification level typically required
Managers and Senior Officials	Facility Managers; Property, Housing and Land Managers; Security Managers	Higher skills, intermediate and basic skills	Management and leadership; job specific technical and practical skills; team working; communication; problem solving	Level 4+
Professionals and Associate Professionals	Chartered Surveyors; Information Security Specialists; Housing Officers; Security Consultants; Estate Agents; Letting Agents; Energy Assessors; Energy Advisors	Intermediate skills, basic skills, and employability skills	Management and leadership; communication; problem solving; job specific technical skills; legislative and regulatory knowledge	Level 3/4+
Administrative and Secretarial	Administrators; Administrative Assistants	Employability skills, and basic skills	Office administrative skills; general IT user skills; customer handling; and communication	Level 2
Elementary Occupations	Cleaners; Domestics; Window Cleaners; Door Supervisors; Security Guards	Employability skills, and basic skills	Job specific technical and practical skills; team working; customer handling; communication; problem solving; ESOL	Level 1

²⁰ The following broad occupational groups have been omitted from this analysis, due to their lack of representation within the Asset Skills footprint: personal service occupations (three per cent); sales and customer service occupations (four per cent); and process, plant and machine operatives (one per cent)

4.1.1 Higher level skills

Higher level skills are skills usually acquired through the completion of qualifications at Level 4 and above, together with the development of a range of professional skills acquired through experience in a particular profession. Higher level skills have an important role to play within the Real Estate and Facilities Management sector because they can be a fundamental requirement for anyone looking to enter a particular profession (such as surveying). Whilst there is some evidence of higher level skills throughout the sector they are generally more prominent within sub-sectors which account for a higher number of professional occupations (such as real estate activities).

Within a number of roles within the Real Estate and Facilities Management sector it is important that tasks are carried out accurately and consistently – data and information collected in a surveyors report or as part of an energy assessment for example, needs to be accurate and requires a significant amount of specialist knowledge, making higher level skills important. In a broader context, higher level skills can benefit productivity and profitability, while also bringing a perception of professionalism to a sector which can help to attract high quality, well qualified staff in future.

4.1.2 Intermediate skills

Intermediate skills play an important role across all areas within the Real Estate and Facilities Management sector (Asset Skills, 2011^{a-d}; Worcester Research and Skills for Security, 2012). A significant proportion of staff across the sector require intermediate skills in order to perform their jobs effectively. The specific nature of these skills can vary from cleaning skills or waste management skills (in the case of cleaners for example), to marketing or sales skills (in the case of estate agents for example). Higher level intermediate skills may involve supervising a team or training a team member (Worcester Research and Skills for Security, 2012). The intermediate skills required in these instances would expand beyond technical skills to areas such as communication (providing instructions and feedback for example).

Other intermediate skills that play an important role in the sector include skills and knowledge around sustainability (Asset Skills, 2011^e). Ensuring that the ways in which they work minimises any negative impact on the environment is a key requirement of staff across the sector. Customer service skills are also a valuable skill for employers since ensuring that the demands of customers are met and that the service delivered is of a high standard is a

key part of securing competitive advantage for businesses across the sector which are having to operate in an increasingly competitive environment.

4.1.3 Basic skills

The term basic skills refers to skills around literacy, numeracy and ICT. These skills are important across all roles within the sector; however, they make up a particularly high proportion of the skill requirements within elementary roles. Reading skills are required by staff within cleaning roles to ensure the effective use of equipment and following of health and safety procedures, whilst numeracy skills are important in the safe use of chemicals. Written communication skills are also important, not only in elementary positions, but also in more advanced roles within the sector when it comes to tasks such as report writing.

Not all employers have been willing to invest in training in this area in the past with the benefits not always obvious. However, a significant proportion of employers that took part in recent Asset Skills research claimed to have invested in this area in the last six months (a third of all cleaning employers and 60 per cent of housing employers) (Asset Skills, 2011^{a,c}). Of specific note is the relatively low proportion of cleaning employers who claim to have provided basic skills training to their staff, this is largely due to the low staff retention rates and low margins within the sector.

4.1.4 Employability skills

The term employability skills broadly refers to a range of skills that enable an individual to obtain employment and develop within that employment. Skills around communication, problem solving and team working typically fall within the employability spectrum. Skills within this area are vital to employers across the sector – for example, team working skills may play a particularly important role in the real estate activities sub-sector where staff must build relationships and work with individuals across a range of organisations. Strong communication skills (both written and oral) are important across all occupations in the sector (from elementary to managerial) as they aid effective team working within an organisation, and are also important in providing high levels of customer service (Asset Skills 2011^f).

Staff with problem solving skills can be particularly beneficial to employers as businesses within the sector search for solutions to a range of problems, such as how to deal with reductions in funding, or how to meet increasing customer demands with limited resources. Staff with the skills to bring innovative solutions to such problems, are vital to the sustainability of businesses across the Real Estate and Facilities Management sector.

4.1.5 Management and Leadership

Management and leadership skills are playing an increasingly important role in the Real Estate and Facilities Management sector. Strong management and leadership skills are helping businesses across the sector effectively meet the challenges facing them, whether these challenges are to continue to work efficiently and remain profitable (in the case of property or cleaning) or provide a high level of service with fewer resources (in the case of housing).

Management and leadership skills have become increasingly important as the Real Estate and Facilities Management sector looks to adapt and change as a result of a number of factors – such as tough economic conditions, changing customer demands, and the impact of legislation and regulation. These drivers of change can often require an innovative approach with the ability to problem solve – a feature of strong management and leadership. A lack of management and leadership skills may result in businesses failing to adapt in the way they need to by not effectively utilising the skills of their staff which, ultimately, may lead to a fall in productivity and profitability (see Section 5.3 Extent of Under-employment).

Management and leadership skills are also needed to help implement effective working practices which will help deal with some of the wider issues facing the sector. For example, effective recruitment procedures may help to reduce high levels of staff turnover (common in the cleaning sector) or to attract younger staff to the industry to combat an ageing workforce (in the case of facilities management). Once staff are recruited, effective management and leadership may also see the implementation of other high performance working practices which help to make the most of the skills of staff.

The importance of management and leadership skills is seen in the proportion of employers across the Real Estate and Facilities Management sector that have chosen to invest in training in this area in recent times. 60 per cent of employers within the real estate activities sub-sector claimed to have invested in management and leadership training in the last six months; this proportion rose to 62 per cent of employers within the services to buildings and landscapes sub-sector (Asset Skills, 2011^{a-d}).

Nationally, investment in this area across the sector is at its highest in England and Wales with 64 per cent of employers in both nations stating that they have invested in management and leadership training in the last six months (this falls to 56 per cent in Northern Ireland and 51 per cent in Scotland).

The proportion of managers and professionals without a qualification at Level 4 or above stands at 58 per cent in the Real Estate and Facilities Management sector. This proportion rises to 59 per cent in England and 63 per cent in Scotland. In some professions (such as surveying) an absence of qualifications to this level may signify that staff are unlikely to possess all the skills they require within their role.

Table 4.2: Managers and professionals without Level 4 or higher qualifications (% of all managers and professionals)

	UK	England	Scotland	Wales	Northern Ireland
	%	%	%	%	%
Agriculture, forestry and fishing	45	43	*	*	*
Energy production and utilities	49	51	41	*	*
Manufacturing	51	51	51	59	35
Construction, building services, engineering and planning	50	51	41	40	*
Wholesale and retail trade	64	64	67	60	50
Transportation and storage	61	59	67	*	*
Hospitality, tourism and sport	66	66	61	70	*
Information and communication technologies	40	40	37	*	*
Creative media and entertainment	38	38	*	*	*
Financial, insurance and other professional services	36	36	38	35	*
Real estate and facilities management	58	59	63	*	*
Government services	31	32	36	29	*
Education	10	11	8	*	*
Health	15	15	*	*	*
Care	30	30	33	*	*
All economy	39	39	37	36	27

Notes: *Sample size too small for reliable estimates

Source: Labour Force Survey, 2010, ONS

Table 4.3 and Table 4.4 compare the changes in the proportions of managers and professionals without qualifications at Level 4 or above within the Real Estate and Facilities Management sector, and across the whole UK economy between 2002 and 2010.

Table 4.3: Managers and professionals without Level 4 or higher qualifications, Real Estate and Facilities Management, 2002-2010 (UK)

		2002	2003	2004	2005	2006	2007	2008	2009	2010
Managers or professionals without Level 4 or higher qualifications	000s	130	131	103	127	146	149	160	106	111
	%	41	42	31	37	39	38	41	58	58
Weighted base (number of managers and professionals)	000s	319	312	331	346	372	389	390	182	190

Source: Labour Force Survey, 2010, ONS

It is evident that the proportion of managers and professionals without a qualification at Level 4 or above has increased by 17 per cent across the UK Real Estate and Facilities Management sector between 2002 and 2010, compared to a six per cent decline across the whole UK economy. This is perhaps, further evidence of the lack of value attached to qualifications (if not skills), by some in the Real Estate and Facilities Management sector.

Table 4.4: Managers and professionals without Level 4 or higher qualifications, all sectors, 2002-2010 (UK)

		2002	2003	2004	2005	2006	2007	2008	2009	2010
Managers or professionals without Level 4 or higher qualifications	000s	3,239	3,336	2,554	3,023	3,460	3,471	3,496	3,371	3,283
	%	45	45	33	38	43	42	42	40	39
Weighted base (number of managers and professionals)	000s	7,214	7,481	7,726	7,866	8,123	8,201	8,356	8,406	8,483

Source: Labour Force Survey, 2010, ONS

4.1.6 Transferable skills

Transferable skills may refer to basic skills around literacy and numeracy or skills which typically fall under the employability umbrella, such as team working and problem solving. The fact that these skills are transferable in nature makes them particularly valuable to employers within the Real Estate and Facilities Management sector as businesses look to increase efficiency and make the best use of resources in challenging market conditions.

The demand for multi-skilled staff within businesses in the sector has increased in recent years with employers beginning to focus on the need for staff to fulfil a number of roles in an organisation as part of efficiency measures. For example, within the Real Estate and Facilities Management sector a facilities manager may also be required to fulfil a security role.

Skills around the use of technology and ICT are other examples of transferable skills that are important to businesses. It is likely that skills in this area will be required across a range of roles, regardless of the particular sub-sector in which an individual works as technology is increasingly being used across the sector to increase efficiency. For example, the internet and social media are increasingly being used to effectively communicate with customers and manage customer relationships to boost profitability (Asset Skills 2011⁹).

The challenging economic environment has also put an emphasis on the need for transferable skills amongst employers and their staff. With businesses having to implement changes in structure or job roles, a number of transferable skills have become particularly important. Change management skills are important in implementing these changes whilst other transferable skills, such as effective team working or problem solving skills, may be required to deal with the changing job roles or the increased workloads that come about as a result of this change Asset Skills (2011^{a-d}).

4.1.7 Technical skills

Technical skills, is a term which generally refers to the practical skills or knowledge required by an individual to carry out their role effectively. Table 4.5 defines some of the technical skills required by those working in the Real Estate and Facilities Management sector.

Table 4.5: Types of technical skills required, by sub-sector

Real estate activities	Security and investigation activities	Services to buildings and landscapes
<ul style="list-style-type: none"> • IT skills • Energy management skills • Surveying skills • Town planning skills, this may involve the use of technology systems such as CAD (Computer Aided Design) or GIS (Geographical Information Systems) • Report writing skills • Housing management skills 	<ul style="list-style-type: none"> • Operating equipment and use of technology (e.g. CCTV) • Ability to dispose of information securely • Knowledge of security technologies (e.g. property and cash marking technologies) • Electrical skills – installation, maintenance and monitoring of electronic security alarm systems • Operation of physical security systems (e.g. security doors) 	<ul style="list-style-type: none"> • Operating machinery and equipment • Handling of substances (e.g. chemicals) in a correct manner • Correct disposal and categorisation of waste • Cleaning knowledge (e.g. correct application of techniques) • Service, repair and maintenance of facilities • Energy management skills • Pest control knowledge, including treatments and handling of chemicals

The specific technical skills required by staff in the Real Estate and Facilities Management sector are varied and largely dependent upon the sub-sector within which an employee is based. Technical skills ensure that members of staff are able to perform their role effectively at all stages. Some technical skills may be acquired or advanced whilst in a role (such as in cleaning); however, in other areas (such as surveying) technical skills would need to be fully developed in order for an individual to acquire a role in the first instance.

4.1.8 Skills to support the green agenda

Research undertaken (Asset Skills, 2011^{a-d}) with employers across the Real Estate and Facilities Management²¹ sector in the UK, regarding the importance of green issues within their organisation, and the associated skills requirements, revealed that 74 per cent of respondents stated that green issues had become more important to their organisation over the last 18 months.

Due to the differing sustainability policies and legislations, Table 4.6 presents these findings by nation.

Table 4.6: Do you think that green issues have become more important to your organisation over the last 18 months?

Nation	No %	In-Part %	Yes %
England	24	6	69
Scotland	19	6	74
Northern Ireland	15	0	85
Wales	15	6	79
UK	21	6	74

Source: Asset Skills, 2011

Base: 358 employers

The growth in importance of the green agenda within the Real Estate and Facilities Management sector in the UK has been driven by the following (Asset Skills, 2011^{a-d}):

- Changing government legislation;
- Corporate social responsibility;
- Customer demand; and
- The drive to make cost savings, including fuel costs.

When asked ‘what factors would motivate you to be more sustainable in the future?’ 29 per cent of UK Real Estate and Facilities Management sector employers stated that the main motivating factor for future sustainability was financial savings. Government legislation and environmental benefits were also identified as strong motivators for future sustainability.

²¹ Security and investigation activities were not included within the fieldwork.

Real Estate and Facilities Management sector employers were also asked whether their staff currently had the skills to support the green agenda. Across the UK, only 11 per cent said that their employees have all the skills required to support the green agenda, with 46 per cent stating that their employees had most of the skills required. 41 per cent of employers surveyed claimed that employees had some of the skills required, with two per cent stating that their employees had none of the skills required to support the green agenda.

Green skills, is a broad term which refers to the skills needed by employers from staff to successfully support the low carbon agenda. Skills in this area often relate to the development of more environmentally friendly technologies or ways of working. Skills are increasingly required in this area to meet sustainability targets or consumer pressure to work in a more environmentally friendly way. Specific skills requirements in this area are often dictated by the sub-sector in which the business is based.

When asked what specific skills were needed by their employees to support the green agenda, employers highlighted the following (Asset Skills, 2011^{a-d}):

- Energy monitoring and management – is of growing importance to employers within the sector;
- Energy assessment skills – assessors must be able to collect sufficient data during an inspection to identify the most cost effective technology to improve the level of sustainability;
- Project management skills – ensure that an organisation's resources are distributed and used in a sustainable manner reducing operational costs;
- Installation and retrofitting skills – these are essential as technicians must have the training and transferable knowledge to ensure that equipment is installed correctly to achieve maximum savings;
- Data collection skills – staff with these skills can collect and analyse data related to the green agenda so their organisation can make strategic business decisions; and
- Waste management skills – officers are responsible for the disposal of waste and the implementation of initiatives to reduce its impact on the environment through sustainable initiatives such as recycling.

The research identified that there is a significant need for more training, particularly for support staff, related to the green agenda. Employers also stated that there is a need for greater awareness of green issues to support the agenda (Asset Skills, 2011^{a-d}).

4.1.9 Skills by sub-sector

The skills required by employees within the sub-sectors that comprise the Real Estate and Facilities Management sector differ markedly. This section presents further details on the key skills required by sub-sector and occupation.

Real estate activities

Real estate activities comprises of staff working within the housing and property sub-sectors. Table 4.7 outlines some of the key skills requirements by occupation.

Table 4.7: Key skills requirements within the real estate activities sub-sector

Occupation	Key skills requirements
Property, housing and land managers	<ul style="list-style-type: none"> • Presentation skills (written and oral) • Inspection skills (awareness of regulation) • Written communication skills • Management and leadership skills
Chartered surveyors	<ul style="list-style-type: none"> • ICT skills (to produce reports or store data) • Data collection skills • Report writing skills
Housing and welfare officers	<ul style="list-style-type: none"> • Customer service, interpersonal and conflict management skills, for example, when dealing with tenants • Partnership working skills, for example, when working with other organisations in the delivery of services to tenants, and securing funding • Change management skills
Estimators, valuers and assessors	<ul style="list-style-type: none"> • Energy management skills/knowledge • Time management skills • Report writing skills, for example, in the production of assessment reports • Assessment and evaluation skills

Occupation	Key skills requirements
Estate agents and auctioneers	<ul style="list-style-type: none"> • Customer service, interpersonal and negotiations skills, necessary throughout the house buying process, for example. • Marketing skills

Source: Asset Skills (2011^d)

Employers within real estate activities sub-sector require a range of transferable skills from their staff regardless of their specific area or position. These include communication skills (around literacy and numeracy), ICT skills, and team working skills. Written communication skills and, more specifically, report writing skills are important for certain staff within the real estate activities sub-sector, such as surveyors.

ICT skills have become increasingly important across the sub-sector, now playing a vital role in how employees communicate. For example, websites have become a particularly important tool for estate agents, while social media is beginning to be used to communicate with customers and stakeholders across the sub-sector. While these methods do not require a huge amount of investment in terms of time and money they do require staff with the relevant skills in order to make them work effectively.

Strong management and leadership skills have also become particularly important as employers look to remain profitable (in the case of property) or provide a high level of service with fewer resources (in the case of housing).

Management and leadership skills are likely to drive the move to work more efficiently across the real estate activities sub-sector. They will also have a particularly important role to play in ensuring change is effectively managed, whether this is in terms of working practices, or in changes in the structure of the organisations.

With the rise of sustainability as an issue for all businesses in recent years and, more specifically, the introduction of the Climate Change Act in 2008, emphasis is now being placed upon energy management skills within the sub-sector. Energy advisors and assessors for example have an important role to play in ensuring that the sub-sector is able to reduce its carbon emission levels and assist in the drive to make homes across the UK more energy efficient. Knowledge of policy and legislation in this area amongst all staff will be important in ensuring that energy efficiency is successfully promoted and implemented across the sub-sector.

A range of technical skills are also important within this sub-sector and these skills are often dependent upon the specific occupation in which an individual is employed. For example assessors require report writing and energy management skills, while estate agents need sales and marketing skills.

Procurement skills have also become important across real estate activities sub-sector, particularly within social housing, where employers are placing increasing emphasis on value for money services.

Recently many housing organisations have had to deal with cuts in public funding, meaning that staff with the skills to secure funding from other areas have become increasingly valuable. Cross organisational working has also increased in the housing sector, making partnership and team working skills important.

With housing organisations frequently having to provide a high level of service with less funding an emphasis is being placed upon the problem solving skills of staff as well as their ability to effectively identify and prioritise need. Further to this, housing services are increasingly being seen in a broader context, with links being made to areas like regeneration and getting people back into work, which may place further emphasis on cross-organisational working.

Change management skills have become important to staff across the real estate activities sub-sector with employees having to react to changing regulation and legislation. Housing is very reactive to government policy, making change management skills and flexibility amongst staff very important. The significant impact of the economic downturn has led to many organisations having to alter their structure and make efficiency savings. Change management skills are increasingly important to meet the challenges this can raise for organisations.

Security and investigation activities

A range of skills are required from staff working in the security and investigation activities sub-sector. Table 4.8 shows some of the key skill requirements by occupation.

Table 4.8: Key skills requirements, by occupation, within the security and investigation activities sub-sector

Occupation	Key skills requirements
Protective service associate professionals	<ul style="list-style-type: none"> • Management and leadership skills • Communication skills (written and oral) • Customer service and interpersonal skills • Information collection / management skills • Technological skills • Report writing skills • Risk assessment skills
Security guards and related occupations	<ul style="list-style-type: none"> • Supervisory and communication skills • Conflict management skills and skills around self-protection • Knowledge / awareness of regulation / legislation • Risk assessment skills
Elementary security occupations	<ul style="list-style-type: none"> • Communication skills (written and oral) • Customer service skills • Information collection / management • Conflict management skills

Source: Worcester Research and Skills for Security (2012)

Management and leadership skills are important within the sub-sector – skills in this area can relate to the supervision or organisation of a security team (or a site) by a security manager, and they play an important role in ensuring that the security requirements of clients are met effectively.

Management and leadership skills also make up an important part of recruitment processes. Selecting the right candidates is particularly important in security as it requires individuals to be trustworthy and also possess several other qualities (such as the ability to remain calm and professional when confronted with aggressive or abusive behaviour).

A failure to recruit staff with the correct skills and personal qualities may result in that individual, or the public, being put at risk. Strong management and leadership can help ensure that procedures are put in place which minimise the chance of this occurring.

The security and investigation activities sub-sector is heavily influenced by legislation, regulation and codes of practice. Licensing plays a significant role in security guarding for example. It is important that staff have knowledge of this legislation and have the skills to carry out their roles in a way which complies with it. In a sub-sector in which new regulation and codes of practice can arise quite frequently, this often requires flexibility and change management skills amongst staff.

Communication skills are vitally important across a variety of roles within the sub-sector. Written communication skills may be required for example, when having to log an incident (in the case of a security guard) or produce a report (in the case of an investigator). Oral communication skills are required to build relationships with clients or when offering advice to clients or the public about the most effective security measures. Strong communication skills can also be vital in managing conflict and dealing with situations which have the potential to become aggressive or violent in nature - a factor employees across the security and investigation activities sub-sector have to deal with, from security guards to community wardens.

The ability to securely collect and manage data is crucial across the sub-sector. For example, skills in this area relate to roles within information destruction, where clients require information to be securely disposed of, as well as occupations which involve the operation of CCTV technology as CCTV footage required by a third party, would have to be handled and managed securely.

Risk assessment skills are important within the sub-sector – skills in this area help an individual to identify the methods required to meet the security needs of businesses and what security measures would best suit a particular site. These skills can also be used to provide advice about how to remain secure in future.

A range of technical, job specific skills are important within the sub-sector, however the nature of these skills may depend upon the area of security in which an individual works and at what level. Supervisory skills are likely to be important to individuals in security guarding occupations for example, while across a number of roles, the technical skills required may be closely linked to technology – such as the effective use of CCTV equipment, or the operation of physical security and access control systems.

A number of other skills are valuable to employers within the security and investigation activities sub-sector, such as time management skills and awareness around health and safety - an area which many security employers claim to have invested in over the last 12 months (Worcester Research and Skills for Security, 2012). It is important for staff to possess the skills and knowledge to keep themselves and others safe.

Services to buildings and landscapes

The skills required of staff working within the services to buildings and landscapes sub-sector are varied. Table 4.9 provides a breakdown of the key skill requirements by occupation.

Table 4.9: Key skills requirements, by occupation, within the services to buildings and landscapes sub-sector

Occupation	Key skills requirements
Gardeners and landscape gardeners	<ul style="list-style-type: none"> • Design and planning skills (landscapes/gardens) • Skills/knowledge of plants/greenery • Skills around operation of equipment and tools
Groundsmen and greenkeepers	<ul style="list-style-type: none"> • Skills around use of chemicals (pesticides) • Skills around operation of equipment
Housekeepers and related occupations	<ul style="list-style-type: none"> • Cleaning and waste management skills • Literacy and numeracy skills
Pest control officers	<ul style="list-style-type: none"> • Cleaning and waste management skills • Assessment and reporting skills (around risks and the extent and nature of infestation) • Management skills (how to minimise risks)

Industrial cleaning process occupations	<ul style="list-style-type: none"> • Cleaning skills • Customer service skills • Sustainability knowledge/skills
Window cleaners	<ul style="list-style-type: none"> • Cleaning skills • Skills/awareness around health and safety
Road sweepers	<ul style="list-style-type: none"> • Literacy and numeracy skills • Cleaning and waste management skills
Caretakers	<ul style="list-style-type: none"> • Literacy and numeracy skills • Communication skills (written and oral) • Customer service skills • Technical skills (operation of equipment) • Sustainability knowledge/skills
Cleaners, domestics	<ul style="list-style-type: none"> • Literacy and numeracy skills • Customer service skills • Technical skills (operation of equipment) • Cleaning skills

Source: *Asset Skills (2011^{a&b})*

Basic skills, such as skills around literacy and numeracy, are important in all roles across the services to buildings and landscapes sub-sector, playing a vital part in everything from procurement processes to the effective delivery of services. Within cleaning basic skills play a particularly important part in elementary roles - for example, reading skills are important in ensuring that employees are able to follow instructions effectively and comply with any health and safety issues, while numeracy skills are required for the safe use of chemicals.

Customer service skills are particularly important to staff within the services to buildings and landscapes sub-sector. Increasingly, customers are demanding a high level of service at no extra cost and, there has been a change in the way services are delivered, from the traditional single purpose contract focusing on the delivery of one service product, to integrated service contracts that allow a single business to provide multiple services (Facilities Management Journal, 2011^a).

Customer service skills may also extend to not only meeting the requirements of a customer but ensuring that the service is provided in a way that minimises disruption to the client (in the case of cleaning for example).

Businesses based in the services to buildings and landscapes sub-sector are operating in increasingly competitive markets and, in the case of cleaning in particular, within increasingly tight margins. Within this environment, procurement skills have become vital because the ability to secure new contracts is key to the survival of some businesses. As a result, employees with the skills to secure new business have become increasingly valuable to employers.

Management and leadership skills have a significant role to play within the sub-sector. With many employers operating in challenging conditions, strong management and leadership is required to ensure that high standards are maintained in the delivery of services and that innovative solutions are found to issues related to meeting customer demands.

Equally, managers have a key role to play in dealing with significant issues facing the sub-sector, such as the high levels of staff turnover (common in the cleaning sector) or the need to attract younger staff to the industry to combat an ageing workforce (in the case of facilities management).

The range of technical skills required by staff depends upon the specific area of the sub-sector within which they work. In the case of landscape gardeners for example this may relate to design or planning skills while, for cleaners, technical skills may relate to the handling of chemicals or the correct disposal and categorisation of waste. An individual working within the facilities management sub-sector may require specific skills around the servicing or maintenance of buildings – this may extend to areas such as skills and knowledge around pest control.

Skills and knowledge around sustainability have also become a requirement across the sub-sector with an emphasis now being placed upon ensuring that work is conducted in a way which has a minimal impact on the environment. For some staff this may not go further than having awareness that certain materials or products should be used at work or that certain behaviours are important (switching off lights and so on). However, for others, it may require certain skills around the use of energy efficient equipment (for cleaners) or energy management skills (for facilities managers).

Technological skills also have a role to play across the sub-sector, particularly for the services to buildings and landscapes sub-sector, where staff can often be spread across a number of locations and must make use of mobile technologies.

Technological skills can also be important to landscape gardeners, particularly at the designing and planning stage, while in many cleaning occupations technology can often play a role in maintaining the health and safety of workers.

4.2 Value of skills

Value is increasingly being placed on skills to aid the economic recovery and help in the drive toward a more productive UK.

Skills can bring a number of direct and indirect benefits – they can help employees meet higher standards of quality and customer care and they can also increase an individual's ability to be more innovative or work on their own initiative, leading to a more productive, efficient and creative workforce. Skills are also important in meeting changing demands, helping a business to survive, or aiding expansion. For example, the skills of individuals are particularly important when organisations look to move into new areas or have to deal with new agendas.

Qualifications can often be used as a proxy for skills and remain a commonly used indicator – despite a number of limitations to this theory (such as the fact that not all skills can be captured within qualifications) – when it comes to comparing skills levels across sectors and nations.

The proportion of the workforce with no qualifications within the Real Estate and Facilities Management sector (14 per cent) is double the number seen across the whole UK economy (7 per cent).

Table 4.10 shows that, 40 per cent of the workforce in the UK Real Estate and Facilities Management sector is qualified to Level 3 or above; this is significantly lower than the all economy average of 57 per cent. In contrast, the proportion of the workforce qualified at Level 2 (22 per cent) and Level 1 (23 per cent) within the Real Estate and Facilities Management sector is higher than the all economy averages for these qualifications (21 per cent and 16 per cent respectively).

Table 4.10: Qualification profile of workforces with sectors, UK (2010)

	No qualifications	Level 1	Level 2	Level 3	Level 4+	Total	Unweighted base
	%	%	%	%	%	000s	000s
Agriculture, forestry and fishing	18	21	22	15	24	406	2.978
Energy production and utilities	6	16	22	22	33	473	3.244
Manufacturing	9	19	21	22	29	2,969	20.404
Construction, building services, engineering and planning	7	16	23	28	27	2,697	17.927
Wholesale and retail trade	11	22	26	22	19	4,140	27.582
Transportation and storage	11	26	29	19	16	1,447	9.732
Hospitality, tourism and sport	10	20	27	22	20	2,046	13.183
Information and communication technologies	2	10	15	18	55	761	4.874
Creative media and entertainment	3	10	14	14	59	987	6.193
Financial, insurance and other professional services	2	12	18	17	52	2,001	12.805
Real estate and facilities management	14	23	22	17	23	978	6.565
Government services	2	12	19	20	46	2,209	15.100
Education	3	9	12	13	63	3,088	21.544
Health	3	10	14	12	61	2,087	14.749
Care	5	12	23	24	36	1,729	12.006
All economy	7	16	21	20	37	28,854	194.437

Source: Labour Force Survey, 2010, ONS

The Table 4.11 and Table 4.12 compare the qualification levels of the Real Estate and Facilities Management sector and all economy workforces across the nations.

Table 4.11: Qualification levels within the sector by nation

	UK	England	Scotland	Wales	Northern Ireland
	%	%	%	%	%
Level 4+	23	22	30	27	*
Level 3	17	17	16	19	*
Level 2	22	23	17	21	*
Level 1 and below	38	38	37	33	39
Total	100	100	100	100	100
Weighted base (000s)	978	848	75	38	18
Unweighted base (000s)	6.565	5.626	0.520	0.254	0.165

Notes: *Sample size too small for reliable estimates

Source: Labour Force Survey, 2010, ONS

It is evident that the Scottish Real Estate and Facilities Management sector accounts for the highest proportion of the workforce qualified to Level 4 (30 per cent); this is significantly lower than the Scottish all economy average (40 per cent).

In contrast, 39 per cent of the Real Estate and Facilities Management sector workforce in Northern Ireland have no qualifications or a qualification at Level 1. This is significantly higher than the all economy average for Northern Ireland (25 per cent).

Table 4.12: Qualification levels by nation, all economy

	UK	England	Scotland	Wales	Northern Ireland
	%	%	%	%	%
Level 4+	37	37	40	37	35
Level 3	20	20	22	19	19
Level 2	21	21	18	22	20
Level 1 and below	23	23	20	22	25
Total	100	100	100	100	100
Weighted base (000s)	1,729	1,409	183	97	40
Unweighted base (000s)	194.437	161.490	17.022	8.693	7.232

Source: Labour Force Survey, 2010, ONS

Table 4.13 and Table 4.14 show the change in qualification levels between 2002 and 2010 within the Real Estate and Facilities Management sector compared to across the whole UK economy.

Table 4.13 indicates that the qualification levels within the UK Real Estate and Facilities Management sector experienced significant variation between 2002 and 2010. For example, the proportion of the Real Estate and Facilities Management sector workforce qualified to Level 4 or above increased by five per cent between 2002 and 2008, to 43 per cent, before falling to 20 per cent in 2009. In contrast, the proportion of the workforce with no qualifications or a qualification at Level 1 increased by 19 per cent between 2008 and 2009.

Table 4.14 establishes that the qualification levels across the whole UK economy were more stable between 2002 and 2010. The most significant changes during this period were a nine per cent rise in the proportion of the workforce qualified at Level 4 or above and a seven per cent decline in the proportion of the workforce with no qualifications or a qualification at Level 1.

The proportion of staff with no qualifications or a qualification at Level 1 would appear to be an area of some concern for the Real Estate and Facilities Management sector, not only in terms of the proportion of staff within this bracket in 2010 (38 per cent), but also in the way that this proportion has increased from that seen in 2002 (25 per cent).

This is in marked contrast to the all economy situation which has seen the proportion of staff with no qualifications or a qualification at Level 1 fall significantly in the period (from 30 per cent to 23 per cent).

Table 4.13: Qualification levels within the sector, UK (2002-2010)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
	%	%	%	%	%	%	%	%	%
Level 4+	38	38	39	40	41	42	43	20	23
Level 3	17	17	18	16	17	16	17	16	17
Level 2	20	20	19	18	19	18	18	22	22
Level 1 and below	25	25	25	26	23	24	23	42	38
Total	100	100	100	100	100	100	100	100	100
Weighted base (000s)	898	869	924	945	984	1,036	1,028	948	978
Unweighted base (000s)	7.761	7.177	5.508	6.809	7.373	7.718	7.464	6.664	6.565

Source: Labour Force Survey, 2010, ONS

Table 4.14: Qualification levels, all economy, UK (2002-2010)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
	%	%	%	%	%	%	%	%	%
Level 4+	28	29	30	31	32	33	33	35	37
Level 3	20	20	20	20	19	19	20	19	20
Level 2	22	22	21	20	22	22	21	21	21
Level 1 and below	30	29	29	29	27	27	26	24	23
Total	100	100	100	100	100	100	100	100	100
Weighted base (000s)	27,905	28,165	28,455	28,741	28,986	29,163	29,380	28,810	28,854
Unweighted base (000s)	247.232	237.919	172.402	210.643	222.190	221.039	216.986	203.217	194.437

Source: Labour Force Survey, 2010, ONS

However, rather than simply producing more staff with higher qualifications, it is more important to equip staff with the skills they need to perform their job. Many roles within the services to buildings and landscapes sub-sector are classed as elementary so a high level of qualifications is not always necessary.

4.2.1 Extent of training

Training is considered one of the single most important strategies a business can follow in order to make the most of its staff and working practices. Training can be crucial in up-skilling employees, improving efficiency and increasing productivity. It is also possible that, as training increases the skills an individual is able to bring to their job, it will also have a positive impact on morale. This section looks at the provision of training in the Real Estate and Facilities Management sector.

According to Table 4.15, the proportion of employees receiving training in the four weeks prior to responding to the survey has declined by six percentage points in the Real Estate and Facilities Management sector compared to a decline of two percentage points across the whole UK economy.

The most significant decline in employees receiving training within the Real Estate and Facilities Management sector occurred between 2008 and 2009 reflecting the impact of the recession on the ability of employers to invest time and money on training.

A similar trend is illustrated by Table 4.16, which indicates that there has been an 41 per cent decline in the proportion of staff within the Real Estate and Facilities Management sector receiving training in the 13 weeks (from 27 per cent to 16 per cent), compared to a seven per cent decline across the whole UK economy (from 28 per cent to 26 per cent). A particularly significant decline occurred in the Real Estate and Facilities Management sector between 2008 and 2009.

Given that the onset of the economic downturn began in 2008 it is possible to suggest that economic conditions may have played a significant part in employer's decisions to reduce investment in this area. It is also possible that, as resources have become tighter, employers in certain areas have only looked to invest in training when absolutely necessary and have not offered it to those, particularly at a low level, if it is not essential to their ability to perform their current role.

Table 4.15: Percentage of employees receiving training in the last 4 weeks, 2002-2010

	2002	2003	2004	2005	2006	2007	2008	2009	2010
	%	%	%	%	%	%	%	%	%
Agriculture, forestry and fishing	7	7	6	6	6	6	6	6	6
Energy production and utilities	15	14	13	13	13	13	12	11	12
Manufacturing	10	9	9	10	9	9	9	9	9
Construction, building services, engineering and planning	10	9	10	9	9	9	9	9	8
Wholesale and retail trade	11	10	10	10	10	10	9	8	8
Transportation and storage	10	10	9	9	8	8	8	7	7
Hospitality, tourism and sport	13	12	12	11	11	10	10	10	11
Information and communication technologies	13	12	12	11	11	10	10	10	10
Creative media and entertainment	13	12	12	12	11	11	10	9	8
Financial, insurance and other professional services	18	17	17	16	15	15	15	14	15
Real estate and facilities management	14	13	14	12	13	12	12	7	8
Government services	20	20	20	20	19	18	19	19	17
Education	22	21	21	21	20	20	20	20	18
Health	24	25	25	25	24	23	22	24	24
Care	24	25	25	25	24	23	22	21	20
All economy	15	14	14	14	14	13	13	13	13
Weighted base (000s)	4,095	3,987	4,074	4,061	3,949	3,863	3,834	3,685	3,642
Unweighted base (000s)	35.781	33.324	32.626	31.674	29.781	28.888	27.829	25.468	24.012

Source: Labour Force Survey, 2010, ONS

Table 4.16: Percentage of employees receiving training in the last 13 weeks, 2002-2010

	2002	2003	2004	2005	2006	2007	2008	2009	2010
	%	%	%	%	%	%	%	%	%
Agriculture, forestry and fishing	15	13	14	13	13	12	13	13	13
Energy production and utilities	33	31	30	28	28	28	26	25	27
Manufacturing	21	20	19	20	19	20	19	18	18
Construction, building services, engineering and planning	19	19	20	19	19	19	19	19	18
Wholesale and retail trade	20	20	20	20	18	18	18	16	16
Transportation and storage	21	21	20	19	19	18	18	17	18
Hospitality, tourism and sport	24	22	22	21	21	20	19	19	19
Information and communication technologies	27	25	24	23	23	22	21	21	20
Creative media and entertainment	24	24	23	23	23	21	21	18	17
Financial, insurance and other professional services	35	33	32	33	30	30	29	29	29
Real estate and facilities management	27	26	27	26	26	25	24	15	16
Government services	40	41	40	39	38	37	36	37	35
Education	44	42	42	42	40	39	40	39	38
Health	45	46	46	47	46	44	44	47	46
Care	45	46	46	47	46	44	44	41	40
All economy	28	28	28	28	27	26	26	26	26
Weighted base (000s)	7,952	7,873	7,917	8,037	7,883	7,681	7,669	7,382	7,359
Unweighted base (000s)	69.767	65.973	63.658	63.118	59.870	57.810	56.008	51.497	49.930

Source: Labour Force Survey, 2010, ONS

Across the nations, Table 4.17 indicates that Scotland accounts for the highest proportion of employees (11 per cent) in the Real Estate and Facilities Management sector receiving training in the four weeks prior to responding to the survey; this is higher than the UK average for the sector, but lower than the all economy average of 13 per cent.

Table 4.17: Percentage of employees receiving training in last 4 weeks, 2010 (all nations)

	UK	England	Scotland	Wales	Northern Ireland
	%	%	%	%	%
Agriculture, forestry and fishing	6	7	*	*	*
Energy production and utilities	12	12	13	*	*
Manufacturing	9	9	9	11	8
Construction, building services, engineering and planning	8	8	9	10	*
Wholesale and retail trade	8	8	9	9	6
Transportation and storage	7	7	8	*	*
Hospitality, tourism and sport	11	11	12	15	*
Information and communication technologies	10	10	*	*	*
Creative media and entertainment	8	8	*	*	*
Financial, insurance and other professional services	15	15	17	19	*
Real estate and facilities management	8	8	11	*	*
Government services	17	17	18	16	8
Education	18	19	17	19	*
Health	24	25	21	22	11
Care	20	20	19	26	*
All economy	13	13	13	14	7
Weighted base (000s)	3,642	3,085	317	188	52
Unweighted base (000s)	24.012	20.155	2.164	1.215	0.478

Notes: *Sample size too small for reliable estimates

Source: Labour Force Survey, 2010, ONS

Table 4.18 indicates that Scotland accounts for the highest proportion of employees (23 per cent) receiving training in the 13 weeks prior to responding to the survey compared to the UK sector average of 16 per cent and the all UK economy average of 25 per cent. This is followed by 18 per cent of employees in the Real Estate and Facilities Management sector in Wales and 16 per cent of employees in the Real Estate and Facilities Management sector in England.

Table 4.18: Percentage of employees receiving training in last 13 weeks, 2010

	UK	England	Scotland	Wales	Northern Ireland
	%	%	%	%	%
Agriculture, forestry and fishing	13	15	12	*	*
Energy production and utilities	27	27	30	*	*
Manufacturing	18	18	18	20	18
Construction, building services, engineering and planning	18	18	21	18	12
Wholesale and retail trade	16	17	17	15	13
Transportation and storage	18	18	19	16	*
Hospitality, tourism and sport	19	19	20	21	*
Information and communication technologies	20	20	22	*	*
Creative media and entertainment	17	17	18	20	*
Financial, insurance and other professional services	29	29	28	32	17
Real estate and facilities management	16	16	23	18	*
Government services	35	35	35	34	24
Education	38	39	34	38	26
Health	46	47	42	44	32
Care	40	40	40	46	27
All economy	25	25	27	24	18
Weighted base (000s)	7181	6065	668	312	137
Unweighted base (000s)	48.930	40.947	4.410	2.282	1.291

Notes: *Sample size too small for reliable estimates

Source: Labour Force Survey, 2010, ONS

Training can take a variety of forms – it may involve an individual taking a formal course or it may be more informal and take place on the job (often the case in cleaning); however, all training needs to be tailored to suit the requirements of the particular job in order to improve skills in the desired way.

Evidence suggests that training has a significant role to play for employers within the Real Estate and Facilities Management sector – for example, 47 per cent of cleaning employers that took part in recent research claimed that recently recruited staff had some of the skills they required for their role but required development (Asset Skills, 2011^a).

Evidence suggests that 40 per cent of Real Estate and Facilities Management employers across the UK have a training plan that specifies in advance the level and type of training their employees will need in the coming year. This is slightly higher than the whole UK economy average of 38 per cent.

Sector employers in Scotland (38 per cent) and the same proportion in Wales are least likely to have a training plan in place. Northern Ireland accounts for the highest proportion of sector employers with training plans (41 per cent).

Just under a third (32 per cent) of Real Estate and Facilities Management employers across the UK, state that they have a budget for training expenditure. This is higher than the whole UK economy average of 29 per cent.

England accounts for the lowest proportion of employers with a training budget in the sector (31 per cent), while Scotland accounts for a significantly higher proportion of employers with a training budget (41 per cent).

Recent Asset Skills research provides some interesting insights with regard to investment in training across the sector. Employers that took part were asked how their level of investment in training currently compared to the same time a year ago. A number of employers across the sector claimed to be investing more time in training than they were this time last year (34 per cent in the case of housing employers and 32 per cent in the case of property employers) while a healthy proportion claimed to be investing more money. This was again at its highest amongst property employers and housing employers (26 per cent and 25 per cent respectively) (Asset Skills 2011^{c,d}).

There appears to be some differences with regard to investment in training across nations. For example investment appears to be particularly strong in England with 35 per cent of employers in the nation stating that they were investing more time in this area than they were last year and 27 per cent investing more money. This drops to 20 per cent and 12 per cent respectively in the case of Scottish employers. In Wales the proportion of employers investing less time and money than this time last year is particularly low (just four per cent and five per cent respectively) (Asset Skills, 2011^{a-d}).

Table 4.19 examines the proportion of employers providing training across the Real Estate and Facilities Management sector compared to the UK economy by occupational group.

Table 4.19 indicates that 58 per cent of Real Estate and Facilities Management employers are arranging training for all occupational groups of staff compared to 52 per cent of employers across the whole UK economy. A further 42 per cent of employers stated they are arranging training for some occupational groups of staff.

The majority of employers (64 per cent) in the sector stated that they are arranging training for managers, directors and senior official occupations; this is slightly higher than the all UK economy average (61 per cent).

Table 4.19: Employers providing training to employees by occupational group, Real Estate and Facilities Management sector

	Real Estate and Facilities Management		All Economy	
	Number	%	Number	%
Managers, Directors and senior officials occupations	61,027	64	825,928	61
Professional occupations	3,033	3	152,106	11
Associate professional and technical occupations	4,988	5	124,610	9
Administrative and secretarial occupations	27,005	28	372,218	27
Skilled trades occupations	6,905	7	192,480	14
Personal service occupations	3,388	4	129,265	9
Sales and customer service occupations	9,013	9	261,082	19
Process, plant and machine operatives	2,517	3	96,592	7
Elementary occupations	21,182	22	217,981	16
Other	3,759	4	35,410	3
Don't know	1,448	2	20,638	2
Arrange training for all categories of staff employed	55,222	58	714,095	52
Arrange training for some categories of staff employed	39,847	42	647,154	48
<i>Weighted base</i>	95,068		1,361,249	
<i>Unweighted base</i>	2,620		66,916	

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012)

Base: All establishments providing training

Table 4.20 shows that the Real Estate and Facilities Management sector occupations where employees receive the highest proportions of training are:

- Personal service occupations (77 per cent compared to 70 per cent across the whole UK economy);
- Professional occupations (63 per cent compared to 61 per cent across the whole UK economy); and
- Associate professional and technical occupations (60 per cent compared to 56 per cent across the whole UK economy).

Table 4.20: Employees receiving training by occupational group, Real Estate and Facilities Management sector

	Real Estate and Facilities Management		All Economy	
	Number	%	Number	%
Managers, directors and senior officials occupations	120,400	44	2,413,145	45
Professional occupations	38,867	63	1,904,780	61
Associate professional and technical occupations	30,421	60	1,022,510	56
Administrative and secretarial occupations	78,332	48	1,607,984	45
Skilled trades occupations	39,776	58	1,041,373	55
Personal service occupations	33,477	77	1,606,254	70
Sales and customer service occupations	42,781	49	1,937,670	55
Process, plant and machine operatives	17,817	56	902,782	47
Elementary occupations	153,068	38	1,938,793	48
Other	5,415	n/a	100,845	n/a
Don't know	560,355		14,476,137	
<i>Weighted base</i>	560,355		14,476,137	
<i>Unweighted base</i>	44,895		1,517,802	

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012)

Base: All employees receiving training

According to Table 4.21, 57 per cent of employers in the Real Estate and Facilities Management sector provide training; this is two percentage points lower than the whole UK economy average of 59 per cent.

In Northern Ireland the proportion of Real Estate and Facilities Management sector employers providing training is at its highest (67 per cent), followed by England (57 per cent), Scotland (55 per cent) and Wales (44 per cent).

In contrast, Scotland accounts for the highest proportion of employers (68 per cent) across the whole UK economy providing training, followed by Northern Ireland (64 per cent), Wales (59 per cent) and England (50 per cent).

Table 4.21: Employers providing training by sector

	UK		England		Scotland		Wales		Northern Ireland	
	Number	%	Number	%	Number	%	Number	%	Number	%
Agriculture, forestry and fishing	58,869	53	42,577	54	†7,737	†58	3,536	34	5,019	71
Energy production and utilities	8,743	69	6,858	69	1,040	81	554	67	291	54
Manufacturing	73,972	57	61,935	55	6,629	71	3,464	64	1,944	51
Construction	163,641	53	137,473	53	13,506	63	7,193	55	5,469	51
Wholesale and retail trade	261,948	56	218,681	55	23,692	67	11,347	54	8,228	58
Transportation and storage	55,004	45	46,106	43	5,633	70	2,103	50	1,161	52
Accommodation, food and tourism activities	134,314	61	108,618	60	15,665	71	6,570	58	3,461	59
Information and communication	39,090	54	34,418	52	†2,974	†83	1,215	62	483	44
Creative media and entertainment	74,069	52	63,945	51	†5,976	†54	2,690	57	1,457	71
Financial, insurance & other professional services	114,074	67	101,640	66	5,354	64	4,605	80	2,474	73
Real estate and facilities management	95,068	57	85,826	57	†6,652	†55	1,340	44	1,249	67
Government	41,608	76	32,980	74	4,715	85	2,343	87	1,571	77
Education	55,629	86	45,309	85	4,348	97	2,941	92	3,031	92
Health	44,797	86	38,133	85	3,208	99	2,216	79	1,239	84
Care	73,669	84	60,516	84	6,798	81	3,562	81	2,793	86
Whole economy	1,361,250	59	1,141,560	50	119,847	68	58,171	59	41,668	64
<i>Weighted base</i>	2,299,921		1,960,298		175,115		98,952		65,558	
<i>Unweighted base</i>	87,572		75,053		2,503		6,012		4,004	

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012)

Base: All employers

† Treat figures with caution due to small base size of 50-99 establishments in Scotland

Table 4.22 shows 47 per cent of employees across the UK Real Estate and Facilities Management sector are receiving training; this is six percentage points lower than the whole economy average of 53 per cent.

Across the nations, Wales accounts for the highest proportion of employees receiving training (60 per cent) within the Real Estate and Facilities Management sector, while England accounts for the lowest proportion (47 per cent).

Table 4.22: Employees receiving training by sector

	UK		England		Scotland		Wales		Northern Ireland	
	Number	%	Number	%	Number	%	Number	%	Number	%
Agriculture, forestry and fishing	198,736	43	152,352	43	†25,724	†47	8,993	29	11,667	51
Energy production and utilities	167,507	50	120,687	49	32,976	55	11,072	66	2,772	38
Manufacturing	1,146,654	45	934,516	44	93,562	48	74,719	54	43,857	52
Construction	1,072,552	48	884,923	48	116,140	47	39,666	44	31,826	46
Wholesale and retail trade	2,340,353	50	1,960,109	49	201,879	55	109,603	55	68,761	48
Transportation and storage	538,494	41	448,580	39	49,954	44	22,489	58	17,468	63
Accommodation, food and tourism activities	1,221,736	53	1,017,791	53	124,328	55	48,807	49	30,809	50
Information and communication	233,240	38	205,944	37	†15,377	†51	5,255	28	6,663	65
Creative media and entertainment	524,081	48	451,335	47	†30,017	†43	24,215	69	18,513	69
Financial, insurance & other professional services	1,109,888	54	949,712	52	101,444	73	32,505	60	26,224	69
Real estate and facilities management	560,354	47	492,799	47	†36,284	†49	19,985	60	11,286	50
Government	1,004,866	56	835,514	58	82,550	47	49,901	53	36,901	59
Education	1,598,280	63	1,354,826	63	116,696	62	84,527	72	42,231	58
Health	1,300,684	65	1,032,851	64	187,638	81	58,505	49	21,690	52
Care	969,487	64	780,108	64	89,130	63	52,831	84	47,414	64
Whole economy	14,476,138	53	12,050,111	52	1,337,833	56	661,045	56	427,137	54
<i>Weighted base</i>	27,547,123		23,198,476		2,381,601		1,182,314		784,732	
<i>Unweighted base</i>	2,816,693		2,345,213		201,868		178,922		90,690	

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012)

Base: All employers

† Treat figures with caution due to small base size of 50-99 establishments in Scotland

Table 4.23 shows the types of training provided by employers within the Real Estate and Facilities Management sector compared to the whole UK economy.

There is evidence to suggest that job specific training provision is a priority for employers across the Real Estate and Facilities Management sector as well as the whole UK economy with 84 per cent of employers funding or arranging this type of training, followed by health and safety / first aid training (75 per cent of employers in the Real Estate and Facilities Management sector, compared to 71 per cent across the whole UK economy).

Only one per cent of employers across both the Real Estate and Facilities Management sector and the whole UK economy stated that they had not arranged or funded any of these types of training.

Table 4.23: Type of training funded or arranged for employees

	Real Estate and Facilities Management sector		All economy	
	Number	%	Number	%
Job specific training	79,624	84	1,149,860	84
Health and safety / first aid training	71,257	75	970,183	71
Induction training	42,649	45	702,846	52
Training in new technology	44,575	47	641,023	47
Management training	31,758	33	457,763	34
Supervisory training	26,539	28	437,577	32
Personal development training	3,402	4	45,451	3
Other	59	*	4,101	*
None of these	629	1	8,809	1
Don't know	85	*	2,412	*
<i>Weighted base</i>	95,068		1,361,249	
<i>Unweighted base</i>	2,620		66,916	

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012)

Base: All establishments providing training

Note: Column percentages sum to more than 100 since multiple responses were allowed

Note: * Denotes a figure greater than 0% but less than 0.5%

Evidence suggests that 70 per cent of employers across the Real Estate and Facilities Management sector measure the impact of training through formal performance assessments; this is five percentage points higher than the proportion of employers across the whole UK economy. In contrast, 28 per cent of employers across the sector stated that they did not formally assess the impact of training on employees' performance, compared to 33 per cent across the whole UK economy (UK Commission's Employer Skills Survey, 2012).

Qualifications are often used as a proxy for skills, with Level 4 frequently used as an indicator of the level of skills required amongst managers and professionals. Table 4.21 provides detail on the proportion of managers and professionals within the Real Estate and Facilities Management sector that hold a qualification at Level 4 or above across each of the nations.

Barriers to training within the Real Estate and Facilities Management sector

There are often significant barriers to training within the Real Estate and Facilities Management sector. These barriers typically revolve around a lack of time, financial constraints, staff reluctance to participate and difficulties overcoming language barriers (particularly within the services to buildings and landscapes sub-sector).

Employers may also be reluctant to invest in training if they feel that they will not get the benefit of this training in the long-term. For example, high staff turnover rates within the services to buildings and landscapes sub-sector often deter cleaning employers from investing in staff due to concerns that once the training is completed staff would search for better paid employment. The quotation below reflects this point.

“I think people say, ‘well I’ve got high turnover, so why should I train them properly?’ But if you train them properly, you don’t have high turnover. And if you pay them a decent wage, they’ll stay; if you look after them, they’ll stay...people say ‘why should I pay them more than the minimum wage, I can get people for that’ but...in our experience that’s not the best way to do it.”
(Cleaning Employer, England)

Table 4.24 shows the reasons why employers have not funded or arranged training for any employees over the last 12 months.

The majority of employers across the UK Real Estate and Facilities Management sector (66 per cent) stated that all their employees are fully proficient and that there is no need for training. This is significantly lower than the sector average for Wales (87 per cent), but two higher than the whole UK economy average of 64 per cent.

Just over a tenth of employers (12 per cent) in the sector across the UK cited no money available for training as a barrier to arranging training over the last 12 months; this is higher than the whole UK sector average of 10 per cent.

Whilst an additional six per cent of UK Real Estate and Facilities Management employers reported that training is not considered to be a priority for their establishment – three percentage points lower than the all UK sector average.

Table 4.24: Barriers to training within the Real Estate and Facilities Management sector

	UK		England		Scotland		Wales		Northern Ireland	
	Number	%	Number	%	Number	%	Number	%	Number	%
All our staff are fully proficient / no need for training	46,150	66	41,413	66	*	*	1,453	87	*	*
No money available for training	8,687	12	7,157	11	*	*	0	0	*	*
Training is not considered to be a priority for the establishment	3,993	6	3,744	6	*	*	249	15	*	*
No training available in relevant subject area	2,531	4	2,531	4	*	*	0	0	*	*
Managers have lacked the time to organise training	2,101	3	2,101	3	*	*	0	0	*	*
Learn by experience / learn as you go	1,238	2	1,195	2	*	*	0	0	*	*
External courses are too expensive	1,941	3	1,907	3	*	*	34	2	*	*
Small firm / training not needed due to size of establishment	1,059	2	1,059	2	*	*	0	0	*	*
Employees are too busy to undertake training and development	151	**	151	**	*	*	0	0	*	*
Employees are too busy to give training	862	1	862	1	*	*	0	0	*	*
Business not operating long enough / new business	543	1	502	1	*	*	41	2	*	*
Trained staff will be poached by other employers	326	**	326	1	*	*	0	0	*	*
I don't know what provision is available locally	610	1	610	1	*	*	0	0	*	*
The start dates or times of the courses are inconvenient	240	**	229	**	*	*	11	1	*	*
The courses interested in are not available locally	101	**	101	**	*	*	0	0	*	*
No new staff (only train new staff)	65	**	65	**	*	*	0	0	*	*
The quality of the courses or providers locally is not satisfactory	46	**	46	**	*	*	0	0	*	*
Difficult to get information about the courses available locally	10	**	10	**	*	*	0	0	*	*
Other	4,827	7	4,370	7	*	*	0	0	*	*
No particular reason	1,815	3	1,658	3	*	*	0	0	*	*
Don't know	1,480	2	709	1	*	*	0	0	*	*
Weighted base	70,091		62,443		*		1,679		*	
Unweighted base	776		717		*		26		*	

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012)

Base: All establishments that do not provide training

Notes: * Data suppressed as unweighted base < 25 (< 50 for Scotland); ** Denotes figures of greater than 0% but less than 0.5%; Column percentages sum to more than 100 since multiple responses were allowed

High Performance Working

High Performance Working (HPW) is a method of organising work, rewarding performance and involving employees in decision making processes by using a combination of HR practices to encourage the development and utilisation of staff skills. HPW encompasses the bringing together and implementation of a number of practices in a holistic way to effectively manage an organisation (UKCES, 2010).

Developing systems of HPW allows employers to overcome the barriers to training by providing previously untrained workers with the opportunity to develop and contribute to an organisation's growth.

However, there has not been widespread adoption of HPW practices across the UK. Table 4.25 indicates that 52 per cent of establishments in the UK Real Estate and Facilities Management sector do not have processes in place to identify 'high potential' or talented individuals; this is identical to the whole UK economy average.

In contrast, 43 per cent of establishments within the UK Real Estate and Facilities Management sector have processes to identify 'high potential' or talented individuals. Of these establishments, only 13 per cent formally document this information through techniques such as: annual staff appraisals or training plans. For the remaining 30 per cent the identification of 'high potential' or talented individuals continues to be a very informal process.

There are several other HPW practices employers in the UK Real Estate and Facilities Management sector can introduce to ensure optimum levels of staff productivity.

For example, ensuring that employees have a varied workload allows staff to develop their skills and knowledge more quickly by providing them with more opportunities during their day-to-day work to gain a wide range of work experience (UKCES, 2010).

Table 4.26 shows that the majority (57 per cent) of employees in the UK Real Estate and Facilities Management sector have variety in their work, while a further 32 per cent of employees have workloads that vary to some extent.

Only 10 per cent of employees' work is described as not varying much or at all. This failure to utilise staff skills effectively through variety in their work may result in increased absences and staff turnover.

Table 4.25: Whether establishment has formal processes in place to identify 'high potential' or talented individuals

	Formal process for identifying 'high potential' individuals								Unweighted base	Weighted base
	Yes, formally documented		Yes, informally		No		Don't know			
	Number	%	Number	%	Number	%	Number	%		
Agriculture, forestry and fishing	5,652	5	30,105	27	72,671	64	4,348	4	820	112,776
Energy production and utilities	2,191	17	4,077	31	6,385	49	486	4	866	13,138
Manufacturing	15,955	12	41,908	31	72,179	54	3,456	3	4,001	133,498
Construction	21,136	7	89,742	29	185,426	61	8,056	3	4,570	304,360
Wholesale and retail trade	79,322	17	144,464	31	229,455	49	18,075	4	8,093	471,317
Transport and storage	12,217	10	30,841	26	73,328	61	4,419	4	2,400	120,805
Accommodation, food and tourism activities	32,190	15	69,719	32	109,728	50	7,234	3	5,819	218,871
Information and communication	5,976	8	23,608	32	42,403	58	1,136	2	1,261	73,123
Creative media and entertainment	11,873	8	48,322	33	83,861	57	3,495	2	1,959	147,551
Financial, insurance & other professional services	31,220	18	56,823	33	80,911	47	3,669	2	2,680	172,623
Real estate, renting and business activities	20,259	13	48,382	30	83,504	52	9,000	6	1,745	161,145
Government	11,426	21	16,967	31	25,307	46	1,600	3	1,379	55,300
Education	18,653	32	20,236	34	18,789	32	1,231	2	2,780	58,909
Health	10,508	20	15,684	30	24,879	47	1,427	3	1,739	52,498
Care	25,788	28	26,675	29	32,817	36	6,485	7	2,455	91,765
All economy	320,952	14	702,866	31	1,198,876	52	77,227	3	44,691	2,299,921

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012)

Base: All establishments in Module 1 and Scotland

Table 4.26: Extent to which employees have variety in their work

	Extent to which employees have variety in their work										Unweighted base	Weighted base
	To a large extent		To some extent		Not much		Not at all		Don't know			
	Number	%	Number	%	Number	%	Number	%	Number	%		
Agriculture, forestry and fishing	76,675	68	24,469	22	7,742	7	2,816	2	1,074	1	820	112,776
Energy production and utilities	5,929	45	4,909	37	1,795	14	406	3	100	1	866	13,138
Manufacturing	67,095	50	48,484	36	12,899	10	3,756	3	1,262	1	4,001	133,498
Construction	179,144	59	88,851	29	24,047	8	9,313	3	3,003	1	4,570	304,360
Wholesale and retail trade	238,562	51	168,884	36	48,318	10	11,692	2	3,861	1	8,093	471,317
Transport and storage	53,146	44	35,613	29	17,947	15	13,259	11	840	1	2,400	120,805
Accommodation, food and tourism activities	86,140	39	83,543	38	37,117	17	9,289	4	2,782	1	5,819	218,871
Information and communication	46,346	63	21,687	30	3,293	5	417	1	1,381	2	1,261	73,123
Creative media and entertainment	99,587	67	37,290	25	7,267	5	2,237	2	1,170	1	1,959	147,551
Financial, insurance & other professional services	94,803	55	60,363	35	12,493	7	3,148	2	1,816	1	2,680	172,623
Real estate, renting and business activities	92,156	57	51,012	32	15,579	10	1,561	1	837	1	1,745	161,145
Government	33,925	61	17,273	31	2,855	5	391	1	856	2	1,379	55,300
Education	38,306	65	17,346	29	2,187	4	619	1	452	1	2,780	58,909
Health	26,622	51	19,718	38	5,203	10	694	1	260	**	1,739	52,498
Care	54,001	59	31,224	34	4,410	5	972	1	1,159	1	2,455	91,765
All economy	1,256,316	55	745,134	32	212,192	9	64,300	3	21,979	1	44,691	2,299,921

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012), UKCES

Base: All establishments in Module 1 and Scotland

Another example of a HPW practice used in the Real Estate and Facilities Management sector is ensuring that employees have discretion over how they do their work. Allowing staff a degree of independence and autonomy in decision making related to their work increases job satisfaction and organisational productivity (UKCES, 2010). This is particularly important within the Real Estate and Facilities Management sector where there are a number of job roles for lone workers.

Table 4.27 indicates that 59 per cent of employees based in the UK Real Estate and Facilities Management sector have discretion over their work to a large extent, compared to 52 per cent across the whole UK economy. A further 30 per cent of employees have discretion over their work to some extent.

Only 10 per cent of employees have no or not much discretion over their workload. This can have implications for staff in the future as a significant increase in their workload, due to staff redundancies for example, without more independence can result in employees experiencing workplace stress.

Performance management systems are another important element of HPW providing feedback on staff performance, ensuring that employees understand what is expected of them and take responsibility for improving organisational performance. As a result some organisations reward staff for good performance through strategies such as flexible working (UKCES, 2010).

Table 4.28 indicates that 48 per cent of UK Real Estate and Facilities Management sector have access to flexible working to a large extent – four percentage points higher than the whole UK economy average of 44 per cent. A further 33 per cent of employees have access to flexible working to some extent. In contrast, 19 per cent of employees have no or not much access to flexible working practices in the Real Estate and Facilities Management sector, compared to 20 per cent across the whole UK economy.

Table 4.27: Extent to which employees have discretion over how they do their work

	Extent to which employees have discretion over how they do their work											Unweighted base	Weighted base
	To a large extent		To some extent		Not much		Not at all		Don't know				
	Number	%	Number	%	Number	%	Number	%	Number	%			
Agriculture, forestry and fishing	61,757	55	39,087	35	6,625	6	2,485	2	2,821	3	820	112,776	
Energy production and utilities	5,809	44	4,957	38	1,467	11	557	4	348	3	866	13,138	
Manufacturing	63,859	48	49,442	37	11,926	9	5,326	4	2,945	2	4,001	133,498	
Construction	167,066	55	103,337	34	18,624	6	10,627	3	4,706	2	4,570	304,360	
Wholesale and retail trade	222,298	47	182,574	39	44,174	9	13,608	3	8,663	2	8,093	471,317	
Transport and storage	60,073	50	38,390	32	12,736	11	8,160	7	1,446	1	2,400	120,805	
Accommodation, food and tourism activities	88,190	40	87,712	40	28,331	13	9,926	5	4,712	2	5,819	218,871	
Information and communication	48,851	67	20,130	28	3,082	4	614	1	446	1	1,261	73,123	
Creative media and entertainment	94,306	64	39,623	27	5,912	4	3,212	2	4,498	3	1,959	147,551	
Financial, insurance & other professional services	88,150	51	62,426	36	15,688	9	5,292	3	1,068	1	2,680	172,623	
Real estate, renting and business activities	95,298	59	48,171	30	11,255	7	4,656	3	1,765	1	1,745	161,145	
Government	32,235	58	17,718	32	3,674	7	810	1	863	2	1,379	55,300	
Education	27,530	47	26,592	45	3,231	5	660	1	897	2	2,780	58,909	
Health	22,195	42	21,678	41	6,472	12	1,544	3	608	1	1,739	52,498	
Care	48,843	53	36,123	39	3,779	4	1,532	2	1,488	2	2,455	91,765	
All economy	1,188,767	52	814,655	35	185,638	8	71,823	3	39,037	2	44,691	2,299,921	

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012), UKCES

Base: All establishments in Module 1 and Scotland

Table 4.28: Extent to which employees at establishment have access to flexible working

	Extent to which employees at establishment have access to flexible working											Unweighted base	Weighted base
	To a large extent		To some extent		Not much		Not at all		Don't know				
	Number	%	Number	%	Number	%	Number	%	Number	%			
Agriculture, forestry and fishing	48,869	43	41,468	37	12,485	11	8,004	7	1,950	2	820	112,776	
Energy production and utilities	4,781	36	4,419	34	2,431	19	1,450	11	58	**	866	13,138	
Manufacturing	52,687	39	44,362	33	17,955	13	16,667	12	1,827	1	4,001	133,498	
Construction	139,674	46	101,224	33	33,585	11	26,266	9	3,610	1	4,570	304,360	
Wholesale and retail trade	176,251	37	168,909	36	64,843	14	56,324	12	4,991	1	8,093	471,317	
Transport and storage	44,233	37	38,327	32	16,329	14	20,683	17	1,233	1	2,400	120,805	
Accommodation, food and tourism activities	99,272	45	77,239	35	22,537	10	17,703	8	2,120	1	5,819	218,871	
Information and communication	42,992	59	20,273	28	5,342	7	4,226	6	289	**	1,261	73,123	
Creative media and entertainment	83,200	56	44,734	30	10,011	7	7,602	5	2,004	1	1,959	147,551	
Financial, insurance & other professional services	89,019	52	55,484	32	15,828	9	11,747	7	546	**	2,680	172,623	
Real estate, renting and business activities	77,691	48	52,389	33	16,393	10	13,861	9	811	1	1,745	161,145	
Government	34,229	62	15,040	27	3,343	6	1,865	3	823	1	1,379	55,300	
Education	14,445	25	21,754	37	12,772	22	9,545	16	393	1	2,780	58,909	
Health	14,407	27	23,130	44	9,761	19	5,025	10	174	**	1,739	52,498	
Care	38,920	42	35,210	38	9,701	11	6,858	7	1,075	1	2,455	91,765	
All economy	1,012,366	44	783,411	34	264,071	11	216,701	9	23,372	1	44,691	2,299,921	

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012), UKCES

Base: All establishments in Module 1 and Scotland

Note: ** denotes a figure greater than 0% but less than 0.5%

4.3 Skills and sectoral performance

This section discusses the relationship between investment in skills and training and the extent to which companies compete on quality versus price.

Many employers within the Real Estate and Facilities Management sector have faced challenging times in their drive to remain profitable. In what is largely a service sector, organisations have come under increasing pressure to reduce costs and continue to demonstrate good value for money.

A recent report from Plimsoll found that one in three cleaning companies in the UK were making a loss, with many under pressure due to their reluctance to pass on the impact of cost inflation to their customers due to the increasingly competitive nature of the sub-sector (Plimsoll, 2011). Equally, within the services to buildings and landscapes sub-sector pressures to reduce costs are increasingly being transferred to suppliers. The real estate activities sub-sector (specifically social housing) is also facing similar pressures, with organisations increasingly expected to provide low cost services to a growing number of individuals despite diminishing resources.

Competition within the Real Estate and Facilities Management sector has increased. However, while proving excellent value for money remains vital, service providers are now beginning to compete on more than just price. For example, businesses frequently have to demonstrate that they can work sustainably not only to reduce carbon emissions, but also to secure contracts (Asset Skills 2012^h).

The demands of clients have also begun to change the working practices of employers within the Real Estate and Facilities Management sector due to increasing client demands to deal in a 'one-stop-shop' environment where all activities pertaining to their service is carried out under one roof and by one provider. This has led to a number of facilities management businesses beginning to focus on a 'total facilities management offer'.

Under these circumstances flexible, multi-skilled employees have become increasingly valuable for some employer. As a result, despite cost pressures, a commitment to skills and training has continued for some within the sector. For example, 34 per cent of housing employers that took part in recent research claimed to be spending more time on training than they were 12 months earlier (Asset Skills, 2011⁶). This suggests that there is a growing awareness amongst employers that training is an area which needs to be invested in if their business is to be sustainable in the long-term. However, this is not true of all employers within the sector, who appear to be adopting a low pay, low skill approach to their workforce.

5. Extent of skills mis-match

Chapter Summary

- The proportion of employment in the sector accounted for by vacancies (three per cent) is higher than across the whole economy (two per cent). However, the proportion of these vacancies that are classed as hard-to-fill (19 per cent) is lower than across the whole economy (23 per cent).
- Skill shortage vacancies account for 14 per cent of all vacancies in the sector, compared to 16 per cent across the whole economy. This suggests that there are other prominent reasons for vacancies in the sector – a lack of applicants with the required attitude and motivation has been highlighted as an issue for example.
- There still appears to be a commitment from at least some employers to invest in training to deal with skills issues. Out of the five per cent of employers in the sector that reported the existence of skills gaps, 90 per cent claimed to have increased training activity to overcome these issues.
- Evidence around whether staff retention is an issue for the sector is mixed – while the proportion of employers in the sector reporting problems in this area (four per cent) is lower than the all economy average (five per cent), other evidence suggests that it is an issue for employers in specific areas of the sector (particularly cleaning).
- Employers in the sector are not recruiting young people as readily as employers in other areas – just 14 per cent reported doing so over the last three years, compared to 24 per cent across the whole economy. This may be linked to a lack of interest from young people in the work offered or the fact that wages in the sector are, on average, lower than those offered in other areas.
- Employers in the sector often look to migrant labour to deal with issues around recruitment, high staff turnover, or the impact of hard-to-fill vacancies, (Asset Skills, 2010a). This can bring with it a number of skills issues however, particularly in the area of ESOL (English for Speakers of Other Languages).

This chapter identifies the extent of the current skills mis-match within the Real Estate and Facilities Management sector. It reviews:

- the current level of vacancies within the Real Estate and Facilities Management sector and the extent employers struggle to recruit;
- the extent to which employers within the Real Estate and Facilities Management sector experience skills shortages and gaps, and the impact skills shortages and gaps have on businesses within the Real Estate and Facilities Management sector, and any evidence that they are hampering growth; and
- how mismatches in the supply of, and demand for, skills reflected in terms of wage-returns and employment of migrant workers.

5.1 Extent and nature of vacancies

This section presents the extent and nature of vacancies within the Real Estate and Facilities Management sector. We then discuss issues of staff retention for the sector.

Table 5.1 indicates that Real Estate and Facilities Management sector establishments across the UK currently have 31,155 vacancies (3 per cent of employment), of which 5,773 (19 per cent) are classed as hard-to-fill and of these 4,252 (14 per cent of all vacancies) are classed as skills shortage vacancies.

The proportion of vacancies that are classed as hard-to-fill vacancies in the sector is particularly high in skilled trade occupations (32 per cent). Similarly, a lack of applicants with the required skills was the most commonly cited reason for hard-to-fill vacancies by employers in the sector. A relatively high proportion of vacancies in elementary staff are also classed as hard-to-fill (21 per cent). Interestingly skills shortage vacancies are below the UK average, suggesting that there are perhaps, non-skills related reasons why vacancies cannot be filled.

It is likely that a significant proportion of these hard-to-fill vacancies are due, not to a lack of skills, but some other commonly cited reasons, such as a lack of people interested in doing that type of job, a low number of applicants with the required attitude and motivation, and poor terms and conditions. All of these are issues which employers in the cleaning sector (which accounts for a high proportion of elementary positions) have had to contend with for a significant period of time.

The most commonly cited impact of hard-to-fill vacancies by employers in the sector was that it increased the workload of remaining staff, while a significant proportion (67 per cent) also noted that it delayed the development of new products and services. The most common forms of action from employers to combat hard-to-fill vacancies involved investing more resources in recruitment processes or developing new methods of recruitment.

Employers within the Real Estate and Facilities Management sector highlighted a lack of skills in a range of areas as the cause for skill shortages vacancies. These included a lack of job specific skills (highlighted by 68 per cent of employers) as well as a lack of a number of transferable skills, such as communication skills, customer handling skills and team working skills. A lack of job specific skills may relate to occupations within the real estate activities sub-sector which typically accounts for a higher proportion of professional occupations and demands a higher level of technical skills than is the case in a sub-sector such as services to buildings and landscapes where transferable skills make up a large proportion of the skills required from staff.

Table 5.1: Profile of vacancies by sector

	Volume				% HTF vacancies as a % vacancies			
	Vacancies ^{22 23}	HTF ²⁴ vacancies	SSV ²⁵ (prompted and unprompted)	Vacancies as a % of employment		SSV as a % vacancies	Weighted base	Unweighted base
Agriculture, Forestry and Fishing	14,641	5,785	4,238	3	40	29	466,870	19,506
Energy Production and Utilities	9,343	1,590	1,236	3	17	13	333,050	47,228
Manufacturing	40,252	11,834	9,711	2	29	24	2,541,188	291,593
Construction, Building Services Engineering and Planning	47,241	19,103	12,394	2	40	26	2,235,270	150,111
Wholesale and Retail Trade	95,390	17,441	12,619	2	18	13	4,674,684	514,820
Transportation and Storage	25,734	4,739	3,182	2	18	12	1,320,126	114,658
Hospitality, Tourism and Sport	73,886	18,245	11,179	3	25	15	2,313,487	258,524
Information and Communication Technologies	29,361	5,449	4,937	5	19	17	614,641	53,681
Creative Media & Entertainment	37,885	6,824	5,502	3	18	15	1,086,978	87,953
Financial, Insurance and other Professional Services	58,847	11,732	10,623	3	20	18	2,052,039	112,945
Real Estate and Facilities Management	31,155	5,773	4,252	3	19	14	1,183,601	91,204
Government Services	35,917	9,330	5,938	2	26	17	1,780,058	223,796
Education	34,684	4,984	3,729	1	14	11	2,538,545	387,221
Health	27,811	5,281	3,330	1	19	12	2,004,436	219,765
Care	37,494	5,924	3,335	2	16	9	1,504,729	157,681
Not Within Scope	36,266	9,533	7,248	4	26	20	897,422	86,007
Total	635,907	143,564	103,453	2	23	16	27,547,123	2,816,693

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012)

Bases: vary - vacancies as a percentage of employment based on all employment, hard-to-fill vacancies as a % of vacancies based on all vacancies and SSVs as a % of vacancies based on all vacancies.

²² How many vacancies, if any, do you currently have at this establishment?

²³ How many vacancies do you have to [each occupation]?

²⁴ Are any of these vacancies proving hard-to-fill?

²⁵ You said that you have had problems with the quality of the candidates for [occupation]. Would you say that they have been lacking... the skills you look for?

Table 5.2 indicates that 36 per cent of the current vacancies reported by employers based in this sector are within elementary occupations. Employers described 21 per cent of these vacancies as hard-to-fill and 11 per cent of these vacancies as skills shortage vacancies.

Table 5.2: Profile of vacancies by occupation within the sector

	Volume			HTF vacancies as a % vacancies	SSV as a % vacancies	Weighted base (number of vacancies)	Unweighted base (number of vacancies)
	Vacancies ²⁶²⁷	HTF ²⁸ vacancies	SSV ²⁹				
Managers	2,511	356	344	14	14	2,511	105
Professionals	1,034	151	147	15	14	1,034	74
Associate professionals	5,874	1,071	975	18	17	5,874	302
Administrative/clerical staff	4,025	525	494	13	12	4,025	192
Skilled trades occupations	2,378	763	630	32	26	2,378	149
Caring, leisure and other services staff	1,891	60	42	3	2	1,891	138
Sales and customer services staff	1,221	135	135	11	11	1,221	70
Machine operatives	*	*	*	*	*	*	*
Elementary staff	11,144	2,387	1,215	21	11	11,144	548
Unclassified staff	*	*	*	*	*	*	*
Total	30,879	5,774	4,253	19	14	30,879	1,636

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012)

Base: All vacancies

Note: * Data suppressed as unweighted establishment base < 25

Table 5.3 shows that vacancies in the Real Estate and Facilities Management sector account for a higher proportion of employment in England (three per cent), but a lower proportion of employment in Scotland (one per cent) and Northern Ireland (one per cent) than the whole economy average of two per cent.

Additionally, Scotland accounts for the highest proportion of hard-to-fill (29 per cent) and skills shortage (22 per cent) vacancies when compared to other UK nations.

²⁶ How many vacancies, if any, do you currently have at this establishment?

²⁷ How many vacancies do you have to [each occupation]?

²⁸ Are any of these vacancies proving hard-to-fill?

²⁹ You said that you have had problems with the quality of the candidates for [occupation]. Would you say that they have been lacking... the skills you look for?

Table 5.3: Profile of vacancies by sector and nation

	Vacancies as a % employment				HTF vacancies as a % vacancies				SSV as a % vacancies			
	England	Scotland	Wales	Northern Ireland	England	Scotland	Wales	Northern Ireland	England	Scotland	Wales	Northern Ireland
Agriculture, Forestry and Fishing	3	†4	2	0	36	†45	87	0	28	†22	85	*
Energy Production and Utilities	2	7	4	1	11	22	32	49	9	17	22	25
Manufacturing	2	1	2	2	28	39	30	33	23	36	27	29
Construction, Building Services												
Engineering and Planning	2	2	2	1	42	29	41	27	26	24	34	16
Wholesale and Retail Trade	2	2	2	2	18	17	23	32	13	10	12	18
Transportation and Storage	2	2	3	1	17	6	48	60	12	3	29	11
Hospitality, Tourism and Sport	3	3	4	2	23	25	56	29	13	17	41	23
Information and Communication Technologies	5	†5	3	3	18	†35	19	13	16	†28	17	13
Creative Media & Entertainment	3	†2	5	11	20	†1	18	7	16	†0	16	4
Financial, Insurance & other Professional Services	3	2	2	11	19	7	12	44	17	6	12	44
Real Estate and Facilities Management	3	†1	2	1	18	†29	17	0	14	†22	12	*
Government Services	2	1	2	2	25	10	46	43	17	5	4	36
Education	1	2	1	1	16	6	6	16	12	2	5	11
Health	2	1	1	1	19	19	17	27	12	9	13	27
Care	3	1	3	3	16	19	20	13	9	16	13	3
Total	2	2	2	2	22	20	36	44	16	14	22	22
Weighted base	23,198,476	2,381,601	1,182,314	784,732	545,064	45,749	25,542	19,552	545,064	45,749	25,542	19,552
Unweighted base	2,345,213	201,868	178,922	90,690	43,960	3,186	2,999	1,759	43,960	3,186	2,999	1,759

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012)

Base: Sizes vary - vacancies as a percentage of employment based on all employment, hard-to-fill vacancies as a % of vacancies based on all vacancies and SSVs as a % of vacancies based on all vacancies. † Treat figures with caution due to small establishment base size of 50-99 in Scotland.

Table 5.4 shows that six per cent of employers based in the Real Estate and Facilities Management sector currently have vacancies at their establishment. Of these vacancies, employers described five per cent as hard-to-fill and a further six per cent as skills shortage vacancies.

Table 5.4: Employers with vacancies, hard-to-fill and skills shortage vacancies

	Vacancies ³⁰		HTF ³¹		SSV ³²		Weighted base (UK)	Unweighted base (UK)
	Number	%	Number	%	Number	%		
Agriculture, Forestry and Fishing	8,285	3	4,141	5	2,660	4	110,220	1,547
Energy Production and Utilities	1,783	1	635	1	532	1	12,610	1,614
Manufacturing	17,423	6	7,684	8	6,040	9	130,709	7,776
Construction, Building Services Engineering and Planning	22,972	8	11,596	13	9,607	14	306,403	8,961
Wholesale and Retail Trade	50,681	18	13,499	15	9,778	14	470,200	16,150
Transportation and Storage	13,036	5	4,127	5	2,662	4	122,058	4,735
Hospitality, Tourism and Sport	32,674	12	11,656	13	7,435	11	220,055	11,318
Information and Communication Technologies	9,146	3	3,596	4	3,386	5	72,281	2,510
Creative Media and Entertainment	16,182	6	5,506	6	4,746	7	143,772	3,762
Financial, Insurance & other Professional Services	21,794	8	5,310	6	4,556	7	170,887	5,343
Real Estate and Facilities Management	17,403	6	4,651	5	3,956	6	166,486	3,424
Government Services	8,185	3	1,877	2	1,204	2	54,687	2,605
Education	14,466	5	3,220	4	2,386	4	64,540	5,439
Health	9,577	3	2,820	3	1,842	3	52,370	3,398
Care	15,589	6	3,956	4	2,054	3	87,899	4,763
Not in scope	15,583	6	6,497	7	5,121	8	114,744	4,227
Total	274,779	100	90,771	100	67,965	100	2,299,921	87,572

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012)

Base: All employers with vacancies

Hard-to-fill vacancies

Table 5.5 shows that 39 per cent of Real Estate and Facilities Management sector employers identified a low number of applicants with the required skills as a major cause of hard-to-fill vacancies.

³⁰ How many vacancies, if any, do you currently have at this establishment?

³¹ Are any of these vacancies proving hard to fill?

³² You said that you have had problems with the quality of the candidates for [occupation]. Would you say that they have been lacking... The skills you look for?

A significant proportion of employers (35 per cent) in the sector also cited a low number of applicants with the required attitude, motivation or personality as a cause of hard-to-fill vacancies.

Table 5.5: Causes of hard-to-fill vacancies within the sector

	UK		England	
	Number	%	Number	%
Low number of applicants with the required skills	1,835	39	1,801	41
Low number of applicants with the required attitude, motivation or personality	1,623	35	1,608	37
Lack of work experience the company demands	1,289	28	1,130	26
Not enough people interested in doing this type of job	764	16	731	17
Low number of applicants generally	606	13	585	13
Poor terms and conditions (e.g. pay) offered for post	517	11	512	12
Not full-time/permanent work	372	8	366	8
Lack of qualifications the company demands	331	7	299	7
Job entails shift work/unsociable hours	265	6	265	6
Remote location/poor public transport	122	3	106	2
<i>Weighted base</i>	4,651		4,370	
<i>Unweighted base</i>	163		143	

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012)

Base: All establishments with hard-to-fill vacancies

Notes:

Data for Wales, Scotland and Northern Ireland suppressed as unweighted establishment base < 25 (<50 for Scotland)

Column percentages sum to more than 100 since multiple responses were allowed

Table 5.6 shows the impacts of hard-to-fill vacancies on Real Estate and Facilities Management employers.

Table 5.6: Impact of having hard-to-fill vacancies³³

	UK		England	
	Number	%	Number	%
Increase workload for other staff	3,953	85	3,677	84
Delay developing new products or services	3,104	67	3,040	70
Have difficulties meeting quality standards	3,077	66	2,892	66
Lose business or orders to competitors	2,647	57	2,585	59
Have difficulties meeting customer services objectives	2,142	46	1,926	44
Experience increased operating costs	1,829	39	1,618	37
Withdraw from offering certain products or services altogether	1,764	38	1,712	39
Have difficulties introducing new working practices	1,445	31	1,418	32
Have difficulties introducing technological change	1,201	26	1,171	27
Outsource work	924	20	891	20
None	144	3	138	3
Don't know	10	**	10	**
<i>Weighted base</i>	4,651		4,370	
<i>Unweighted base</i>	163		143	

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012)

Base: All employers with hard-to-fill vacancies

Notes:

Data for Wales, Scotland and Northern Ireland suppressed as unweighted establishment base < 25 (<50 for Scotland)

** Denotes figures of greater than 0% but less than 0.5%

Column percentages sum to more than 100 since multiple responses were allowed

Table 5.6 indicates that 85 cent of Real Estate and Facilities Management sector employers across the UK stated that hard-to-fill vacancies are causing their establishment to increase the workload for other staff. This proportion of employers is marginally higher than the whole UK economy average of 83 per cent.

³³ Are hard-to-fill vacancies causing this establishment to...?

Other significant impacts of hard-to-fill vacancies cited by Real Estate and Facilities Management employers across the UK include delays in developing new products or services (67 per cent) and difficulties meeting quality standards (66 per cent).

Table 5.7 shows the measures taken by employers to overcome difficulties finding candidates for hard-to-fill vacancies.

Table 5.7: Measures taken by sector employers to overcome hard-to-fill vacancies³⁴

	UK		England	
	Number	%	Number	%
Increasing advertising / recruitment spend	1,674	36	1,636	37
Using new recruitment methods or channels	1,583	34	1,555	36
Redefining existing jobs	412	9	388	9
Increasing the training given to your existing workforce	353	8	353	8
Increasing / expanding trainee programmes	435	9	422	10
Being prepared to offer training to less well qualified recruits	279	6	135	3
Bringing in contractors to do the work, or contracting it out	354	8	339	8
Increasing salaries	264	6	259	6
Recruiting workers who are non-UK nationals	84	2	78	2
Making the job more attractive e.g. recruitment incentives, enhanced T&Cs	524	11	520	12
Other	153	3	153	4
Nothing	658	14	625	14
Don't know	34	1	34	1
<i>Weighted base</i>	4,651		4,370	
<i>Unweighted base</i>	163		143	

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012)

Base: All employers with hard-to-fill vacancies

Notes:

Data for Wales, Scotland and Northern Ireland suppressed as unweighted establishment base < 25 (<50 for Scotland)

Column percentages sum to more than 100 since multiple responses were allowed

Table 5.7 indicates that to overcome the difficulties employers are having finding candidates for hard-to-fill vacancies in the Real Estate and Facilities Management sector across the UK, 36 per cent of employers are increasing advertising/recruitment spend (compared to 39 per cent across the whole economy), while a further 34 per cent of employers are using new recruitment methods or channels (compared to 30 per cent across the whole economy).

³⁴ What, if anything, is this establishment doing to overcome the difficulties that you are having finding candidates to fill these hard-to-fill vacancies?

A total of 14 per cent of Real Estate and Facilities Management sector employers cite that they take no action to overcome hard-to-fill vacancies.

Skills shortage vacancies

Table 5.8 indicates that across the whole UK economy the majority of employers (66 per cent) cited job specific skills as difficult to find amongst applicants to fill skills shortage vacancies. However, there was more variation in employer responses by nation; for example, 57 per cent of Scottish employers stated that applicants lacked technical or practical skills, while 59 per cent of Welsh employers stated that applicants lacked team working skills.

Table 5.8: Skills lacking in Skills Shortage Vacancies, whole UK economy³⁵

	UK		England		Scotland		Wales		Northern Ireland	
	Number	%	Number	%	Number	%	Number	%	Number	%
Job specific skills	68,385	66	56,716	65	5,064	78	4,401	78	2,204	50
Technical or practical skills	47,992	46	40,313	46	3,711	57	2,571	46	1,397	32
Planning and organisation skills	42,431	41	35,377	41	2,867	44	2,372	42	1,815	41
Customer handling skills	41,349	40	33,863	39	3,056	47	2,977	53	1,453	33
Oral communication skills	39,113	38	33,997	39	1,910	30	1,993	35	1,213	28
Problem solving skills	37,882	37	32,338	37	2,453	38	2,209	39	882	20
Written communication skills	33,859	33	28,515	33	2,659	41	1,381	24	1,305	30
Team working skills	33,728	33	27,092	31	1,877	29	3,315	59	1,444	33
Literacy skills	30,151	29	25,002	29	1,674	26	2,490	44	985	22
Strategic management skills	29,853	29	24,828	29	2,122	33	1,564	28	1,340	31
<i>Weighted base</i>	103,453		86,950		6,463		5,650		4,390	
<i>Unweighted base</i>	7,197		5,959		367		482		389	

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012)

Base: All skills shortage vacancies

Note: Column percentages sum to more than 100 since multiple responses were allowed

³⁵ Have you found any of the following skills difficult to obtain from applications for (occupation with skills shortage)?

Across the UK, Real Estate and Facilities Management employers identified job specific skills (68 per cent), oral communication skills (66 per cent) and team working skills (62 per cent) as difficult to find amongst applicants (Table 5.9).

Table 5.9: Skills lacking in Skills Shortage Vacancies, Real Estate and Facilities Management Sector³⁶

	UK		England	
	Number	%	Number	%
Job specific skills	2,877	68	2,636	67
Oral communication skills	2,798	66	2,749	69
Team working skills	2,646	62	2,603	66
Customer handling skills	2,466	58	2,240	57
Written communication skills	2,204	52	2,009	51
Problem solving skills	2,072	49	1,898	48
Planning and Organisation skills	1,899	45	1,812	46
Technical or practical skills	1,750	41	1,546	39
Literacy skills	1,595	38	1,549	39
Numeracy skills	1,477	35	1,456	37
<i>Weighted base</i>	4,252		3,960	
<i>Unweighted base</i>	178		156	

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012)

Base: All skills shortage vacancies

Notes:

Data for Wales, Scotland and Northern Ireland suppressed as unweighted establishment base < 25 (<50 for Scotland)

Column percentages sum to more than 100 since multiple responses were allowed

Retention problems within the Real Estate and Facilities Management sector

When it comes to the issue of staff retention and turnover employers have a difficult balance to strike. An element of labour turnover can be seen as positive within a company in terms of introducing new skills and perspectives into the organisation; however, it is also important to retain the skills and knowledge of high quality staff. Excessive labour turnover can have a number of negative impacts. It can lead to the loss of valuable skills and knowledge, increase the workload and reduce the morale of existing staff, increase costs and reduce productivity.

Table 5.10 indicates that four per cent of employers based in the UK Real Estate and Facilities Management sector have experienced difficulties retaining staff in particular job roles, compared to five per cent across the whole UK economy.

³⁶ Have you found any of the following skills difficult to obtain from applications for (occupation with skills shortage)?

Table 5.10: Employers with retention problems by sector and nation³⁷

	UK (excluding Scotland)		England		Wales		Northern Ireland	
	Number	%	Number	%	Number	%	Number	%
Agriculture, Forestry and Fishing	4,954	5	4,236	5	360	3	358	5
Energy Production and Utilities	555	5	484	5	62	8	9	2
Manufacturing	6,493	5	5,883	5	433	8	177	5
Construction, Building Services Engineering and Planning	10,569	4	9,710	4	722	5	138	1
Wholesale and Retail Trade	18,192	4	16,682	4	891	4	619	4
Transportation and Storage	5,676	5	5,240	5	321	8	115	5
Hospitality, Tourism and Sport	18,345	9	16,670	9	1,126	10	548	9
Information and Communication Technologies	3,084	4	2,948	4	57	3	79	7
Creative Media and Entertainment	5,303	4	4,891	4	306	7	106	5
Financial, Insurance and other Professional Services	6,271	4	5,876	4	339	6	55	2
Real Estate and Facilities Management	5,826	4	5,649	4	139	5	38	2
Government Services	2,496	5	2,200	5	208	8	88	4
Education	2,925	5	2,493	5	267	8	165	5
Health	3,297	7	2,961	7	249	9	87	6
Care	5,134	6	4,615	6	327	7	191	6
Not within scope	6,810	6	6,476	6	247	6	87	3
Whole Economy	105,929	5	97,014	5	6,054	6	2,860	4
<i>Weighted base</i>	2,124,807		1,960,298		98,952		65,558	
<i>Unweighted base</i>	85,069		75,053		6,012		4,004	

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012)

Base: All establishments in England, NI, Wales (question not asked in Scotland)

Welsh employers in the sector reported a marginally higher proportion of jobs (five per cent) where it is difficult to retain staff – identical to the whole UK economy average, but marginally lower than the whole economy average for Wales. In contrast, employers in Northern Ireland reported fewer difficulties retaining staff (two per cent).

The figures reported in Table 5.10 mask some important features of the sub-sectors that comprise the Real Estate and Facilities Management sector. For instance, the services buildings and landscapes sub-sector has historically suffered from extremely high levels of staff turnover.

The quotation below is typical of the view held by cleaning employers within the services to buildings and landscapes sub-sector:

³⁷ Are there particular jobs in which you have difficulties retaining staff?

“Staff turnover is generally high in the cleaning industry, partly as a result of low paid, part-time positions and the need to work outside of normal working hours.”
(Cleaning Employer, England)

According to Table 5.11, 48 per cent of sector employers that report difficulties in retaining staff cite not enough people interested in doing this type of work as the main reason for retention problems at their establishment. This is followed by the impact of the benefits trap (43 per cent, compared with 51 per cent across the whole economy) and staff not wanting a long-term commitment (42 per cent, compared with 32 per cent across the whole economy).

This is unsurprising given the poor image of particular sub-sectors within the wider Real Estate and Facilities Management sector. For example, cleaning is still seen as a temporary and undesirable job. Managers in the sub-sector comment that *“people don’t leave school and say ‘I want to be a cleaner’, rather, cleaning is a job that people ‘fall’ into”*. An important part of improving staff retention across the sector must be about changing its status.

Table 5.11: Reasons for retention problems within the sector³⁸

	UK (excluding Scotland)		England	
	Number	%	Number	%
Not enough people interested in doing this type of work	2,786	48	2,644	47
Long/unsocial hours	1,323	23	1,229	22
Wages offered are lower than those offered by other firms	1,278	22	1,219	22
Staff don't want long term commitment	2,462	42	2,369	42
Lack of career progression	1,411	24	1,321	23
Too much competition from other employers	1,108	19	1,085	19
Impact of the benefits trap	2,519	43	2,422	43
Unattractive conditions of employment	1,132	19	1,077	19
Geographic location of the firm	902	15	851	15
Difficult to find experienced/skilled staff	394	7	327	6
Nature of work is too difficult/mentally and physically tiring	300	5	294	5
Other	469	8	463	8
None	0	0	0	0
Don't know	0	0	0	0
<i>Weighted base</i>	5,826		5,649	
<i>Unweighted base</i>	240		223	

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012)

Base: All establishments in England, Northern Ireland and Wales that find it difficult to retain staff (question not asked in Scotland)

Notes: Data for Wales and Northern Ireland suppressed as unweighted base < 25. Column percentages sum to more than 100 since multiple responses were allowed.

Table 5.12 indicates that 33 per cent of UK Real Estate and Facilities Management employers have introduced further training and development opportunities to overcome the staff retention difficulties at their establishment, whilst a further 26 per cent of employers reported offering higher pay or more incentives than normal to retain staff. Whilst 16 per cent of employers across the Real Estate and Facilities Management sector stated that they had not taken any measures to overcome retention difficulties; this is significantly lower than across the whole UK economy, (26 per cent).

³⁸ Which of the following are the main reasons why it is difficult to retain staff in this occupation (main occupation for which they have retention difficulties)?

Table 5.12: Measures taken by employers to overcome retention problems within the Real Estate and Facilities Management sector³⁹

	UK		England	
	Number	%	Number	%
Introduced further training/development opportunities	1,913	33	1,847	33
Offered higher pay or more incentives than normal	1,510	26	1,469	26
Altered/improved recruitment methods	535	9	517	9
Introduced flexible working hours	1,144	20	1,131	20
Changed the job specification by giving some of the tasks to other staff	815	14	810	14
Introduced job enrichment	510	9	477	8
Improved career progression	265	5	259	5
Changed working environment generally	112	2	112	2
Changed the job specification by automating some of the tasks	157	3	157	3
Provided assistance with travel	151	3	151	3
Used agency staff /sub-contractors	10	**	10	**
Provided assistance with childcare	67	1	67	1
Other	459	8	441	8
Not taken any measures	926	16	864	15
Don't know	69	1	69	1
<i>Weighted base</i>	5,826		5,649	
<i>Unweighted base</i>	240		223	

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012)

Base: All establishments in England, Northern Ireland and Wales that find it difficult to retain staff (question not asked in Scotland)

Notes: Data for Wales and Northern Ireland suppressed as unweighted base < 25. ** Denotes figures of greater than 0% but less than 0.5%. Column percentages sum to more than 100 since multiple responses were allowed.

Some employers in the Real Estate and Facilities Management sector argue that to overcome retention difficulties employers must:

"Train them, give them a sense of belonging, pay them the market rate in the area, and look after them, then you don't have them walking away to work at another place. So you want to be the best employer in your area because if they are spending all their time recruiting and filling gaps, then it's a cost to them. It's much better to put that money into staff retention and training." (Facilities Management Employer, England)

³⁹ What measures, if any, have you taken to overcome the retention difficulties in this occupation?

Table 5.13 shows the impact of retention difficulties reported by employers in the Real Estate and Facilities Management sector across the UK. It is evident that a significantly higher proportion of Real Estate and Facilities Management employers (84 per cent) based in England report that retention difficulties are causing more strain on the management of existing staff in covering the shortage than any other impact. This is higher than the UK sector average of 79 per cent.

Table 5.13: Impact of retention difficulties across the Real Estate and Facilities Management sector⁴⁰

	UK (excluding Scotland)		England	
	Number	%	Number	%
Loss of business to competitors	3,134	54	3,081	55
Restrictions to business development activities	2,894	50	2,782	49
Increased running costs (e.g. excess overtime or subcontracting)	3,355	58	3,213	57
More strain on management of existing staff in covering the shortage	4,941	85	4,764	84
An increase in recruitment costs due to more advertising or use of a recruitment agency	2,925	50	2,811	50
Difficulties with quality	3,796	65	3,713	66
Difficulties with customer service	2,139	37	2,050	36
Loss of efficiency or increased wastage	3,087	53	2,976	53
Difficulties with accommodating technological change	801	14	783	14
Difficulties with introducing new working practices	2,699	46	2,568	45
Something else	273	5	234	4
Not affected the business	231	4	231	4
Don't know	0	0	0	0
Weighted base	5,826		5,649	
Unweighted base	240		223	

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012)

Base: All establishments in England, Northern Ireland and Wales that find it difficult to retain staff (question not asked in Scotland)

Notes: Data for Wales and Northern Ireland suppressed as unweighted base < 25. Column percentages sum to more than 100 since multiple responses were allowed.

⁴⁰ Have the retention difficulties in this occupation caused...?

Recruitment of young people

Table 5.14 indicates that 14 per cent of Real Estate and Facilities Management sector employers across the UK have employed someone in their first job on leaving school, college or university during the last two to three years. This is significantly below the all economy figure of 24 per cent.

The Real Estate and Facilities Management sector is characterised by an ageing workforce so encouraging young people to the sector will become increasingly important.

Table 5.14: Employers recruiting one or more young person over the last 3 years⁴¹

	UK		England		Scotland		Wales		Northern Ireland	
	Number	%	Number	%	Number	%	Number	%	Number	%
Agriculture, Forestry & Fishing	21,769	20	14,815	19	†2,725	†20	1,183	11	3,046	43
Energy Production & Utilities	2,660	21	2,080	21	322	25	197	24	61	11
Manufacturing	31,047	24	26,304	23	2,442	26	1,437	27	863	23
Construction, Building Services Engineering and Planning	66,741	22	55,108	21	6,498	30	2,973	23	2,161	20
Wholesale & Retail Trade	120,702	26	101,878	25	9,862	28	5,297	25	3,665	26
Transportation and Storage	18,432	15	16,069	15	1,496	19	476	11	391	17
Hospitality, Tourism and Sport	70,608	32	59,071	33	6,164	28	3,583	32	1,789	31
Information and Communication Technologies	14,960	21	13,659	21	†794	†22	241	12	266	24
Creative Media & Entertainment	31,843	22	28,704	23	†1,573	†14	1,082	23	484	24
Financial, Insurance & other Professional Services	37,955	22	34,274	22	1,679	20	1,230	21	773	23
Real Estate & Facilities Management	23,229	14	21,827	15	†699	†6	475	16	229	12
Government Services	10,268	19	8,375	19	1,084	20	378	14	431	21
Education	28,641	44	24,132	45	1,812	41	1,450	45	1,247	38
Health	13,817	26	11,547	26	938	29	822	29	510	34
Care	26,557	30	22,175	31	1,955	23	1,481	34	947	29
All economy	552,385	24	467,925	24	43,211	25	23,664	24	17,584	27
Weighted base	2,299,921		1,960,298		175,115		98,952		65,558	
Unweighted base	87,572		75,053		2,503		6,012		4,004	

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012)

Base: All employers who have recruited a person under 24 to their first job in the last 2-3 years

† Treat figures with caution due to small base size of 50-99 establishments in Scotland

5.2 Extent and nature of skills issues

This section discusses the extent and nature of skills issues within the Real Estate and Facilities Management sector. The section presents:

- The extent of skills shortages and gaps within the sector; and
- Identifies the skills that need to be improved, within the sector workforce.

⁴¹ In the last 2-3 years, has this site taken on anyone in their first job on leaving school, college or university?

In addition to problems in recruiting staff with the necessary skills and qualifications, it is also the case that existing employees may not have the necessary skills needed for their job or the organisation. Table 5.15 shows that across the Real Estate and Facilities Management sector eight per cent of employers, and five per cent of employees have skills gaps.

Table 5.15: Employers and employees with skills gaps by sector⁴²

	Employers with skills gaps				Employees with skills gaps			
	Number	%	Weighted base	Unweighted base	Number	%	Weighted base	Unweighted base
Agriculture, forestry and fishing	10,665	10	110,220	1,547	20,149	4	466,870	19,506
Energy production and utilities	2,000	16	12,610	1,614	17,250	5	333,050	47,228
Manufacturing	21,520	16	130,709	7,776	148,007	6	2,541,188	291,593
Construction, building services engineering and planning	31,925	10	306,403	8,961	99,184	4	2,235,270	150,111
Wholesale and retail trade	72,233	15	470,200	16,150	300,344	6	4,674,684	514,820
Transportation and storage	11,540	9	122,058	4,735	55,391	4	1,320,126	114,658
Hospitality, tourism and sport	43,000	20	220,055	11,318	193,549	8	2,313,487	258,524
Information and communication technologies	6,647	9	72,281	2,510	34,775	6	614,641	53,681
Creative media and entertainment	9,155	6	143,772	3,762	41,091	4	1,086,978	87,953
Financial, insurance and other professional services	20,954	12	170,887	5,343	92,599	5	2,052,039	112,945
Real estate and facilities management	13,185	8	166,486	3,424	64,302	5	1,183,601	91,204
Government services	7,980	15	54,687	2,605	94,735	5	1,780,058	223,796
Education	12,304	19	64,540	5,439	94,884	4	2,538,545	387,221
Health	9,776	19	52,370	3,398	101,986	5	2,004,436	219,765
Care	14,886	17	87,899	4,763	78,458	5	1,504,729	157,681
Whole economy	300,941	13	2,299,921	87,572	1,489,540	5	27,547,123	2,816,693

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012)

Bases: All establishments, all employees

⁴² How many <occupation> staff are fully proficient in their jobs?

Table 5.16 shows that Northern Ireland accounts for the lowest proportion of employers (five per cent) reporting skills gaps amongst one per cent of their employees, compared to an average eight per cent of employers across the sector in the UK reporting skills gaps amongst five per cent of their employees.

Table 5.16: Employers and employees with skills gaps within Real Estate and Facilities Management sector by nation⁴³

	UK		England		Scotland		Wales		Northern Ireland	
	Number	%	Number	%	Number	%	Number	%	Number	%
Employers with skills gaps	13,185	8	12,181	8	681	6	229	8	94	5
Employees with skills gaps	64,302	5	60,001	6	2,405	3	1,632	5	265	1
Employer weighted base	166,486		149,579		12,036		3,020		1,851	
Employer unweighted base	3,424		3,113		85		133		93	
Employment weighted base	1,183,601		1,053,782		73,496		33,534		22,788	
Employment unweighted base	91,204		80,451		3,406		4,408		2,939	

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012)

Bases: All establishments, all employees

Note: Treat figures for Scotland with caution due to small establishment base size of 50-99

It is evident that the proportion of employers reporting skills gaps across the whole UK economy (13 per cent) is over 60 per cent higher than the UK Real Estate and Facilities Management sector average of eight per cent.

The Tables 5.17 and 5.18 show the occupational distribution of skills gaps in the Real Estate and Facilities Management sector compared to the whole UK economy.

⁴³ How many <occupation> staff are fully proficient in their jobs?

Table 5.17: Skills gaps by occupation, whole economy

	Total employment	Number with skills gaps	% with skills gaps
Managers	5,413,709	165,796	3
Professionals	3,136,161	130,124	4
Associate professionals	1,832,909	89,670	5
Administrative/clerical staff	3,540,227	170,269	5
Skilled trades occupations	1,885,480	101,153	5
Caring, leisure and other services staff	2,296,289	124,331	5
Sales and customer services staff	3,493,349	288,832	8
Machine operatives	1,932,620	114,650	6
Elementary staff	4,015,451	304,716	8
Weighted base	27,547,123	1,489,541	
Unweighted base	2,816,693	166,795	

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012)

Base: All employment

According to Table 5.17 the proportion of skills gaps across the whole UK economy is relatively evenly distributed. The highest proportions of skills gaps occurred in sales and customer services occupations (eight per cent) as well as elementary occupations (eight per cent).

It is evident that there is more variation in the proportion of skills gaps by occupation across the Real Estate and Facilities Management sector (Table 5.18), ranging from eight per cent of skills gaps within sales and customer service occupations to three per cent of skills gaps amongst managers in the sector.

Table 5.18: Skills gaps by occupation within the sector

	Total employment	Number with skills gaps	% with skills gaps
Managers	271,426	8,075	3
Professionals	62,134	3,875	6
Associate professionals	50,365	2,086	4
Administrative/clerical staff	161,921	8,651	5
Skilled trades occupations	68,366	3,775	6
Caring, leisure and other services staff	43,223	1,862	4
Sales and customer services staff	87,493	7,002	8
Machine operatives	31,907	969	3
Elementary staff	406,767	28,007	7
<i>Weighted base</i>	1,183,601	64,302	5
<i>Unweighted base</i>	91,204	5,425	

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012)

Base: All employment

Table 5.19 indicates that the majority of Real Estate and Facilities Management sector employers in England (51 per cent) and Northern Ireland (63 per cent) thought that a lack of job proficiency amongst staff was the result of employees being new to their roles. In Wales, 64 per cent of employers stated that employee training has only partially been completed. In contrast, 59 per cent of employers in Scotland reported that employees were not proficient in their jobs due to a lack of staff motivation.

Similarly, Table 5.20 indicates that a marginally lower proportion of employers (47 per cent) across the whole UK economy also reported that a lack of job proficiency amongst staff is due to the fact that they are new to their role, while a further 46 per cent of employers stated that staff had only partially completed their training.

Table 5.19: Causes of skills gaps, Real Estate and Facilities Management⁴⁴

	UK		England		Scotland		Wales		Northern Ireland	
	Number	%	Number	%	Number	%	Number	%	Number	%
They are new to the role	32,213	50	30,315	51	*	*	1,011	62	*	*
Their training is currently only partially completed	27,932	43	25,599	43	*	*	1,050	64	*	*
Staff lack motivation	21,895	34	19,964	33	*	*	473	29	*	*
They have been on training but their performance has not improved sufficiently	21,954	34	20,521	34	*	*	434	27	*	*
The introduction of new working practices	11,627	18	9,900	17	*	*	663	41	*	*
They have not received the appropriate training	18,153	28	16,888	28	*	*	736	45	*	*
Unable to recruit staff with the required skills	13,657	21	13,256	22	*	*	74	5	*	*
The introduction of new technology	10,363	16	9,454	16	*	*	493	30	*	*
The development of new products and service	9,826	15	8,871	15	*	*	524	32	*	*
Problems retaining staff	13,338	21	13,066	22	*	*	106	7	*	*
Lack of other skills e.g. communication, interpersonal	678	1	635	1	*	*	6	*	*	*
Lack of aptitude to do job/reached maximum potential	403	1	381	1	*	*	22	1	*	*
Non-work related problems e.g. health problems	422	1	422	1	*	*	0	0	*	*
Language barrier - English not first language	4,354	7	4,354	7	*	*	0	0	*	*
Staff are too old to carry out the work required	12	**	12	**	*	*	0	0	*	*
Other	816	1	626	1	*	*	0	0	*	*
No particular cause	168	**	82	**	*	*	0	0	*	*
Don't know	11,975	19	11,472	19	*	*	431	26	*	*
Weighted base	64,302		60,001		*		1,632		*	
Unweighted base	5,425		4,978		*		238		*	

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012)

Base: All skills gaps followed up

* Data suppressed as unweighted establishment base < 25 (<50 for Scotland)

** Denotes figures of greater than 0% but less than 0.5%

Column percentages sum to more than 100 since multiple responses were allowed

⁴⁴ What are the main causes of some of your <occupation> not being fully proficient in their jobs?

Table 5.20: Cause of skills gaps, whole economy⁴⁵

	UK		England		Scotland		Wales		Northern Ireland	
	Number	%	Number	%	Number	%	Number	%	Number	%
They are new to the role	699,116	47	595,034	46	61,654	51	24,955	46	3,686	54
Their training is currently only partially completed	678,973	46	573,631	45	60,751	50	26,617	50	3,858	57
Staff lack motivation	471,416	32	407,635	32	32,306	27	16,517	31	2,571	38
They have been on training but their performance has not improved sufficiently	430,612	29	360,836	28	38,644	32	16,937	32	2,456	36
The introduction of new working practices	342,371	23	289,098	23	29,436	24	14,322	27	1,756	26
They have not received the appropriate training	336,532	23	287,618	22	27,226	23	13,558	25	2,244	33
Unable to recruit staff with the required skills	267,020	18	230,998	18	18,986	16	10,449	19	1,406	21
The introduction of new technology	247,118	17	208,661	16	20,714	17	10,568	20	1,351	20
The development of new products and service	230,234	15	193,253	15	20,416	17	11,197	21	1,240	18
Problems retaining staff	152,954	10	134,835	11	10,994	9	4,546	8	669	10
Lack of other skills e.g. communication, interpersonal	20,492	1	18,088	1	1,314	1	777	1	133	2
Lack of aptitude to do job/reached maximum potential	12,589	1	10,783	1	911	1	559	1	154	2
Non-work related problems e.g. health or personal problems	12,311	1	10,567	1	1,205	1	314	1	93	1
Language barrier - English not first language	8,849	1	8,459	1	391	0	0	0	0	0
Staff are too old to carry out the work required	3,717	**	3,342	0	268	0	79	0	27	0
Other	25,161	2	22,329	2	830	1	781	1	189	3
No particular cause	11,873	1	8,150	1	1,482	1	658	1	29	0
Don't know	284,691	19	254,043	20	21,444	18	8,578	16	37	1
<i>Weighted base</i>	1,489,540		1,281,758		120,470		53,692		121,850	
<i>Unweighted base</i>	166,795		144,767		9,124		8,297		11,286	

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012)

Base: All skills gaps followed up

** Denotes figures of greater than 0% but less than 0.5%

Note: Column percentages sum to more than 100 since multiple responses were allowed

⁴⁵ What are the main causes of some of your <occupation> not being fully proficient in their jobs?

Table 5.21 identifies the skills employers think employees need to develop so that they can be more proficient at their jobs. Table 5.21 indicates that the majority of employers across the Real Estate and Facilities Management sector in the UK (52 per cent) stated that job specific skills need improving amongst those staff that are not fully proficient at their jobs; this is eight per cent higher than the UK average for the whole economy.

Across the sector in the nations there was more variation with employers citing additional skills, for example, Scottish employers identified planning and organisational skills (71 per cent), problem solving skills (68 per cent) and customer handling skills (68 per cent). Welsh employers highlighted team working skills (58 per cent), planning and organisational skills (58 per cent) and customer handling skills (56 per cent).

Table 5.21: Skills lacking within the sector workforce⁴⁶

	UK		England		Scotland		Wales		Northern Ireland	
	Number	%	Number	%	Number	%	Number	%	Number	%
Basic computer literacy / using IT	7,335	11	6,064	10	*	*	596	37	*	*
Advanced IT or software skills	9,443	15	8,405	14	*	*	332	20	*	*
Oral communication skills	26,570	41	24,548	41	*	*	410	25	*	*
Written communication skills	22,672	35	21,021	35	*	*	744	46	*	*
Customer handling skills	28,103	44	25,465	42	*	*	909	56	*	*
Team working skills	23,683	37	21,519	36	*	*	941	58	*	*
Written Welsh language skills	52	**	0	0	*	*	52	3	*	*
Oral Welsh language skills	37	**	0	0	*	*	37	2	*	*
Foreign language skills	10,217	16	10,121	17	*	*	0	0	*	*
Problem solving skills	23,415	36	20,916	35	*	*	787	48	*	*
Planning and organisation skills	28,181	44	25,440	42	*	*	948	58	*	*
Strategic management skills	11,611	18	11,164	19	*	*	181	11	*	*
Numeracy skills	11,731	18	10,955	18	*	*	443	27	*	*
Literacy skills	18,301	28	17,600	29	*	*	194	12	*	*
Office admin skills	9,728	15	8,110	14	*	*	705	43	*	*
Technical or practical skills	23,301	36	21,607	36	*	*	631	39	*	*
Job specific skills	33,600	52	30,514	51	*	*	1,036	63	*	*
Personal attributes	375	1	350	1	*	*	6	*	*	*
Experience/lack of product knowledge	1,208	2	569	1	*		0	0	*	
Other	39	**	22	**	*		0	0	*	
No particular skills difficulties	3,056	5	3,022	5	*	*	11	1	*	*
Don't know	11,671	18	11,186	19	*	*	431	26	*	*
<i>Weighted base</i>	64,302		60,001		*		1,632		*	
<i>Unweighted base</i>	5,425		4,978		*		238		*	

Source: UK Employer Skills Survey data, 2011

Base: All skills gaps followed up

Notes:

* Data suppressed as unweighted establishment base < 25 (<50 for Scotland)

** Denotes figures of greater than 0% but less than 0.5%

Column percentages sum to more than 100 since multiple responses were allowed

Table 5.22 indicates that 75 per cent of Real Estate and Facilities Management employers based in England claimed that there was an increased workload for other staff as a result of skills gaps; this is lower than the UK sector average of 77 per cent and the whole UK economy average of 78 per cent (see Table 5.23).

⁴⁶ Think of your <occupation> who are not fully proficient, which of the following skills do you feel need improving?

Table 5.22: Consequences of skills gaps within the sector⁴⁷

	UK		England	
	Number	%	Number	%
Increase workload for other staff	6,872	77	6,280	75
Increase operating costs	3,879	43	3,598	43
Have difficulties meeting quality standards	4,181	47	3,927	47
Have difficulties introducing new working practices	3,717	42	3,485	42
Lose business or orders to competitors	2,967	33	2,848	34
Delay developing new products or services	2,420	27	2,248	27
Outsource work	2,179	24	2,022	24
No particular problems / None of the above	395	4	373	4
Don't know	13	**	13	**
<i>Weighted base</i>	469		8,320	
<i>Unweighted base</i>	8,955		432	

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012)

Base: All employers with skills gaps that have impact on establishment performance

Notes:

Data for Wales, Scotland and Northern Ireland suppressed as unweighted establishment base < 25 (<50 for Scotland)

** Denotes figures of greater than 0% but less than 0.5%

Column percentages sum to more than 100 since multiple responses were allowed

Table 5.23 establishes that the majority of employers based in each of the nations cited an increased workload for other staff as the main consequence of skills gaps followed by increased operational costs which are a particular priority for employers in Wales (50 per cent) and Northern Ireland (49 per cent).

⁴⁷ Is the fact that some of your staff are not fully proficient causing this establishment to...?

Table 5.23: Consequences of skills gaps, whole economy⁴⁸

	UK		England		Scotland		Wales		Northern Ireland	
	Number	%	Number	%	Number	%	Number	%	Number	%
Increase workload for other staff	144,234	78	120,873	78	13,091	80	6,475	81	3,794	80
Increase operating costs	82,833	45	68,918	44	7,615	46	3,984	50	2,314	49
Have difficulties meeting quality standards	74,405	40	63,415	41	6,121	37	3,286	41	1,584	33
Have difficulties introducing new working practices	70,317	38	57,368	37	7,637	47	3,326	42	1,985	42
Lose business or orders to competitors	59,139	32	50,038	32	4,865	30	2,810	35	1,425	30
Delay developing new products or services	46,767	25	39,469	25	3,542	22	2,470	31	1,286	27
Outsource work	28,173	15	24,449	16	1,549	9	1,442	18	733	15
No particular problems / None of the above	14,285	8	12,183	8	1,297	8	394	5	412	9
Don't know	344	**	332	0	11	**	0	**	0	**
<i>Weighted base</i>	184,733		155,600		16,389		8,012		4,732	
<i>Unweighted base</i>	12,943		11,100		527		876		440	

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012)

Base: All employers with skills gaps that have impact on establishment performance

Notes:

** Denotes figures of greater than 0% but less than 0.5%

Column percentages sum to more than 100 since multiple responses were allowed

⁴⁸ Is the fact that some of your staff are not fully proficient causing this establishment to...?

Table 5.24 and Table 5.25 show the steps employers have taken to overcome skills gaps in the Real Estate and Facilities Management sector compared to the whole UK economy.

Table 5.24: Steps employers have taken to overcome skills gaps, within the Real Estate and Facilities Management sector⁴⁹

	UK		England	
	Number	%	Number	%
Increase training activity / spend or increase/expand trainee programmes	8,765	90	7,864	89
More supervision of staff	5,511	57	4,894	56
More staff appraisals / performance reviews	5,087	52	4,514	51
Implementation of mentoring / buddying scheme	5,002	51	4,435	50
Reallocating work	2,969	30	2,536	29
Changing working practices	2,489	26	2,070	24
Increase recruitment activity / spend	1,364	14	1,324	15
Recruiting workers who are non-UK nationals	932	10	917	10
Other	112	1	112	1
Nothing	18	**	18	0
Don't know	0	0	0	0
<i>Weighted base</i>	<i>9,741</i>		<i>8,787</i>	
<i>Unweighted base</i>	<i>573</i>		<i>517</i>	

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012)

Base: All employers with skills gaps who have taken steps to improve the proficiency of skills of these staff or have plans to do so.

Notes:

Data for Wales, Scotland and Northern Ireland suppressed as unweighted establishment base < 25 (<50 for Scotland)

Note: ** Denotes figures of greater than 0% but less than 0.5%

Column percentages sum to more than 100 since multiple responses were allowed

Table 5.24 indicates that 90 per cent of Real Estate and Facilities Management sector employers across the UK stated that they are increasing training activity, spend and programmes to overcome skills gaps amongst their workforce, compared to 82 per cent across the whole UK economy (Table 5.25). Other frequently cited steps taken to overcome skills gaps across the Real Estate and Facilities Management sector include more supervision of staff (57 per cent), more staff appraisals / performance reviews (52 per cent) and implementing a mentoring or buddying scheme (51 per cent).

⁴⁹ Which of the following steps is this establishment taking to overcome the fact that some of its staff are not fully proficient in their job? (prompted)

Table 5.25: Steps employers have taken to overcome skills gaps, whole economy

	UK		England		Scotland		Wales		Northern Ireland	
	Number	%	Number	%	Number	%	Number	%	Number	%
Increase training activity / spend or increase/expand trainee programmes	185,527	82	155,451	82	3,822	79	18,002	83	8,253	86
More supervision of staff	139,442	62	116,865	62	3,186	66	13,381	62	6,009	62
More staff appraisals / performance reviews	123,245	55	103,336	55	2,939	61	12,001	55	4,968	51
Implementation of mentoring / buddying scheme	113,645	50	94,041	50	2,350	49	12,376	57	4,878	51
Reallocating work	76,053	34	62,381	33	1,952	41	7,876	36	3,844	40
Changing working practices	69,850	31	59,408	31	1,499	31	6,406	29	2,537	26
Increase recruitment activity / spend	33,319	15	28,747	15	762	16	2,386	11	1,424	15
Recruiting workers who are non-UK nationals	21,589	10	18,782	10	572	12	1,373	6	862	9
Other	3,156	1	2,742	1	125	3	221	1	69	1
Nothing	3,541	2	2,736	1	36	1	617	3	152	2
Don't know	348	**	322	0	0	0	0	0	25	0
<i>Weighted base</i>	225,379		189,191		21,730		9,650		4,807	
<i>Unweighted base</i>	16,506		14,313		655		1,074		464	

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012)

Base: All employers with skills gaps who have taken steps to improve the proficiency of skills of these staff or have plans to do so.

Notes:

Denotes figures of greater than 0% but less than 0.5%

Column percentages sum to more than 100 since multiple responses were allowed

5.3 Extent of under-employment

This section discusses the extent to which the Real Estate and Facilities Management sector workforce is considered to be under-employed. The UK Commission for Employment and Skills defined under-employment in terms of being either over-qualified or over-skilled (UKCES, 2010).

An individual is described as being over-qualified if the qualifications they have are higher than the qualifications someone needs to get into their job. An individual is considered to be over-skilled if they do not have enough opportunity to use the knowledge and skills that they have, and have little opportunity to use their past experience, skills or abilities in their job.

By comparing people's qualifications with the qualifications someone would need to get the job they are doing, we can see if people have a higher or lower level qualification than is required, in other words, whether they are over-qualified, or under-deployed and under-utilising their skill. A low level of over-qualification would indicate a 'strong matching' of skills to jobs, and limited over-qualification. In contrast, a high level of over-qualification would indicate weak matching and over-qualification / under-employment and under-use of skills (UKCES, 2010).

Table 5.26 shows that 49 per cent of employers stated that 18 per cent of their employees are over-qualified and over-skilled for their current job role; this is slightly higher than the proportion of employees reported as over-qualified and over-skilled across the whole UK economy (16 per cent).

It is evident from Table 5.27 that a quarter of Real Estate and Facilities Management employees in Wales are considered to be over-qualified and over-skilled; this is higher than any other nation and the UK average of 16 per cent.

Table 5.26: Extent to which workforce is ‘over qualified’ and ‘over skilled’ by sector⁵⁰

	Employers with employees who are over qualified and over skilled				Employees who are over qualified and over skilled			
	Number	%	Weighted base	Unweighted base	Number	%	Weighted base	Unweighted base
Agriculture, Forestry & Fishing	42,111	38	110,220	1,547	88,613	19	466,870	19,506
Energy Production & Utilities	5,458	43	12,610	1,614	43,319	13	333,050	47,228
Manufacturing	56,009	43	130,709	7,776	252,633	10	2,541,188	291,593
Construction, Building Services Engineering and Planning	129,922	42	306,403	8,961	369,923	17	2,235,270	150,111
Wholesale & Retail Trade	241,146	51	470,200	16,150	846,216	18	4,674,684	514,820
Transportation and Storage	61,038	50	122,058	4,735	202,809	15	1,320,126	114,658
Hospitality, Tourism and Sport	131,526	60	220,055	11,318	566,562	24	2,313,487	258,524
Information and Communication Technologies	33,764	47	72,281	2,510	93,637	15	614,641	53,681
Creative Media & Entertainment	66,845	46	143,772	3,762	205,573	19	1,086,978	87,953
Financial, Insurance & Professional Services	76,826	45	170,887	5,343	312,906	15	2,052,039	112,945
Real Estate & Facilities Management	81,744	49	166,486	3,424	217,791	18	1,183,601	91,204
Government Services	29,384	54	54,687	2,605	256,006	14	1,780,058	223,796
Education	34,623	54	64,540	5,439	341,455	13	2,538,545	387,221
Health	23,566	45	52,370	3,398	225,183	11	2,004,436	219,765
Care	47,114	54	87,899	4,763	258,385	17	1,504,729	157,681
Whole economy	1,118,691	49	2,299,921	87,572	4,456,192	16	27,547,123	2,816,693
<i>Weighted base</i>	2,299,921				27,547,123			
<i>Unweighted base</i>	87,572				2,816,693			

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012)

Base: "Employers" columns based on all establishments, "employees" columns based on all employment.

Note: Column percentages sum to more than 100 since multiple responses were allowed

⁵⁰ You said you had <> staff who are fully proficient at their job. Of these, how many would you say have both qualifications and skills that are more advanced than required for their current job role? (prompted)

Table 5.27: Extent to which workforce is 'over qualified' and 'over skilled'⁵¹

	UK		England		Scotland		Wales		Northern Ireland	
	Number	%	Number	%	Number	%	Number	%	Number	%
Agriculture, Forestry & Fishing	88,613	19	65,776	18	†14,421	†26	6,304	20	2,112	9
Energy Production & Utilities	43,319	13	24,398	10	16,430	27	1,492	9	1,000	14
Manufacturing	252,633	10	207,252	10	23,989	12	10,438	8	10,953	13
Construction, Building Services										
Engineering and Planning	369,923	17	322,354	18	26,150	11	11,605	13	9,813	14
Wholesale & Retail Trade	846,216	18	706,922	18	84,085	23	29,870	15	25,339	18
Transportation and Storage	202,809	15	174,327	15	19,364	17	5,532	14	3,586	13
Hospitality, Tourism and Sport	566,562	24	469,544	24	61,407	27	21,939	22	13,672	22
Information and										
Communication Technologies	93,637	15	82,478	15	†6,789	†22	2,486	13	1,883	18
Creative Media &										
Entertainment	205,573	19	180,207	19	†16,895	†24	5,726	16	2,744	10
Financial, Insurance & other										
Professional Services	312,906	15	273,503	15	25,942	19	5,851	11	7,611	20
Real Estate & Facilities Management	217,791	18	190,600	18	†16,587	†23	8,312	25	2,292	10
Government Services	256,006	14	209,697	14	25,177	14	11,208	12	9,923	16
Education	341,455	13	283,067	13	26,749	14	21,757	19	9,882	14
Health	225,183	11	203,155	13	11,177	5	7,399	6	3,452	8
Care	258,385	17	219,433	18	20,636	15	9,128	15	9,188	12
Whole economy	4,456,192	16	3,612,713	16	395,798	17	165,139	14	117,410	15
<i>Weighted base</i>	27,547,123		23,198,476		2,381,601		1,182,314		784,732	
<i>Unweighted base</i>	2,816,693		2,345,213		201,868		178,922		90,690	

Source: UK Commission's Employer Skills Survey 2011 (Davies et al, 2012)

Base: All employment

† Treat figures with caution due to small base size of 50-99 establishments in Scotland

⁵¹ You said you had <> staff who are fully proficient at their job. Of these, how many would you say have both qualifications and skills that are more advanced than required for their current job role? (prompted)

5.4 Impact of mis-matches in terms of wages and migration

This section discusses the impact of skills mis-matches across the Real Estate and Facilities Management sector in terms of wages and the use of migrant labour.

5.4.1 Wages

The National Strategic Skills Audit (UKCES, 2010) asserts that wage premia can often indicate a short-term increase in employer demand as they provide an incentive for individuals to develop certain skills. Increased wages can also highlight persistent skills shortages or the distribution of rare skills (reward for scarce skills that are not easily learnt).

The average hourly wages earned by employees within the Real Estate and Facilities Management sector (£11.71) is lower than the average seen across the whole economy (£14.60). It is likely that the services to buildings and landscapes sub-sector contributes significantly to this difference – wages in the cleaning industry are typically low, particularly within elementary roles.

Table 5.28: Average hourly wage by sector (£) (UK)

	2008	2009	2010
Agriculture, forestry and fishing	10.42	11.18	10.38
Energy production and utilities	15.93	16.41	16.62
Manufacturing	13.86	14.28	14.37
Construction, building services, engineering and planning	14.66	15.29	15.39
Wholesale and retail trade	11.00	11.27	11.36
Transportation and storage	12.44	13.16	13.21
Hospitality, tourism and sport	9.14	9.35	9.52
Information and communication technologies	20.05	20.26	20.40
Creative media and entertainment	17.14	17.29	17.50
Financial, insurance and other professional services	21.06	21.45	21.99
Real estate and facilities management	11.36	11.64	11.71
Government services	14.40	14.87	15.62
Education	14.67	15.39	15.71
Health	14.97	15.79	16.45
Care	10.21	10.30	10.49
All economy	13.94	14.39	14.60

Source: Annual Survey of Hours and Earnings, 2010, ONS

Employers within the cleaning industry are often faced with recruitment issues, for example individuals are often unwilling to take jobs for lower than average wages for employment which is perceived to offer few career opportunities. Evidence suggests that a skills mismatch exists within the sector currently – 49 per cent of employers within the Real Estate and Facilities Management sector claim that they employ staff that have qualifications or skills that are more advanced than what is required in their current role.

The impact that this can have on wages can be significant, with staff potentially not earning the wages that they would aspire to given their skills. At a wider level this mis-match may impact on the morale and productivity of staff within the sector.

5.4.2 Migration

Another potential measure of imbalance between the skills available and the skills needed is the use of migrant workers. It is generally accepted that migrant workers now play a significant role in the UK economy across a number of different industries. Within the Real Estate and Facilities Management sector migrant workers can be particularly valuable in their willingness to fill positions which British workers are unwilling to due to poor pay or a perceived lack of career opportunities – this is particularly true within the services to buildings and landscapes sub-sector. Research shows that there are as many as 136,000 migrant workers employed in elementary cleaning occupations in England (UKCES, 2010).

The level of migrant labour within the workforce is often therefore a reflection of employer efforts to deal with issues around recruitment, high staff turnover (a particular problem in the services to buildings and landscapes sub-sector), and hard-to-fill vacancies - often a result of poor wages or being required to work unsociable hours (Asset Skills, 2011^a). Employers within the services to building and landscape sub-sector often rely on migrant workers to fill such positions, not only because of their availability to do so, but because of the personal qualities that they possess (such as a good work ethic) (Asset Skills, 2011^a). The quotation below reflects the typical views held by cleaning employers within the services to buildings and landscape sub-sector.

“In general, they [migrant workers] have resolved our recruitment issue, they are really hard workers, they are extremely polite and extremely pleasant, and their attendance is absolutely spot on.” (Cleaning Employer, England)

However, attempting to deal with issues around staff recruitment and retention through the use of migrant labour also brings with it a number of challenges for employers. Skills gaps amongst migrant workers exist most commonly in the areas of communication and, specifically, in their grasp of English. The need for an acceptable level of spoken English is particularly important when it comes to providing good customer service and a lack of skills in this area has been highlighted as a significant concern by employers in the sector (Asset Skills, 2011^a). In fact some employers in the sector commented that because of this they have often said to prospective migrant workers, *“I can’t employ you now, but if you do this [English language] course I will”* (Cleaning Employer, England).

Furthermore, employers within the sector have identified a shortfall in reading skills amongst migrant workers. This shortfall has consequences with regards to health and safety. For instance, if a migrant worker's ability to read English is limited, even if they are able to speak the language, then areas of the job such as handling chemicals can be potentially dangerous. The growth of migrant labour within the workforce has placed an emphasis on the need for ESOL training (English for Speakers of Other Languages).

There are currently 3.8 million people (13 per cent) in employment born outside of the UK (see table 5.29). There has been a five per cent increase in non-UK born worker participation in the labour market between 2002 and 2010.

By comparison, the Real Estate and Facilities Management sector has one of the greatest proportions of non-UK born workers (18 per cent) across the economy.

Table 5.29: Employment by country of birth and sector, UK, 2010

	UK	Rest of Europe (EU 27)	Rest of World	Total	UK	Rest of Europe	Rest of World	Total
	000s	000s	000s	000s	%	%	%	%
Agriculture, forestry and fishing	377	21	8	406	93	5	2	100
Energy production and utilities	431	15	26	472	91	3	6	100
Manufacturing	2,567	210	193	2,969	86	7	6	100
Construction, building services, engineering and planning	2,446	124	126	2,696	91	5	5	100
Wholesale and retail trade	3,644	177	318	4,140	88	4	8	100
Transportation and storage	1,213	77	158	1,448	84	5	11	100
Hospitality, tourism and sport	1,630	156	260	2,046	80	8	13	100
Information and communication technologies	640	33	88	761	84	4	12	100
Creative media and entertainment	850	51	87	987	86	5	9	100
Financial, insurance and other professional services	1,719	79	202	2,001	86	4	10	100
Real estate and facilities management	808	55	114	978	83	6	12	100
Government services	2,011	46	152	2,208	91	2	7	100
Education	2,769	106	213	3,088	90	3	7	100
Health	1,737	83	266	2,086	83	4	13	100
Care	1,490	65	174	1,729	86	4	10	100
Other sectors	722	43	71	836	86	5	9	100
All economy	25,054	1,340	2,457	28,851	87	5	9	100

Source: Labour Force Survey 2010, ONS

5.4.3 Extent to which skills deficiencies are hampering growth

Although the majority of establishments have the skills they require, employers in some pockets of the economy continue to face very serious skill deficiencies which are hampering business growth. Skills deficiencies are self-defined by employers when they perceive a lack of skills an employee possesses prevents them from being fully proficient in their job role (UKCES, 2011).

There are concerns that unless new strategies are put in place to train the existing workforce skills deficiencies will continue to put pressure on businesses in the future. Approximately 80 per cent of the people who will be in the workforce in 2020 have already left compulsory education (Department for Business, Innovation and Skills, 2010).

Across the UK Real Estate and Facilities Management sector, 64,302 employees (five per cent) are deemed to be not fully proficient in their job (UKCES, 2011). Whilst only five per cent are deemed not to be fully proficient in their jobs, the impact this can have on productivity and growth can be significant. The UK Commission's Employer Skills Survey (ESS, 2012) shows the following impacts (UKCES, 2011):

- Increased work load for other staff (77 per cent)
- Have difficulties in meeting quality standards (47 per cent)
- An increase in operating costs (43 per cent)
- Have difficulties in introducing new working practices (42 per cent)
- Lose business or orders to competitors (33 per cent)
- Delay in developing new products or services (27 per cent)

Asset Skills research indicates that skills deficiencies can significantly hamper growth when employers are looking to move into new areas of activity as a result of economic pressures or customer demands to provide a more diverse range of services.

Just over a quarter (26 per cent) of Real Estate and Facilities Management organisations across the UK indicated they are planning to move into new areas of activity over the next 12 months. However, just under a third of these employers (31 per cent) stated that current staff did not have the skills and knowledge to undertake these new activities (Asset Skills, 2011^{a-d}). This provides compelling evidence as to the extent to which skills deficiencies within the Real Estate and Facilities Management sector workforce are hampering growth.

6. Drivers of change and their skills implications

Chapter Summary

- Drivers of change have a range of impacts on employers in the Real Estate and Facilities Management sector – most notably around skills. Whilst economic pressures and increasing customer demands are changing the skills that employers require, regulation (such as that around migrant workers) is impacting upon how accessible these skills are to employers.
- The impact of drivers on the sector goes beyond the skills that staff will require. It has been suggested that expansion (particularly internationally) may lead to increasing professionalism (in facilities management for example) while, in the case of cleaning, environmental concerns are already having an impact upon working practices.
- Economics and globalisation appears to be the most significant driver of change for employers within the sector, regardless of the sub-sector or the nation within which they are based. Changing customer demands has also been highlighted as significant, and it is possible to suggest that these two drivers are interlinked.
- The drive for environmental sustainability is having an increasing impact across the Real Estate and Facilities Management sector. Making our urban areas, particularly our cities, more sustainable is becoming a priority across the UK.
- The government has introduced targets for all properties in the UK with an Energy Performance Certificate (EPC) rating of F or G to be improved beyond that grading (Property Wire, 2011) to facilitate this reduction in emissions. This is placing organisations based in the sector under increasing pressure to prove that they can work sustainably. As a result there is increasing demand amongst employers for staff with knowledge relating to low carbon developments and retro-fitting, energy assessment skills and energy management skills.
- The full impact of each driver on employers in the sector is generally dependent upon the sub-sector in which they are based. Property employers appear to have been particularly affected by the economic environment for example, whilst cleaning employers cited a high proportion of issues around demographics.

This chapter of the report provides an overview of the major drivers of future demand for, and supply of, skills.

The analysis of drivers of change follows a common framework (UKCES, 2010) covering political, economic, environmental, social, technological, and demographic change, and provides a review of the key developments within each of the drivers. The purpose is to indicate the nature and direction of major types of change, and provide a broad analysis of how they may influence skills demand and supply.

6.1 Drivers of change

In this section drivers of change are categorised under seven headings of change, and are examined in turn.

The categorisation used here is based on the work of Davies *et al* (2001), and most latterly replicated by UKCES (2010). These ‘seven drivers of change’ are presented diagrammatically in Figure 6.1. It is the relationship between the drivers that are critical to determining impact. The dependencies mean that each may mitigate or reinforce each other’s impact, and it is therefore important to recognise these dynamics in analysis of the trends in the demand for, and supply of skills (UKCES, 2010).

Figure 6.1: The major drivers of change



Source: National Strategic Skills Audit 2010, UKCES

Driver of Change 1: Regulation and multi-level governance

This driver covers management of borders between states, threats to (inter)national security, changes in global power, national and international conflict, and domestic regulation. Regulation can have an important influence on skills supply because it may affect labour supply through controlling entry to, and exit from, education and the labour market, and can influence skills demands through setting of either training, product or service standards, (see table 6.1 pp. 32).

Legislative factors, both European and national, take many forms across the Real Estate and Facilities Management sector. There is a range of examples where regulation (both national and international) impacts upon both employers and staff across the sector.

Industry regulation across the Real Estate and Facilities Management sector continues to have implications for employers and staff

Regulation significantly influences those within the Real Estate and Facilities Management sector on a number of levels.

From a sectoral perspective examples are seen in the role that regulation, licencing and codes of practice play in the security industry – any individual performing a security guarding role must hold a license from the Security Industry Authority for example, and strict guidelines also exist around the use of CCTV. The Coalition government have implemented changes surrounding the sector, since their inception in 2010. These changes will be central to the required skills needs of the workforce in the coming years.

Such regulation can help to raise skills and standards, and also play an important part in improving the profile and perception of a particular industry. By ensuring that staff have to reach and display a certain level of competence and employers are required to demonstrate compliance, regulation plays an important role in driving increasing levels of professionalism across the sector.

Some have suggested that the Real Estate and Facilities Management sector would benefit from further regulation in certain areas (such as estate agency) and while this has not been forthcoming as yet, in the areas where it currently is in place, regulation serves to ensure that employers and staff act in a way which is in the best interests of their clients and the industry as a whole (Asset Skills, 2011d). It is difficult to state the likelihood of this happening, but should it occur, it is likely to have a significant impact on the demand for qualifications or other demonstrations of competency.

The impact of national and international regulation on employers and staff within the Real Estate and Facilities Management sector

A range of regulation at both a national and international level has a significant impact upon the Real Estate and Facilities Management sector. Rises in the National Minimum Wage level for example have significantly impacted upon cleaning employers in the past, with some citing the negative impact it has had on profit margins for employers and take home pay for staff, due to employers reducing the number of hours in a cleaners shift (Cleaning Support Services Association, 2010).

The introduction of the Equality Act in 2010 is also likely to have a significant influence on the make-up of the sector, with staff now under no obligation to retire when reaching state pension age. For employers this will mean having to take measures to ensure that the skills of such staff can be maximised. Health and safety legislation also remains important, particularly for facilities managers, who may find responsibility in this area falling under their remit.

The impact of regulation on skills and labour supply in the sector

Regulation can have a significant impact on the supply of labour to a sector and the ability of employers to access the skills they need. In April of 2011 legislation was introduced by the government which put a cap on the number of skilled workers entering the UK from outside the EU. This may potentially give some employers across the Real Estate and Facilities Management sector difficulties in meeting their skills needs – for example within the services to buildings and landscapes sub-sector migrant workers can help employers to deal with labour shortages and high staff turnover.

It is still not clear what the full extent of the impact of this cap will be on the sector, with a high proportion of migrant workers generally coming from inside the EU; however, with focus on recovery and reducing net migration, it may impact upon where employers have to source their labour and skills from for certain roles in future.

Driver of Change 2: Demographic and population change

This driver covers: the impact of global population change; changes in the age profile of the population; and migration pressures. Table 6.1 on pp. 132 shows that demographic change can be an important influence on skills needs because it can affect labour supply through population change and location of different sources of labour, and population change itself can lead to increases and decreases in demand for different kinds of goods and services, leading to expansion or contraction in related job volumes.

The ageing workforce within the Real Estate and Facilities Management sector creates opportunities and challenges for employers

An ageing workforce brings with it a number of opportunities and challenges for employers working within the Real Estate and Facilities Management sector. The abolition of the default retirement age has meant that employers now need to be prepared for a range of possibilities – if staff choose to work beyond retirement age it is important that employers continue to make the most of their skills, while at the same time putting effective succession plans in place for occasions when staff choose to leave. Strong management and leadership skills are crucial to facilitating this process effectively, as are effective communication skills.

Older staff can bring with them experience and skills that can be rare in younger staff. Making the most of these skills may require a more flexible working environment, with changes ranging from how the office is designed, to the hours an employee is required to work. However, whilst an ageing workforce allows employers in the sector to tap into valuable skills and experience it also brings with it a number of challenges.

The physical capabilities of an employee may need to be closely monitored for example, particularly in areas such as cleaning (where staff may be required to work on their own) or in security, where a person becoming physically frail may lead to them putting themselves or others at risk. Further to this, with technology playing an increasing part across the sector (and often playing a fundamental role in areas such as security for example) time and support may need to be invested in training older staff in this area.

One of the most significant challenges facing employers in the sector in relation to the ageing workforce is how to attract younger staff with the required skills. This is particularly important in ensuring that a sector that is expanding rapidly (such as facilities management) can do so effectively. The specific challenges faced by employers in this area vary across the sector, for example, in cleaning the most significant challenges often relate to altering poor perceptions about the industry, whilst in facilities management the focus is often on creating an effective point of entry into the industry for potential staff.

The opportunities and challenges created by migrant workers in the Real Estate and Facilities Management sector

Migrant workers offer a number of opportunities to employers within the Real Estate and Facilities Management sector. Typically, a significant number of migrant workers are employed in elementary roles within the sector, and more specifically, in cleaning.

Migrant workers can help to ease issues around labour shortages and high levels of staff turnover which can make them an attractive proposition for businesses. There is evidence that their presence in the sector stretches beyond elementary cleaning roles – in 2010 it was reported that as many as 53,000 migrant workers were employed in real estate activities (UKCES, 2010).

The employment of migrant workers can also bring a number of challenges, most notably around an individual's ability to speak English. At the minimum a basic understanding of the language is required or an employee's inability to understand English may lead to issues around health and safety.

An employer may be required to invest in some training, or at least employ some strategies, to ensure that this is the case. Businesses also need to be certain that any person that they do employ is eligible to work in the UK – if found to be employing an illegal immigrant businesses may face heavy fines.

Achieving gender diversity within the Real Estate and Facilities Management sector

The proportion of men and women employed across the Real Estate and Facilities Management sector varies depending upon the specific sub-sector.

A higher proportion of women typically work within housing and cleaning for example, whilst a higher number of men are employed within facilities management and security occupations. However, in areas where female representation is strong (such as in housing or cleaning), it is still not the case that women occupy a significant number of senior positions. Efforts have been made to address this issue in order to not only ensure individuals have equal opportunities, but to bring benefits to the sector.

A heavy reliance upon any one gender may well limit the opportunities of the sector to benefit from a larger pool of talent when recruiting new staff.

Driver of Change 3: Environmental change

This driver includes: climate change; pollution; changes in demand levels for different types of energy; and development of cities versus rural areas. Environmental change may lead to skills needs as a result of government policy and investment to tackle climate change through stimulating the development of a low carbon economy (table 6.1).

The drive for environmental sustainability is having an increasing impact across the entire Real Estate and Facilities Management sector

Making our urban areas, particularly our cities, more sustainable is becoming a priority across the UK as public sector buildings and commercial properties account for nearly 25 per cent of the UK's carbon emissions, while residential properties account for a further 35 per cent (Department of Communities and Local Government, 2009). Experts acknowledge that to combat climate change, carbon emissions from both new and existing properties must be reduced.

The reduction of greenhouse gas emissions is an example of another area which significantly impacts upon the sector. Climate change is an area which demands international cooperation to produce lasting, positive results. In The Climate Change Act of 2008 the UK has set itself ambitious targets in this area (to reduce greenhouse gas emissions by 80 per cent by 2050). An awareness of the impact that behaviours and working practices are having on the environment, and how best to minimise these, has become increasingly important as a result.

The government has introduced targets for all properties in the UK with an Energy Performance Certificate (EPC) rating of F or G to be improved beyond that grading (Property Wire, 2011) to facilitate this reduction in emissions. This is placing organisations based in the sector under increasing pressure to prove that they can work sustainably. As a result there is increasing demand amongst employers for staff with knowledge relating to low carbon developments and retro-fitting, energy assessment skills and energy management skills. For example, organisations based in the real estate activities sub-sector are relying on sustainable technologies, such as; insulation, energy efficient boilers, solar panels and draft proofing for windows and doors to increase the efficiency of their housing stock and meet government targets in 2020.

However, government targets are not the only factors motivating these businesses to become more sustainable.

Evidence suggests that increasing customer demand for sustainable working practices and the cost savings associated with these working practices has encouraged businesses to place greater emphasis on corporate social responsibility.

Companies are taking greater care to ensure that their operations make the most of natural capacity and resources, minimise negative impacts on the physical environment and promote sustainability

The past decade has seen more focus on the debate surrounding the role and responsibility of companies within the Real Estate and Facilities Management sector. How a company applies its values and meets its responsibilities when doing business is becoming increasingly important to employees, customers, governments, communities, suppliers and shareholders.

As a result more companies are linking sustainable principles like using fewer natural resources, nurturing staff talent and increasing operational efficiency to commercial priorities so that everything a company does to make them more successful also makes their business more sustainable. This business approach has become more popular as a marketing strategy and an increasing proportion of organisations have started to compete on environmental credentials as well as more traditional factors such as price.

Sustainable procurement is becoming more widespread as part of an increasing focus on 'green' issues, a commitment to environmentally friendly goods and services, and increasing recycling efforts

Sustainability and corporate social responsibility are now significant factors in procurement decisions as the Real Estate and Facilities Management sector becomes increasingly price sensitive due to growing economic pressures combined with rising customer expectations. Managers with effective interpersonal and communication skills can create closer relationships between suppliers and contractors, facilitating the development of more sustainable supply chains as greater efficiencies and lower procurement costs are sought (Sustainable FM, 2011).

Sustainable procurement is therefore profitable because it can reduce risk, ensure customers receive value for money and reduce the impacts of supply chains on the environment.

For example, customer demands for more sustainable services within the services to buildings and landscapes sub-sector have resulted in the production of less environmentally harmful cleaning products, more effective waste management, increasingly energy efficient cleaning equipment and the introduction of alternative working practices, such as daytime cleaning (Cleaning Hygiene Today, 2011).

To ensure that sustainable procurement is effective staff require tendering, procurement and contract management skills.

Driver of Change 4: Economics and globalisation

This driver includes: the rate of overall economic growth; management practices and structure of organisations; nature of workforce; and international trade. Economic growth in developing economies may create pressure on the UK and a move into higher value-added markets, which may lead to increasing demands for higher level skills in some jobs, and place demands on capacity to adapt to the requirements of emerging overseas markets.

The economic environment has had a number of notable impacts on companies within the Real Estate and Facilities Management sector

The challenging economic climate has led to many clients demanding more at the contract stage with companies under pressure to provide effective, flexible services at a reasonable cost.

Competition has increased in areas such as price, which has led to profit margins being tightened. Some employers in the cleaning industry for example have suggested that these tight profit margins have made it difficult to deal with changes in other areas, such as increases to the National Minimum Wage (which increased to £5.93 per hour in October 2010 and £6.08 per hour a year later).

The economic environment has had a range of impacts on demand across the sector. In the case of the real estate activities sub-sector, demand has been low as buyers struggle to secure a mortgage, while in the case of social housing, demand for services is increasing due to declining household incomes and rising unemployment, (see table 6.1). However, the impact of the economic environment has made it difficult for the sector to meet this demand with budget cuts preventing the sector from building the 100,000 homes a year needed to reduce waiting list numbers (24 Housing, 2011).

In an effort to remain profitable many companies have been forced to make efficiency savings wherever possible which has put an emphasis on the need for multi-skilled staff.

Strong management and leadership, and change management skills have become important across the sector as employers look to respond to the pressures created by this environment. However, the impact felt across the sector has not been a uniform one - in the case of housing organisations for example economic conditions do appear to be undermining workforce confidence (Inside Housing, 2011), while facilities management companies continue to report a level of optimism (MTW Research, 2011).

The economic environment and potential expansion into other markets may drive increasing professionalism within the sector

It is possible that both the economic environment and the move into other markets will drive professionalism across the Real Estate and Facilities Management sector. As competition for contracts increases (in industries such as cleaning and facilities management) companies are under pressure to show that they can offer high levels of service and effectively meet customer requirements.

Equally, effective growth internationally is likely to require a growing sense of professionalism, not only from individual companies, but across the sector as a whole.

It is anticipated that increasing professionalism within the facilities management industry, through a rise in a standard set of terminologies, may be important in boosting the profile of the sector and supporting international growth, which, in turn, would make it easier to operate across borders (FM World, 2011).

It is also likely that, as organisations and companies begin to operate on an international level, best practice will spread more easily, influencing the approaches taken by those within the sector in the UK and beyond.

Challenging economic conditions are proving a particular challenge for housing service delivery

According to recent research conducted by the Tenant Services Authority, housing providers are becoming more concerned about inter-linking risks and the impact of a number of these risks occurring at the same time. The reduction in public subsidy, increasing interest rates and inflation, changes to accounting policy, the continued weakness in the housing market and tighter funding conditions are seen by many in the sector as the key risks the whole sector will need to manage in the short to medium term (Tenant Services Authority, 2011).

Many within the sector note that their organisations and boards are increasingly looking for more sophisticated or enhanced planning models and assumptions in order to deal with these factors. A number of providers all state that tighter cost control and increased value for money were the key drivers for their organisations to continue meeting these objectives in an operating environment where their income streams will become more volatile (Tenant Services Authority, 2011).

Public sector spending

Cuts in public sector spending can present certain organisations within the services to buildings and landscapes sub-sector with a broad range of opportunities, as the UK government implement deficit reduction programmes and require on-going efficiencies in the delivery of essential front line services. Faced with this, the government is increasingly recognising the benefits of opening public services to competition. Studies have demonstrated that competition can reduce the cost of public services by 10 to 30 per cent and stimulate innovation in delivery (Dr D. Julius, 2008).

In the UK, the economic environment has created a pressing need for more efficient public services in the face of reduced budgets. In its Comprehensive Spending Review, the government stated its intention to move from being a deliverer of services to becoming a procurer, and is now looking to promote choice, increase accountability and devolve powers.

The complete public services market, of which services to buildings and landscapes is a core component, has the potential to increase significantly due to the government's pursuit of efficiency. Undoubtedly there will be more opportunities within the sector, as local governments continue to make savings, with local authorities putting services out to the private sector, and the authority becoming a facilitator of services rather than a deliverer. This will have an impact on the skills required of the Real Estate and Facilities Management sector workforce in terms of an increased emphasis on contract procurement and management.

Companies are expected to increasingly operate on an international rather than simply a national level in the coming years

The drive into international markets can be expected to accelerate in future with the growth in the use of ICT, and in particular the internet, making it easier for companies to reach a wider audience and cross national boundaries. The international market also holds a range of opportunities for many within the sector, with facilities management businesses in particular keen to expand into foreign markets as opportunities for aggressive expansion decline domestically.

Globalisation, whilst offering a range of opportunities, also brings with it a number of challenges. Employers and staff may need to overcome language barriers and have an awareness of cultural differences across nations.

A strong grasp of the global market is also likely to be important in identifying risks and opportunities – particularly in a sector such as facilities management which is at varying levels of maturity across different countries (Facilities Management Journal, 2011^b).

Driver of Change 5: Technological change

This driver includes new developments and new applications of existing technologies such as development of digital communications and IT. The development of technologies may create demands for skills at higher levels in research and development, while there may also be skills needs requirements in supporting the workforce and consumers to use new technologies.

Technology plays a crucial role in the Real Estate and Facilities Management sector and its sub-sectors and its importance is growing all the time.

The use of technology, and in particular IT, is now commonplace across the Real Estate and Facilities Management sector. However the nature of the technology used differs across the sub-sectors, reflecting the differing demands of employees and consumers.

Improving the customer experience

Investment in technology that supports and benefits clients, managers and staff is often a key part of the business models of organisations in the Real Estate and Facilities Management sector. There are a few technologies, in particular, that can provide competitive advantages to organisations looking to improve customer retention by increasing communication and engagement to manage more effective customer relationships.

For example, websites are becoming increasingly valuable elements of marketing strategies within the Real Estate and Facilities Management sector as more consumers begin their search for products and services online.

Additionally, specialist software ensures that once an enquiry is made, customer data remains accurate and up-to-date, facilitating more effective customer profiling to ensure that services meet their needs. This also provides organisations with more opportunities for cross-selling similar products, requiring staff with excellent customer service skills.

Organisations across the Real Estate and Facilities Management sector are also beginning to rely on social media, such as Twitter, Facebook, blogging and posting, to provide cost effective engagement, information and empowerment to stakeholders. This approach, in particular, has become more popular amongst employers in the real estate activities sub-sector because it does not require a great deal of maintenance or the investment of a significant amount of time and money. However, it does require staff with effective communication skills.

Increasing the productivity and profitability of the business

The bleak economic outlook for the UK is expected to continue to have a negative impact on the Real Estate and Facilities Management sector. Increasingly business owners are discovering that when applied correctly, technology can improve productivity and performance. This has resulted in a trend towards investing time and money in new

technologies that can support their business in the future by cutting long-term costs, increasing efficiency and improving client communication.

Technology related to the collection of data has made the Real Estate and Facilities Management sector more competitive and improved service delivery as an increasing number of companies can access the information needed to make strategic business decisions.

There is even evidence to suggest that introducing relatively simple technologies can have significant benefits for an organisation. For example, within the real estate activities sub-sector (specifically social housing) a landlord with 2,500 homes can save approximately £116,500 by sending tenants text messages rather than letters (Inside Housing, 2010). However, employers must ensure that employees are aware of data protection legislation and its application, particularly when handling sensitive personal client information.

Maintaining service quality

Technology has a vital role in ensuring that service quality is maintained. The use of mobile technologies, in particular, is important for communication in the Real Estate and Facilities Management sector as employees are usually spread between multiple sites, occupying both office-based and mobile roles.

This type of technology provides employees with reliable access to files and contact information ensuring that they remain productive when working out of the office or at home. Additionally, mobile technology means that employees can be contacted and monitored more effectively by managers to ensure that service standards are maintained.

For example, in the services to buildings and landscapes sub-sector specialist cleaning software via the iPad can help to easily monitor operational performance and provide a structured approach to quality monitoring by managers. Furthermore, the iPad allows live quality monitoring inspections to be carried out with clients in attendance, collecting scores, comments and signatures so that the data can be analysed at a later date before being compared to agreed service levels (Tomorrow's Cleaning, 2011). It is therefore unsurprising that employers are placing increasing value on the ability to use, or learn to use, computer equipment amongst employees.

Return on investment

In the current economic climate, investments in technology must have clear benefits and provide a good return on investment. To achieve this, organisations need to identify the elements of their business model where technology could have a positive impact on efficiency and productivity. For example an estate agent may have to choose between investing in website improvements to attract new customers or a CRM system for client retention purposes.

Technology can also provide a positive return on investment in other areas, for example, by improving communication and reducing travel costs through the provision of cost effective alternatives, such as phone or video conferencing, as opposed to face-to-face meetings.

Another example is maintaining health and safety in the workplace as employees in the Real Estate and Facilities Management sector are often required to work alone. To reduce the risks associated with this type of work, employers in services to buildings and landscapes and real estate activities have introduced location logging to track staff and ensure their security during working hours.

These methods have also helped to tackle other issues such as low productivity when employees are travelling or working out of the office, absenteeism and high levels of staff turnover associated with working unsociable hours – a significant issue for the services to buildings and landscapes sub-sector.

Biological science

Biological sciences are advancing at phenomenal rates, with the use of DNA and biometrics crucial to crime detection. For the human identify and biometrics industry (a component of the security and investigation activities sub-sector), vast changes have been seen in a very short space of time. The use of unique physical traits (for example, iris patterns) in identifying perpetrators is crucial to ensuring security. Biometrics has come a long way from the days of finger printing, and now other mathematically plotted areas such as facial recognition and iris patterns, as well as behavioural characteristics and voice recognition are common place within the private security environment.

Biometrics also has other functions besides criminal detection. The security of physical property can now also be increased through the developments made in biometric technology. Staff identification cards can be made more secure, as can the physical security of other property (such as laptop computers) through the use of biometrics. This new line of defence can ensure that sensitive data can be held more securely, and is likely to become increasingly popular (Worcester Research and Skills for Security, 2012).

Driver of Change 6: Changing values and identities

This driver covers family structures, attitudes towards government, citizenship, education, and religion. Changes in values and identities will include attitudes to work, and may therefore affect labour supply through influencing choices about type and conditions of work, (table 6.1).

Changing working patterns are likely to influence the way in which people in the Real Estate and Facilities Management sector work and the skills that they need

Increasingly, workplaces are beginning to consider a more flexible approach to how people work, both in terms of hours, and, in some instances, location. Such an approach allows staff to continue to work effectively whilst at the same time balancing other commitments, such as family. It is likely that such factors will be particularly important in sectors such as housing and cleaning which typically account for a high proportion of female staff. This may lead to a rise in more flexible working hours or, in instances in which it is appropriate, home working.

It is likely that ICT and mobile technologies will play an important role in supporting this shift, allowing staff to communicate effectively across different locations and continue to undertake their jobs effectively. The internet is also likely to change working patterns further – just as the presence of businesses online has become increasingly important, individuals are now beginning to develop their identity online which can aid communication across businesses, support partnership working and networking.

Changing attitudes and values in relation to work may have a number of implications for the Real Estate and Facilities Management sector

An individual's attitudes towards work and their aspirations of what they hope to achieve when at work have a number of impacts on employers within the sector.

Whilst evidence suggest that the Real Estate and Facilities Management sector as a whole experiences a below average problem with retention, there are certain sub-sectors of for which staff retention is a particular problem. Employers within the cleaning industry for example frequently face recruitment issues and problems around high levels of staff turnover due to issues around public perceptions of the industry and low levels of pay. Despite the fact that requirements in terms of qualifications and skills within many roles in the cleaning industry are not that complex, individuals (even those that are unemployed) are often not willing to take such positions due to the fact that it either does not match their own aspirations or they are concerned that doing so may lead to a loss of state benefits.

In other areas of the Real Estate and Facilities Management sector there are opportunities for individuals to enter areas which they may feel offer them the opportunity to meet personal aspirations that they may have (beyond those which are simply financial). For example, some people are attracted to housing as it allows them to make a difference to the lives of others.

It remains important to strike a balance however – evidence suggests that staff morale within some housing organisations is an issue and can be linked to the demanding workload (Asset Skills, 2011⁶). In addressing issues such as these further efforts may need to be made by employers to strike a work/life balance and consequently retain valued staff in the long-term.

Efforts have been made to encourage and support diversity in the workplace which has a number of implications for employers in the sector

Increasingly, efforts have been made to encourage a diverse range of people into the UK workforce and to ensure that they are effectively supported once there. The most recent example is seen in the Equality Act which came into effect in 2010 and provides protection for employees against workplace discrimination.

Eliminating discrimination on the basis of characteristics such as ethnic group, gender or age is likely to lead to a number of benefits for employers across the sector because they are creating a more diverse and potentially more innovative and productive workforce.

Increasing diversity within the workforce through compliance with government legislation also brings with it a number of challenges for companies so employers will need to be aware of the potential ways in which discrimination may occur.

In cases where complaints do arise strong leadership and conflict management skills will be important. However it has been suggested that the Equality Act may already have been responsible for an increase in the number of complaints seen within the property industry (Property Week, 2010).

Driver of Change 7: Changing consumer demand

This driver covers changing consumer choices and expectations about type and quality of products and services. The development of niche consumer markets, consumer preferences for tailored goods and services, demand for one-stop-shopping and rising expectations about service quality have led to skills needs within all of the sub-sectors that comprise the Real Estate and Facilities Management sector.

One size does not fit all

Customer bases are becoming more fragmented and the supply of generic service levels is increasingly inappropriate in attending to different customer needs. Experts argue that the key to successful service provision at a reduced cost is developing an understanding of the customer's needs.

For example, profiling and developing insight into the characteristics of tenants gives social housing providers the opportunity to create a customer focused service which is both tailored to individual needs and cost-effective (Tenant Services Authority, 2010). This data can also be used to understand future housing demand and plan future services to support tenant needs.

If organisations know who their customers are and what they need, then they can better target limited resources to those in most need. Some may think customer service is an add-on, but I would argue it is even more vital when resources are scarce in the wake of the economic crisis. (Dr Joanna Richardson, De Montfort University, 2010)

Within the Real Estate and Facilities Management sector it is necessary to recognise that every organisation is different. Therefore service providers need a clear understanding of their client's corporate strategy and organisation to identify the potential impacts of service delivery. Managers with highly effective communication skills can then liaise with different department heads to establish which services take a priority for their part of the business and design service solutions to ensure these needs are met (FM World, 2010).

Growth in the importance of procurement and the adoption of more formal processes for procuring services, in both the private and public sectors

There has been a growth in the importance of procurement and the adoption of more formal processes for procuring services, in both the private and public sector. As a consequence, contract specifications and documentation requirements have become more prescriptive, more formal and more 'contractual' in recent years. This has also led to a growing professionalism of the client side of the industry, which reinforces the formal nature of the tendering process.

The importance of demonstrating value for money

As a result of the economic downturn, the cost of products and services is now a vital component in a consumer's decision making process when selecting their supplier. The drive to lower costs is widespread across the Real Estate and Facilities Management sector.

"You get different clients. Some clients are very cost-focused; others are not so much cost-focused. They look at total cost as opposed to price...you'll get someone in and say 'these guys will do a fantastic job', and they'll go and check the market and say 'yes, but I can get Joe Bloggs down the road to do it for less than that'. And we say, 'yes, but you get what you pay for', and we're the ones who manage that and deliver the service." (Facilities Management Employer)

Those involved in managing the procurement of services are themselves subject to cost pressures and seek to procure the more appropriate services for an acceptable price. Current outsourcing and procurement models for the services to buildings and landscape sub-sector indicate that clients believe greater value for money can be derived from bundling services to increase efficiency in supply chains by using larger integrated contracts to reduce administration and management costs (Facilities Management Journal, 2011).

For example, there is growing evidence that there is an overlap between the occupational footprint of some private security roles and facilities management. A major part of the remit of facilities management is the provision of a safe and efficient working environment, with key decisions over contractual management and site security a major aspect of this activity. In recent years there has been an upward trend in the merging of facilities management and private security firms, which enables one organisation to fully satisfy customers within its service portfolio (Worcester Research and Skills for Security, 2012).

However, clients are becoming more aware of the fact that the cheapest option may not be the most cost-effective and many organisations are more concerned with finding the best value for money (FM World, 2009).

These clients look for service providers that are able to combine specialist expertise, knowledge and skills with economies of scale and a good track record to deliver superior services at a lower cost.

Increasing importance of customer service and increasingly demanding customers

The continual drive for higher standards of customer service within the Real Estate and Facilities Management sector is expected to change the way in which people within the sector work and the skills that they need.

This drive for higher customer service standards is the result of increasing customer demand for Real Estate and Facilities Management sector organisations to deliver cost-effective services that are tailored to meet customer needs in the wake of a recession and significant government budget cuts.

For example, the introduction of a customer service culture across the real estate activities sub-sector has resulted in increased emphasis being placed on customer choice and satisfaction. This ensures that resources are used to provide services customers have identified as being important, providing greater value for money, whether this means expanding existing services or developing new services (Chartered Institute of Housing, 2010).

In contrast, increasingly demanding customers within the services to buildings and landscapes sub-sector has caused a shift in the way services are delivered. There has been a shift from the traditional single purpose contract focusing on the delivery of one service product, to integrated service contracts that allow a single business to provide multiple services (Facilities Management Journal, 2011).

Employers within these sub-sectors are finding that customer service skills and interpersonal skills are essential as staff must be sensitive to the needs of customers and able to build trust so that appropriate service solutions can be provided.

The potential of cost reduction in other parts of business to impact negatively on the quality of services clients receive

Employers in the Real Estate and Facilities Management sector have expressed concerns that reductions in training budgets for staff will have a significant impact on the quality of service a company can provide (Asset Skills, 2011^{a-d}). According to a recent survey 60 per cent of facilities managers thought that more training would improve the productivity of their workforce and would ensure that staff had the best attitude, customer service skills and leadership skills to do their job effectively (FMX, 2011).

Employers continue to maintain that no matter what the state of the economy is, having and investing in a team with the skills and abilities to deliver great service will always be a key to success, since having skilled and well trained staff will add value and differentiate what you do from your competitors.

6.2 Future trends

The ability to anticipate the future is especially important for those within the skills system, enabling a better understanding of how the dynamics of the future underpin the planning process and is a source of competitive advantage.

This section identifies the possible or likely future trends in the Real Estate and Facilities Management sector.

6.2.1 Drivers

Employers and industry experts within the Real Estate and Facilities Management sector were invited to participate in a series of exercises which were designed to identify the main sectoral drivers which are likely to have the greatest impact on their sub-sectors over the next five to 10 years.

A meta-driver approach was utilised to identify the drivers impacting on future skills requirements for the sector. This approach utilised the following steps and was adapted from the approach used by van der Giessen A., van der Zee, et al (2009).

- A list of relevant generic meta-drivers was drawn up based on literature reviews, consultation with industry experts and Asset Skills primary research;

- A list of questions were designed to identify the sector relevant and other properties of the meta-driver at a sectoral level (see Table 6.1);
- A series of workshops were conducted with employers within the Real Estate and Facilities Management sector, to generate the valuable qualitative insight necessary to present a view of the future. The findings of these workshops were used to complete the check-list matrix (Table 6.1); and
- During the workshop the skills implications of the priority drivers identified were discussed in full. These are discussed in full in Chapter 7.

Further information on the methodology used can be found in the Technical Appendix.

Table 6.1 shows that economics and globalisation and changing consumer demand have been highlighted as the most significant drivers of change. Chapter 7 explores each of the drivers of future change in more detail.

Table 6.1: Sector specific drivers check list matrix

Category	Driver	Will this driver be important to the sector in the future?	How relevant is this driver for the sector?	Are substantial impacts expected on the volume of employment?	Are substantial impacts expected on employment composition?	Are substantial impacts expected on skills?	Short, medium or long run impact? ⁵²			Are substantial differences expected between sub-sectors
		Yes / No	High / Medium / Low	Yes / No	Yes / No	Yes / No	S	M	L	Which sub-sectors?
Regulation	Industry regulation across the sector	Y	M	N	N	Y	X	X	X	All sub-sectors
	National and international regulation on employers and staff within the sector	Y	L	Y	N	N	X	X	X	All sub-sectors
	The impact of regulation on skills and labour supply	Y	L	Y	Y	N	X	X	X	All sub-sectors
Demographic and population change	The ageing workforce	Y	M	Y	Y	N			X	All sub-sectors, particularly facilities management
	The use of migrant workers	Y	M	Y	Y	Y		X	X	Cleaning
	Achieving gender diversity within the sector	Y	M	Y	Y	N	X	X	X	Disproportionately high levels of male employment in facilities management; property and security. Disproportionately high levels of female employment in cleaning and housing
Environmental change	The drive for environmental sustainability	Y	M	Y	Y	Y	X	X	X	All sub-sectors

⁵² Short-term impact = zero to three years; medium-term impact = three to seven years; long-term impact = more than seven years

Category	Driver	Will this driver be important to the sector in the future?	How relevant is this driver for the sector?	Are substantial impacts expected on the volume of employment?	Are substantial impacts expected on employment composition?	Are substantial impacts expected on skills?	Short, medium or long run impact? ⁵²			Are substantial differences expected between sub-sectors
		Yes / No	High / Medium / Low	Yes / No	Yes / No	Yes / No	S	M	L	Which sub-sectors?
	Sustainable procurement is becoming more widespread	Y	M	N	N	Y	X	X		Cleaning, facilities management and housing
Economics and globalisation	Challenging economic conditions	Y	H	Y	Y	Y	X	X		All sub-sectors
	Companies are expected to operate on an international level	Y	M	Y	N	Y		X	X	Facilities management
Technological change	Technology to improve the customer experience	Y	H	N	N	Y	X	X	X	All sub-sectors
	Increasing the productivity and profitability of businesses	Y	H	Y	Y	Y	X	X	X	All sub-sectors
	Biological science	Y	L	N	N	Y		X	X	Security (medium/high priority)
Changing values and identities	Changing working patterns	Y	H	N	Y	Y	X	X	X	All sub-sectors
	Changing attitudes and value in relation to work	Y	M	Y	N	N	X	X	X	All sub-sectors
	Diversity in the workplace	Y	M	N	Y	N	X	X	X	All sub-sectors
Changing consumer demand	One size does not fit all – offering bespoke services	Y	H	N	N	Y	X	X	X	All sub-sectors

Category	Driver	Will this driver be important to the sector in the future?	How relevant is this driver for the sector?	Are substantial impacts expected on the volume of employment?	Are substantial impacts expected on employment composition?	Are substantial impacts expected on skills?	Short, medium or long run impact? ⁵²			Are substantial differences expected between sub-sectors
		Yes / No	High / Medium / Low	Yes / No	Yes / No	Yes / No	S	M	L	Which sub-sectors?
	Growth in importance of procurement	Y	H	N	N	Y	X	X	X	Cleaning, facilities management and housing
	Importance of demonstrating value for money	Y	H	N	N	Y	X	X	X	All sub-sectors
	Increasing importance of customer service and increasingly demanding customers	Y	H	N	N	Y	X	X	X	All sub-sectors

7. Future skills needs

Chapter Summary

- The ability to anticipate the future is especially important for those within the skills system. Enabling a better understanding of the dynamics of the future underpins the planning process and is a source of competitive advantage.
- The UK Real Estate and Facilities Management sector is forecast to experience a 19 per cent increase in the number of positions across all occupations between 2010 and 2020.
- Managers and professional occupations are forecast to account for 59 per cent of the new positions in the sector.
- Across the nations, England is forecast to experience the most significant increase in workplace jobs (28 per cent), followed by Scotland (15 per cent), Northern Ireland (13 per cent) and Wales (two per cent).
- Evidence presented in this report suggests there are a number of skills required by the workforce if the Real Estate and Facilities Management sector is to maintain a competitive position in the coming years. These skills need to be addressed in order to ensure that the workforce is capable and equipped to fill future workplace jobs. The skills needed include:
 - Basic skills;
 - Change management skills;
 - Commercial acumen;
 - Employability skills;
 - English for Speakers of Other Languages (ESOL);
 - Green skills;
 - Technical skills;
 - Technological skills; and
 - Written communication and report writing.

This chapter of the report identifies future skills needs. It briefly reviews:

- the main future trends that are possibly and/or likely to affect the skill requirements of employers in the Real Estate and Facilities Management sector;
- what skills are likely to increase in importance and what new skills are likely to emerge in the future;
- the likely patterns of future occupational change within the Real Estate and Facilities Management sector; and
- the likely patterns of future skills change within occupations.

7.1 Future trends and impact on employment and skills

This section discusses the trends and drivers expected to be of greatest significance for each of the sub-sectors that comprise the Real Estate and Facilities Management sector, in terms of the likely impact on employment and skills.

It should be noted that in the course of the primary research undertaken in the compilation of this report, it was evident that employers sometimes find it difficult to distinguish between current and future skills needs. The tables within this section clearly present the current skills needs and the future skills and employment needs as a result of the key drivers of change identified in section 6.2. It can be seen that in many cases the skills required in the coming years are extensions of the skills required currently.

The findings presented here were generated from a comprehensive qualitative research programme (further detail can be found in the Technical Appendix). Throughout the course of the workshop sessions, the group moderator took care to guide participants to consider future, as opposed to current skills and employment needs within the Real Estate and Facilities Management sector.

Regulation

Employers describe uncertainty surrounding changes in national and international regulation as having implications for their businesses and the skills of their workforce across the sector in the future. For example, on an international level standardisation through regulation across Europe in the services to buildings and landscapes sub-sector would ensure that clients have access to reliable information needed to compare facilities management providers across borders to ensure they are receiving quality service for the best price.

On a national level, there could potentially be further regulation imposed on the real estate activities and security and investigation activities sub-sectors in the form of licensing and codes of practice to improve the profile of the industry by ensuring staff attain a certain level of competence and employers provide a high standard of service. This requires employers to maintain up-to-date knowledge of legislation affecting their business so they can demonstrate compliance.

Table 7.2: Impact of regulation

Impact on businesses	Current skills needs	Future skills and employment needs
<ul style="list-style-type: none"> • Standardisation across borders • Postponing strategic decisions due to uncertainty • Re-allocation of resources • Greater regulatory compliance with licencing and codes of practice • Changing working practices e.g. due to abolition of compulsory retirement • Sustainability • Competition • Monitoring of equality in the workplace • Rising operational and staffing costs 	<ul style="list-style-type: none"> • Knowledge of Government legislation • Risk management skills • Leadership and management skills • Problem solving, planning, team working, organisational and change management skills • Experience within industry • ICT skills 	<ul style="list-style-type: none"> • Knowledge of Government legislation • Risk management skills • Leadership and management skills • Problem solving, planning, team working, organisational and change management skills • Experience within industry • ICT skills • Financial management skills • Language skills • Communication skills • Multi-skilling

Demographic and population change

Future demographic and population change is expected to have a significant impact on employment and skills in the Real Estate and Facilities Management sector; however, evidence suggests that these issues will affect the sub-sectors to varying degrees.

For example, the abolition of the default retirement age is expected to force employers to invest in new technologies and implement new working practices to utilise staff skills in the future, while monitoring their physical condition – a particular issue for the services to buildings and landscapes and real estate activities sub-sectors where staff often work alone.

Table 7.3: Impact of demographic and population change

Impact on businesses	Current skills needs	Future skills and employment needs
<ul style="list-style-type: none"> • Workforce composition change due to ageing population • Utilise skills of older workers and need to attract younger workers to the sector • Monitor physical capabilities of older staff • Changing working practices e.g. flexible working • Monitoring gender equality e.g. through recruitment or salary • Workforce composition change due to migrant workers • Health and safety 	<ul style="list-style-type: none"> • Leadership, change management, flexibility, planning and organisational skills • Talent management skills, relationship building, listening, communication, interviewing and interpersonal skills • Problem solving skills • Knowledge of legislation pertaining to recruitment • English for Speakers of Other Languages and demand for bilingual managers and supervisors • ICT skills 	<ul style="list-style-type: none"> • Leadership skills, change management, flexibility, planning and organisational skills • Talent management skills, relationship building, listening, communication, interviewing skills and interpersonal skills • Problem solving skills • Knowledge of legislation pertaining to recruitment • English for Speakers of Other Languages and demand for bilingual managers and supervisors • ICT skills

Environmental change

The drive for environmental sustainability in the sector is predicted to have significant implications for employment and skills in the future as government targets, customer demands and potential cost savings motivate businesses to place greater emphasis on corporate social responsibility. As a result employers are expected to focus on sustainable procurement in the future with managers in the services to buildings and landscape sub-sector using communication skills to build closer relationships with suppliers and contractors to ensure more sustainability in supply chains.

In the real estate activities sub-sector employers are expected to demand staff with knowledge relating to low carbon development and retro-fitting so that the most appropriate technologies are used on their properties and tenants can be educated about how these technologies can be used to lower costs (Asset Skills 2011^h).

Table 7.4: Impact of environmental change

Impact on businesses	Current skills needs	Future skills and employment needs
<ul style="list-style-type: none"> • Corporate social responsibility • Resource management • Energy prices • Government targets to reduce carbon emissions • More sustainable properties / housing stock • Green technology • Energy performance certificates (EPC) • Customer demand for sustainable working practices • Customer demand for sustainable buildings • Cost savings • Staff motivation • Suppliers and contractors develop sustainable supply chains 	<ul style="list-style-type: none"> • Knowledge of government legislation • Knowledge of low carbon developments, installation and retro-fitting skills, energy assessment and waste management skills • Leadership and management skills • Project management, and negotiation skills • Customer service skills 	<ul style="list-style-type: none"> • Knowledge of government legislation • Knowledge of low carbon developments, installation and retro-fitting skills, energy assessment and waste management skills • Leadership and management skills • Project management, and negotiation skills • Customer service skills • Financial assessment • Environmental assessment skills • Communication skills • Data collection skills • Tendering, procurement and contract management skills

Economics and globalisation

Employers report that the uncertainty surrounding the state of the UK economy and opportunities for further globalisation are likely to have significant implications for employment and skills in the Real Estate and Facilities Management sector in the future.

For example, the challenging economic climate is expected to continue to place pressure on businesses as customers demand more effective, flexible services at a reasonable cost. This is expected to motivate some companies to move into international markets that provide opportunities for aggressive expansion, requiring staff with extensive knowledge of local culture and government legislation.

Table 7.5: Impact of economics and globalisation

Impact on businesses	Current skills needs	Future skills and employment needs
<ul style="list-style-type: none"> • Government budget cuts • Increased competition • Need to cut operational costs • Reduced profit margins • Provide value for money • Cut services • Resource management • Mergers and acquisitions • Re-structuring • Consumer spending restricted • Changing customer demand • Diversify services • Technological change • Companies move to international markets 	<ul style="list-style-type: none"> • Multi-skilling, flexibility, innovation, and planning and organisational skills • Management and leadership skills • Change management, project management, and problem solving skills • Business acumen, financial management, tendering, procurement and contract management skills and risk management skills • Customer service skills • ICT skills 	<ul style="list-style-type: none"> • Multi-skilling, flexibility, innovation, and planning and organisational skills • Management and leadership skills • Change management, project management, and problem solving skills • Business acumen, financial management, tendering, procurement and contract management skills and risk management skills • Customer service skills • ICT skills • Language skills • Communication skills • Knowledge of local culture and Government legislation

Technological change

With such reliance upon the use of information systems and the growth of technology to facilitate day-to-day operations, it is important that staff have at least a basic understanding of how to use IT in order to meet employer expectations.

Remote monitoring systems in the security and investigation activities sub-sector are an example of the important role that technology is playing, with firms looking to outsource their security needs to external contractors (Worcester Research and Skills for Security, 2012). Beyond this, also within the security and investigation activities sub-sector, biometrics will see a development in the sophistication of technology that is used, and maintaining the need to source candidates with the required skills set is paramount (Worcester Research and Skills for Security, 2012).

Table 7.6: Impact of technological change

Impact on businesses	Current skills needs	Future skills and employment needs
<ul style="list-style-type: none"> • Technological change and Introduction of new technology • Mobile technologies e.g. laptops and PDAs • Social media ,websites and specialist software • Sustainable technologies • Competitive advantage, Cutting costs, increasing business productivity and profitability • Changing working practices e.g. monitoring staff and service standards • Improved communication, and improved customer engagement • Opportunities for cross-selling 	<ul style="list-style-type: none"> • The ability to use computer equipment, general IT skills • Ability to recognise damaged or faulty equipment and maintenance skills • Customer service skills • Management, multi-tasking, problem solving and flexibility • Technical knowledge • Tendering, procurement and contract management skills 	<ul style="list-style-type: none"> • The ability to use computer equipment, general IT skills • Ability to recognise damaged or faulty equipment and maintenance skills • Customer service skills • Management, multi-tasking, problem solving and flexibility • Technical knowledge • Tendering, procurement and contract management skills • Knowledge and use of biometric technology (security only)

Changing values and identities

Changing values and identities are having an impact upon the jobs people do and the way that they work across the Real Estate and Facilities Management sector. Increasingly, workplaces are beginning to consider more flexible approaches to work, in terms of hours worked and also in terms of location, to create an environment which allows staff to better balance other commitments that they may have (such as family).

The use of technology is likely to continue to change the way in which employers do business across the sector in future, with the increasing use of mobile technologies allowing staff to undertake work at a variety of times and locations. The use of the internet is also likely to alter the way people across the industry interact, with social media already playing a role in networking and in the way some organisations look to communicate with their stakeholders. Staff and organisations can be expected to make increasing use of these 'virtual identities' in the future.

Economic conditions have already seen a drop in staff turnover levels across many organisations in the sector, which in itself may be a reflection of changing values amongst the workforce, with many staff simply content to be in employment. The character of the workforce may alter in the coming years, with the Equality Act potentially giving rise to greater diversity. Furthermore, in terms of client demands, there is already evidence that values are changing, with increasing emphasis being placed on the ability to work sustainably for example.

Table 7.7: Impact of changing values and identities

Impact on businesses	Current skills needs	Future skills and employment needs
<ul style="list-style-type: none"> • Changing working practices (i.e. more flexible working, remote working) • Increased partnership working • Changes in labour supply • Sustainability (rise in importance) • Legislation (Equality Act), including monitoring or equality and diversity, e.g. through recruitment 	<ul style="list-style-type: none"> • Management and leadership skills • Technological and ICT skills • Partnership working skills • Problem solving, flexibility, innovation, planning and organisational skills 	<ul style="list-style-type: none"> • Management and leadership skills • Technological and ICT skills • Partnership working skills, and communication • Problem solving, flexibility, innovation, planning and organisational skills • Change management and risk assessment skills

Changing consumer demand

Market pressures from the UK debt crisis, budget cuts, changing Government legislation, high inflation and rising unemployment have created a cost focused culture in the Real Estate and Facilities Management sector which is expected to continue to drive consumer demand for quality services that provide value for money in the future.

As a result employers are expected to place increasing value on customer service skills, data collection skills, interpersonal skills and communication skills as a way of understanding the diverse needs of their customer base so that services can be tailored to meet these needs. This approach also gives companies a competitive advantage and provides them with opportunities to increase their market share.

Table 7.8: Impact of changing consumer demand

Impact on businesses	Current skills needs	Future skills and employment needs
<ul style="list-style-type: none"> Customer bases are becoming more fragmented raising the importance of understanding the needs of customers (customer profiling) Expected to tailor services to meet the needs of customers. More specialist or integrated contracts Cost of products and services a vital component of customer's decision making process Procurement process becoming increasingly important. Need to reduce operational costs and provide value for money Merger and acquisitions 	<ul style="list-style-type: none"> Team working, organisation, and change management skills Leadership and planning Industry experience Customer service, interpersonal skills, negotiation skills Conflict resolution, listening, communication, relationship building, and multi-tasking skills Data collection skills Tendering, procurement and contract management skills Knowledge of Government legislation 	<ul style="list-style-type: none"> Team working, organisation, and change management skills Leadership and planning Industry experience Customer service, interpersonal skills, negotiation skills Conflict resolution, listening, communication, relationship building, and multi-tasking skills Data collection skills Tendering, procurement and contract management skills Knowledge of Government legislation

7.2 Future occupational profile

This section examines the likely patterns of future occupational change within the Real Estate and Facilities Management sector across the UK compared to the whole economy average.

In the wake of the recession, the UK Governments are placing increasing emphasis on the development of high skill, value added industries to stimulate economic growth and create more high skilled jobs in the future. Table 7.9 shows there will be a net increase of 1,550,000 workplace jobs in all occupations across the whole UK economy between 2010 and 2020 (five per cent increase).

It is evident that the majority of these occupations require highly skilled staff with the following predicted to have the highest net increases:

- Manager, director and senior official occupations (544,000 workplace jobs, 18 per cent increase);
- Professional occupations (869,000 workplace jobs, 15 per cent increase); and
- Associate professional and technical occupations (551,000 workplace jobs, 14 per cent increase).

Table 7.9: Workplace job growth by occupation within the whole economy

	2010	2015	2020	2010	2015	2020	2010-2020
	Numbers (000s)			% Shares			Net change (000s)
Managers, directors and senior officials	3,016	3,279	3,560	9.9	10.6	11.1	544
Professional occupations	5,843	6,189	6,712	19.2	20.1	21.0	869
Associate professional and technical	3,926	4,138	4,476	12.9	13.4	14.0	551
Administrative and secretarial	3,698	3,466	3,312	12.1	11.2	10.3	-387
Skilled trades occupations	3,526	3,389	3,295	11.6	11.0	10.3	-230
Caring, leisure and other service	2,719	2,801	3,032	8.9	9.1	9.5	313
Sales and customer service	2,608	2,555	2,610	8.6	8.3	8.2	2
Process, plant and machine operatives	1,950	1,829	1,737	6.4	5.9	5.4	-213
Elementary occupations	3,173	3,209	3,274	10.4	10.4	10.2	101
All occupations	30,458	30,855	32,008	100.0	100.0	100.0	1,550

Source: *Working Futures 2010 - 2020*

In contrast, administrative and secretarial occupations are expected to experience a significant net decline of 387,000 workplace jobs (10 per cent decline) between 2010 and 2020 across the UK economy. This may be the result of economic conditions forcing many companies to make cut-backs wherever possible.

Unlike the situation seen across the whole economy, Table 7.10 indicates that the Real Estate and Facilities Management sector is forecast to see a 19 per cent increase in the number of positions across all occupations between 2010 to 2020 across the UK (272,000 in total). When looking at the percentage changes by occupations, it can be seen that higher level occupations are generally expected to grow at a much faster rate than lower ones (with the exception of sales).

Table 7.10: Workplace job growth by occupation within the Real Estate and Facilities Management sector, United Kingdom

	2010	2015	2020	2010	2015	2020	2010-2020
	Numbers (000s)			% Shares			Net change (000s)
Managers, directors and senior officials	197	228	247	14.1	14.5	14.8	50
Professional occupations	159	184	206	11.3	11.7	12.3	47
Associate professional and technical	228	264	292	16.3	16.8	17.5	64
Administrative and secretarial	211	230	229	15.1	14.7	13.7	18
Skilled trades occupations	87	89	87	6.2	5.7	5.2	0
Caring, leisure and other service	75	93	106	5.4	5.9	6.3	31
Sales and customer service	103	117	126	7.4	7.4	7.6	23
Process, plant and machine operatives	35	38	39	2.5	2.4	2.3	4
Elementary occupations	304	327	339	21.7	20.8	20.3	35
All occupations	1,399	1,570	1,671	100.0	100.0	100.0	272

Source: *Working Futures 2010 - 2020*

Managers and professional occupations are forecast to account for 59 per cent of the new positions in the sector between 2010 and 2020. The significant increases in managerial and professional occupations in the period is perhaps accounted for by the fact that the services to buildings and landscapes sub-sector, which accounts for a significant number of staff in this area, has seen rapid expansion in recent years – a continuation of this expansion will lead to a rise in the number of positions in this area.

The number of elementary positions is also forecast to increase significantly across the sector in the period, albeit less than the whole economy average. The services to buildings and landscapes sub-sector accounts for a significant number of positions in this area and, with barriers to entry typically low within this sector it is possible to suggest that an increase in elementary staff may be driven by a rise in the number of cleaning companies.

7.2.1 Future occupational profile of the sector in England

According to Table 7.11, the Real Estate and Facilities Management sector in England will experience a net increase of 250,000 workplace jobs (21 per cent increase) across all occupations between 2010 and 2020.

Evidence suggests that the future occupational profile of the Real Estate and Facilities Management sector in England is similar to the sector profile of the UK as a whole with the most significant net increases expected to occur in: associate professional and technical occupations (57,000 workplace jobs, 28 per cent increase); managers, directors and senior official occupations (45,000 workplace jobs, 26 per cent increase); and professional occupations (42,000 workplace jobs, 30 per cent increase).

Table 7.11: Workplace job growth by occupation within the Real Estate and Facilities Management sector, England

	2010	2015	2020	2010	2015	2020	2010-2020
	Numbers (000s)			% Shares			Net change (000s)
Managers, directors and senior officials	176	204	222	14.6	15.0	15.2	45
Professional occupations	139	161	180	11.5	11.8	12.4	42
Associate professional and technical	203	236	260	16.9	17.3	17.9	57
Administrative and secretarial	181	200	201	15.0	14.7	13.8	21
Skilled trades occupations	74	76	75	6.2	5.6	5.1	0
Caring, leisure and other service	64	81	93	5.3	5.9	6.4	29
Sales and customer service	89	102	110	7.4	7.5	7.6	21
Process, plant and machine operatives	29	31	32	2.4	2.3	2.2	3
Elementary occupations	251	271	282	20.8	19.9	19.4	32
All occupations	1,205	1,363	1,455	100.0	100.0	100.0	250

Source: *Working Futures 2010 – 2020*

It is evident that as companies introduce new technology and place increasing emphasis on the efficiency of back office functions there will be a marginal decline in administrative and secretarial occupations as well as a marginal decline in elementary occupations. Between 2010 and 2020 the proportion of staff found within managerial or professional occupations within the sector is forecast to increase. This may result in more emphasis being placed upon management and leadership skills and higher level technical skills within the sector in future.

7.2.2 Future occupational profile of the sector in Scotland

Table 7.12 shows that the Real Estate and Facilities Management Sector in Scotland will experience an increase of 15 per cent in workplace jobs across all occupations between 2010 and 2020 (a net increase of 17,000). This is slightly lower than the proportional increase forecast in the sector across the UK as a whole (19 per cent).

Table 7.12: Workplace job growth by occupation within the Real Estate and Facilities Management sector, Scotland

	2010	2015	2020	2010	2015	2020	2010-2020
	Numbers (000s)			% Shares			Net change (000s)
Managers, directors and senior officials	12	14	16	10.5	11.2	11.9	4
Professional occupations	11	13	16	9.8	10.9	11.9	4
Associate professional and technical	14	17	19	12.5	13.4	14.6	5
Administrative and secretarial	15	15	14	13.6	12.2	10.8	-1
Skilled trades occupations	8	8	8	6.9	6.5	6.0	0
Caring, leisure and other service	6	6	7	5.0	5.2	5.4	1
Sales and customer service	7	7	8	5.9	5.7	5.8	1
Process, plant and machine operatives	4	5	5	3.9	4.0	4.0	1
Elementary occupations	36	38	39	31.9	30.8	29.6	2
All occupations	113	124	130	100.0	100.0	100.0	17

Source: *Working Futures 2010 – 2020*

Professional, associate professional and technical occupations are expected to experience a two percentage point increase in workplace jobs between 2010 and 2020.

The higher rate of increase in managerial and professional occupations within the sector between 2010 and 2020 when compared to elementary occupations is expected to lead to shifts in the occupational composition of the sector. By 2020 managers are expected to account for around 12 per cent of all positions, whilst the number of elementary roles within the sector is expected to fall from around 32 per cent in 2010 to 30 per cent in 2020.

The decline in administrative and secretarial workplace jobs as well as the decline in the proportion of positions accounted for by elementary occupations indicates that companies in Scotland, like those in England, are looking to lower costs by adopting new technology to increase efficiency in back office functions and reduce staff numbers.

7.2.3 Future occupational profile of the sector in Wales

The occupational profile of the sector in Wales differs significantly from the picture seen in other nations, not only due to the fact that the rate of expansion is projected to be significantly lower, but also because of the areas in which any increases are projected to occur. In Wales, the rate of growth of elementary positions between 2010 and 2020 is expected to be greater than the growth seen in managerial or professional occupations. Wales is the only nation in the UK in which the proportion of positions occupied by elementary staff in the sector is set to increase between 2010 and 2020.

Table 7.13 indicates that there will only be a net increase of two per cent across all Welsh occupations within the Real Estate and Facilities Management sector, mainly within sales and customers service roles (1,000 workplace jobs). This may suggest that Welsh employers will use customer service to gain a competitive advantage so that their company can win or retain customers. This approach will reduce customer recruitment costs and provide more opportunities for cross-selling, particularly in the services to buildings and landscapes sub-sector.

Table 7.13: Workplace job growth by occupation within the Real Estate and Facilities Management sector, Wales

	2010	2015	2020	2010	2015	2020	2010-2020
	Numbers (000s)			% Shares			Net change (000s)
Managers, directors and senior officials	5	6	6	10.6	11.6	11.2	0
Professional occupations	5	5	5	9.6	9.6	10.0	0
Associate professional and technical	6	6	7	12.6	12.8	13.0	0
Administrative and secretarial	10	10	9	20.1	19.0	17.2	-1
Skilled trades occupations	3	3	3	6.3	6.1	5.0	-1
Caring, leisure and other service	4	3	3	7.2	6.8	6.6	0
Sales and customer service	5	5	6	9.7	10.5	11.2	1
Process, plant and machine operatives	1	1	1	2.5	2.6	2.8	0
Elementary occupations	11	11	12	21.5	21.1	23.0	1
All occupations	50	51	51	100.0	100.0	100.0	1

Source: *Working Futures 2010 - 2020*

Other occupations where there is likely to be an increase in workplace jobs between 2010 and 2020, include: elementary occupations; managers, directors and senior officials; and associate professional and technical occupations.

7.2.4 Future occupational profile of the sector in Northern Ireland

Table 7.14 shows the Real Estate and Facilities Management sector in Northern Ireland will experience a net increase of 4,000 workplace jobs across all occupations between 2010 and 2020 (13 per cent increase). The vast majority of these increases are forecast to occur within higher level positions (such as managerial and professional occupations). This change may be driven by the economic strategy for Northern Ireland (Northern Ireland Executive, 2012) which aims to create high skilled workplace jobs by encouraging businesses to access larger markets with greater trade opportunities for exported products and services.

Table 7.14: Workplace job growth by occupation within the Real Estate and Facilities Management sector, Northern Ireland

	2010	2015	2020	2010	2015	2020	2010-2020
	Numbers (000s)			% Shares			Net change (000s)
Managers, directors and senior officials	3	4	4	11.2	12.3	13.1	1
Professional occupations	4	4	5	12.4	13.0	13.7	1
Associate professional and technical	5	6	6	15.3	16.8	18.2	2
Administrative and secretarial	5	5	5	16.9	16.2	14.3	0
Skilled trades occupations	2	1	1	5.3	4.5	4.4	0
Caring, leisure and other service	2	2	2	6.5	6.3	6.2	0
Sales and customer service	3	3	3	8.7	8.8	8.7	0
Process, plant and machine operatives	*	*	*	*	*	*	*
Elementary occupations	7	7	7	21.8	20.2	19.7	0
All occupations	30	33	34	100.0	100.0	100.0	4

Source: *Working Futures 2010 - 2020*

Managerial and professional positions are expected to increase in the period whilst the numbers of positions in other areas (such as elementary occupations) are expected to remain stable. This will lead to changes in the occupations profile of the sector in Northern Ireland and a possible shift in skill requirements, with higher level technical skills or management and leadership skills potentially becoming more valuable to employers.

The proportion of administrative and secretarial occupations within the sector is forecast to decrease significantly in the period – this shift is likely to affect employers and staff across a number of areas of the sector because administrative and secretarial staff are spread relatively evenly across the services to buildings and landscapes and real estate activities sub-sectors.

8. Priority areas for action

Chapter Summary

- The skills required by employers across the sector in the future will be dictated by a number of factors, such as the most significant drivers of change, skills vacancies and gaps, and the level of demand.
- The delivery of a number of skills has been identified as a priority, namely, literacy and numeracy skills (which play a role across all occupations), procurement skills and customer handling skills (which are likely to be important in the increasing drive for professionalism).
- In order to equip staff with the skills they will need in the future, barriers to training will have to be overcome - these include a lack of time and money, high levels of staff turnover and the predominance of part-time working in certain sub-sectors.
- Management and leadership skills will have a significant role to play in the sector in future. Skills in this area are crucial in the drive for increasing professionalism, as well as in ensuring that businesses are able to adapt effectively to change.
- Raising the profile of the industry will be important, particularly in relation to attracting younger staff and dealing with the ageing workforce of the sector. This is likely to be linked to the creation of new career paths.
- Employers will require support and skills from staff to help them meet new agendas (such as the green agenda), which has given rise to a number of new occupations and skills needs across the sector.

8.1 Introduction

The UK Sector Skills Assessment for the Real Estate and Facilities Management sector has identified current and likely future trends in demand for skills and employment in the UK over the next five to 10 years. To achieve this, a range of available national data sources have been used, and this information has been supplemented by a detailed analysis of sectoral and occupational insights. It has thus sought to provide greater insight into, and foresight of, the UK's existing and future skills needs.

The intention of this chapter is to provide a strong foundation on which to steer and build further dialogue and action on the most pressing strategic skills priorities within the Real Estate and Facilities Management sector in the UK.

8.2 Priority areas for action

In this final part of the analysis within the UK Sector Skills Assessment for the Real Estate and Facilities Management sector, we seek to identify the skills which are strategic priorities for action, both currently and in the future. These priorities have been identified in light of the evidence presented in this report, and formulated to align with the findings presented in Table 6.1 (Sector specific drivers check list matrix). In identifying priority areas for action and deciding upon how they should be ranked several key criteria have been considered:

- What is needed to address the issues that are likely to be important in the sector in the short, medium and long term? (Table 6.1 used as a reference point).
- What actions will empower employers and employees within the sector with the skills, knowledge and support that they need (Chapters 4 and 5 used as a reference point).
- What will effectively aid the sector in its transition from where it is currently (Chapters 2 and 3) to where it is likely to go (and needs to go to be sustainable) in future (Chapter 6 and Chapter 7),

Priority 1: Supporting employers in capitalising on the opportunities that technology brings to the sector

Technology plays a vital role across the Real Estate and Facilities Management sector currently and its significance is likely to continue to grow in future. Supporting the use of technology within businesses and ensuring that it is used in a way which increases efficiency, whilst at the same time positively benefiting productivity and profitability is crucial to the sustainability of the sector.

Technology has an influence on the majority of occupations across the Real Estate and Facilities Management sector, with basic IT skills a minimal requirement within many roles. Within security, skills in this area are often essential in the use of CCTV or the effective collection and storage of information. Frequently, technologies also help support working practices across the sector – for example within the services to buildings and landscapes sub-sector they are often crucial in contacting and monitoring staff spread across a range of locations or those that may be required to work alone.

Technology is also likely to be important in delivering a high level of customer service with websites and social media already playing a significant part in how businesses are marketing their services and trying to reach their stakeholders and potential clients.

The importance of this area is clearly recognised by employers across the sector – 47 per cent claim to have invested in training around new technologies. However, with investment in technology often taking up significant resources at the initial stages employers need to be supported to ensure that their investment leads to a strong return on investment and gives them a competitive advantage.

An approach which focuses on equipping staff with the skills they need to use these new technologies will be important (16 per cent of employers claimed that the introduction of new technologies had led to skills gaps), particularly in a sector which is characterised by an ageing workforce, which can make introducing new technologies and new working practices a challenge.

Employers will need to be supported in this process because successfully equipping employees with the technological skills they need will not only help improve efficiency, it will also support the sector in its drive to achieve wider goals – such as those around energy efficiency for example.

Priority 2: Meeting the challenge of increasingly demanding customers

Changing customer demands has been identified as a key market driver by employers across the Real Estate and Facilities Management sector. The changing (and increasing) demands of customers have been linked to the impact of economic conditions in particular and its importance to employers is significant across all sub-sectors. The increasing demands of customers has placed an emphasis on a variety of skills amongst employers and staff and impacted upon a range of other areas across the sector – from procurement processes to working practices.

The need to meet the demands of customers effectively and professionally is vital to the growth and, in some instances, the survival of businesses across the Real Estate and Facilities Management sector. This has placed an emphasis on the need for certain skills amongst staff, such as customer service skills, procurement skills and communication skills. In many instances businesses have had to strive to meet these demands with diminishing resources, making problem solving skills and management and leadership skills particularly important.

Customer demands have seen significant changes in how businesses across the sector operate – procurement processes have changed for example with client demands and increasing competition demanding a more formal approach. An increasing emphasis is also being placed on client management, with businesses needing to understand the needs of their customers to a greater extent than ever before. The ability to demonstrate value for money has also become increasingly important. An approach which supports businesses in their attempts to operate in more professional ways whilst at the same time delivering value for money will be important for the sustainability of the sector in future.

In future, clients across the sector are likely to look to businesses that are able to provide services at good value while at the same time combining this with specialist expertise, knowledge and skills. Businesses will need to develop a more advanced understanding of their customer's needs and develop strategies around how they can best add value and meet those needs. A strategy which supports businesses in their drive to do this, equipping individuals with the skills they will need will be vitally important.

Priority 3: Encouraging professionalism and up-skilling

Professionalism has become increasingly important to employers across the sector as they strive to operate in challenging conditions in an increasingly competitive environment. Procurement processes are an example of an area which has become more professional within the sector, largely in response to the increasingly competitive environment. Professionalism has also begun to play an important role in attracting and retaining qualified, skilled staff to the sector.

A focus on the up-skilling of staff, particularly around areas such as customer handling and technical/job specific skills (which have been highlighted as skills gaps by employers) is likely to support the sector in its drive for increasing professionalism. Employers may require support in providing training or other solutions to these skills issues.

The further development of qualifications, routes to entry, and career pathways within the sector will also help to improve professionalism and provide employers with the staff and skills that they need to be effective in future. Improvements in this area are also likely to help change the image of the industry in the long-term and improve the perception of it amongst those not directly employed within it.

Priority 4: Providing strong Management and Leadership

Strong management and leadership skills have become crucial to employers across the Real Estate and Facilities Management sector and their importance is likely to continue to grow in future, particularly due to the challenging economic conditions. Management and leadership skills play an important role across organisations, whether that is in implementing effective recruitment processes, ensuring that customer requirements are effectively met, or in promoting professionalism. Skills in this area have also become important in helping organisations across the sector adapt to changes in structure and new ways of working.

Management and leadership skills will also be required in order to help businesses effectively grow and expand into new areas in future. With just over a quarter (26 per cent) of businesses across the sector claiming that they planned to move into new areas of activity in the next 12 months, skills in this area are likely to be important to the short, medium and long-term sustainability of businesses.

Investment in training in this area is reported to be strong across the sector with 62 per cent of employers in the services to buildings and landscapes sub-sector and 60 per cent of employers in the real estate activities sub-sector claiming to have invested in this area recently (Asset Skills, 2011^{a-d}) - a further reflection of its importance. Continued support to help employers meet their needs for skills in this area will be important in future.

Priority 5: Responding to the green agenda

The importance of the green agenda to employers across the Real Estate and Facilities Management sector has grown significantly in recent times. For example, 74 per cent of employers claimed that green issues were more important to their business than they had been 18 months ago (Asset Skills, 2011^{a-d}).

The green agenda has had a significant impact on the Real Estate and Facilities Management sector – it has seen the emergence of new occupations (in the form of energy assessors and advisers) as well as the emergence of new, more sustainable ways of working in existing roles (such as cleaners). These changes have brought with them the need for new skills – such as energy assessment and management skills.

Legislation is also putting pressure on employers in this area – for example, the real estate activities sub-sector is under particular pressure to reduce carbon emissions in response to low carbon legislation introduced in 2008. Consequently, providing solutions that help employers to equip staff with the skills required to work effectively whilst at the same time minimising any negative impact that their work has on the environment will be important to the sector in future.

The green agenda also has financial implications across the sector, with it now beginning to play a role in procurement processes and the ability of some businesses to secure contracts. It is likely that the most effective solutions for employers in relation to the green agenda will be those which not only help them to reduce the environmental impact of their work, but those that also lead to savings and efficiencies in other areas – financial savings for example are the most common factor behind what drives employers in the sector to work sustainably (Asset Skills, 2011^{a-d}).

Priority 6: Delivering adult literacy and numeracy in the workplace

Adult literacy and numeracy is a key issue within the Real Estate and Facilities Management sector, particularly with regards to certain sub-sectors, namely business and landscape services.

The high concentration of those with no qualifications in the sector, particularly in the case of cleaning, underlines the need to address adult literacy, language and numeracy. The need for further delivery of these skills is reinforced by the fact that employers across the sector have highlighted a lack of skills in this area (specifically around oral communication) as a skills shortage vacancy.

Given the polarised nature of the sector's workforce an approach which focuses on workplaces in the greatest need of support is likely to be the most effective. Equally, it is likely to be important to demonstrate the benefits and return on investment of training to employers – previously a lack of evidence in this area has made some employers unwilling to invest in training around basic skills.

Support offered to employers will need to be accessible, flexible and affordable. Employers across the sector that would particularly benefit from investment in this area are typically those working within tight profit margins with limited resources.

Priority 7: Developing effective career paths

The creation of effective career pathways is important across the Real Estate and Facilities Management sector. Employers across the sector have highlighted the need for a greater proportion of staff with the technical and job specific skills required to perform their roles effectively – the further development of career paths within the sector are likely to be important in producing a higher number of individuals with such skills.

The nature of what is required to establish these career paths is likely to vary across the sector and, as a result, a clearly focused approach will be needed. For some areas within the services to buildings and landscapes sub-sector for example (specifically within facilities management) more routes to entry into the sector may be required, whilst, in other areas (such as cleaning) greater emphasis may need to be placed on the career opportunities that are available to staff that chose to enter these workplaces.

Efforts in this area are likely to help drive success in other areas, namely in reducing high levels of staff turnover or improving the proportion of employers recruiting young people (which is currently well below levels seen in other areas of the economy), thereby putting the sector in a better position to tackle the issues it faces around an ageing workforce.

Priority 8: Removing barriers to training and delivering pathways to learning

Real Estate and Facilities Management sector employers' vision of a skilled workforce competing successfully in a world-wide economy is dependent on access to learning both for employers and individuals. Breaking through the barriers to participation in skills development for both groups is, therefore, essential to realising that vision and to supporting employers as they seek to capitalise on opportunities for growth.

Linked to the priority for adult literacy, language and numeracy support is the need to provide clear pathways to learning and training for those most disadvantaged in the sector. Evidence indicates that there are also inequalities in access to training particularly for women, older workers, and other under-represented and disadvantaged groups (Asset Skills, 2011^m).

Some of the most common barriers to training cited by employers in the sector include a lack of resources (specifically money), high levels of staff turnover, and a predominance of part-time working in certain areas. The impact of these issues on employer investment is clear – for example, between 2008 and 2009 the proportion of employees in the sector receiving training fell significantly (which is likely to be linked to the onset of the recession). Evidence would suggest however that some improvements have been seen in more recent times, with a healthy proportion of employers across the sector claiming to be investing at least as much time and money in this area as they were 12 months previously (Asset Skills, 2011^{a-d}).

Addressing these issues is crucial for the sector with evidence suggesting that training can play a key role in reducing skills gaps or improving poor staff retention levels. Furthermore, investment in this area will enable employers to maximise the talent pool available within the Real Estate and Facilities Management sector.

If the Real Estate and Facilities Management sector (and particularly the services to buildings and landscape sub-sector) is to successfully meet the increasingly challenging environment, up-skilling of the existing workforce will be essential. This will necessitate an innovative and targeted programme of flexible support to engage with those most disadvantaged in the sector in learning.

Priority 9: Raising the profile and attractiveness of the Real Estate and Facilities Management sector

It is clear that certain sub-sectors of the broader Real Estate and Facilities Management sector have significant recruitment difficulties. The available evidence shows that the poor image many people have of sector (particularly services to building and landscape, and most specifically cleaning) needs to be addressed.

A structured programme of awareness raising, focusing on the different employment opportunities available within the sector will be needed to encourage entry into the Real Estate and Facilities Management sector.

Evidence suggests that the proportion of employers across the sector that have recently (in the last three years) employed a person in their first job out of education is significantly lower than the proportion in other areas of the economy. In future, this proportion will need to improve if the sector is to effectively deal with the issues it faces around an ageing workforce. To achieve this, there is a crucial need to raise the profile of the Real Estate and Facilities Management sector with young people and to make them aware of the many and varied career opportunities available.

Raising the profile of the sector will enable employers to attract the staff with the skills, attitude and motivation that they need to be sustainable (a particular problem in certain areas currently). This is also likely to prove important in alleviating some of the issues that are created as a result of the poor perception that many have of the industry – such as the existence of hard-to-fill vacancies (which some cleaning employers have to turn to migrant labour to fill for example) or the poor levels of staff retention seen in some areas.

An effective programme of Information Advice and Guidance (IAG) will help ensure the future staffing of the sector, providing partners with the insight and intelligence to make better informed choices, and provide a strong foundation on which to attract and retain the best talent. Effective IAG networks will ensure that recruitment is based on accurate and up-to-date information on the nature of the Real Estate and Facilities Management sector and its composite sub-sectors. It will redress the current lack of understanding about what employers within the sector do and the skills they are seeking from their employees.

Priority 10: Addressing issues around gender disparity across the sector

The majority of the staff within the Real Estate and Facilities Management sector (57 per cent) are male; however, the proportion of men and women employed across the sector varies depending upon the specific sub-sector which is focused upon. For example, the proportion of female staff employed within the cleaning and housing sectors is typically higher than the proportion of male staff, while the reverse is true in sectors such as security and facilities management.

Addressing this issue is of high importance as a balance of male and female employees across an organisation brings different experiences and perspectives from men and women that can boost productivity, lead to more creative thinking and more effective problem solving (Asset Skills, 2011¹). Diversity in this area can also lead to more innovative ways of working, which has become a particular focus for many businesses as they look for ways to work more efficiently and gain a competitive advantage within their specific industry. The increased level of skills, talents and ideas that gender diversity can bring also leads to more effective decision making.

For a sector which has to address the challenges of an ageing workforce and a need to attract younger workers, gender diversity may also prove important in changing perceptions around a specific sub-sector or an occupation, thereby attracting a more even balance of men and women in future. This will increase the pool of skills available to employers, allowing them to access the skills that they need more easily.

A successful approach to dealing with this issue is likely to be one which not only promotes roles to men and women in sub-sectors in which their representation is currently low, but one which also focuses on helping staff achieve their potential and breaks down barriers to progression. Currently, particular focus is required around female staff in this area as evidence suggests that in certain sub-sectors where female employment is high, this is not always reflected in senior positions. Equipping female staff with the skills they need to fill such positions (such as management and leadership skills) is likely to be the most effective and productive course of action. The introduction of more flexible working practices is also likely to help facilitate change in this area.

Priority 11: Addressing workforce retention issues

Although the proportion of employers stating that they have a problem with retention is low within the Real Estate and Facilities Management sector (four per cent compared with five per cent across the whole economy) this masks more localised and sub-sectoral issues. For instance, workforce turnover is particularly high within the services to buildings and landscapes sub-sector (particularly cleaning), with some contracts churn rates as high as 100 per cent, with cleaners remaining in employment for an average of just 12 weeks (CSSA, 2009).

Evidence suggests that employers within the Real Estate and Facilities Management sector cite difficulties in retaining staff due to (ESS, 2011):

- Not enough people being interested in doing this type of work;
- The impact of the benefits trap;
- Staff not wanting a long-term commitment; and
- Lack of career progression.

Employers within the sector have cited further training and development opportunities as the main action taken in response to high levels of staff turnover. However, dealing with the issues relating to staff retention in a way that is effective is likely to be complex in the current climate as not all employers currently have the resources they need to provide further training opportunities. In the long-term, strong management and leadership skills and the implementation of effective recruitment processes are likely to be important in dealing with issues in this area.

It will be important to provide on-going support to employers in order to encourage actions that address these issues, such as: increased levels of training; easier access to training; flexible working patterns; encouraging a better work / life balance; clearer career progression pathways and appropriate management training.

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Technical Appendix

This paper provides a comprehensive overview of the methodology used to produce the Sector Skills Assessment.

The provision of core data

To ensure consistency and comparability across all 15 SSA reports, data from core labour market information sources was centrally collected, processed and formatted. It was then distributed by the UK Commission to Sector Skills Councils for inclusion within the reports.

Core data was centrally produced from the following sources:

- The Labour Force Survey
- The UK Employer Skills Survey 2011
- Working Futures 2010-2020
- Regional Accounts (information on Gross Value Added)
- Mid-Year Population Estimates
- European Continuing Vocational Training Survey
- Business Demography Statistics

Data from the Labour Force Survey, regional accounts and mid-year population estimates was collated, processed and formatted by Cambridge Econometrics and the Institute for Employment Research (IER), Warwick.

Data from the UK Employer Skills Survey 2011 was collated and processed by IFF Research and formatted by the UK Commission.

Data from Working Futures was collated, processed and formatted by IER.

Data from the European Continuing Vocational Training Survey and Business Demography Statistics was collated, processed and formatted by the UK Commission.

All data was quality assured by contractors, the UK Commission and by Sector Skills Councils.

It has been necessary to suppress some data within the reports to adhere to official guidelines regarding data quality. The details of suppression strategies applied to data from specific sources are described in more detail below. Data for Scotland, Wales and Northern Ireland for the three smallest SSA sectors is most likely to be suppressed. These are:

- Agriculture, forestry and fishing
- Energy production and utilities
- Information and communication technologies

Methodological information for core labour market information sources

Method used to derive estimates of gross value added (GVA) per employee job by SSA sector and nation

No official estimates are currently available for the level of productivity by sector and UK nation. The figures presented in this report have therefore been estimated by the UK Commission using the following process.

Levels of workplace gross value added at current basic prices by SIC 2007 Section were derived from the official estimates published by the Office for National Statistics as part of its Regional Accounts series. Levels of employee jobs were taken from the Business Register and Employment Survey for 2009.

The sectoral “footprint” definitions used as the basis for the SSA reports are not coterminous with SIC Sections, however, and in some cases draw on 2-digit SIC divisions. At present the official GVA estimates for nations and regions are only available at a SIC section level.

To overcome this an approach was adopted which has been developed by Welsh Government to derive gross value added estimates for its priority sectors. This approach was applied to the UK and all four nations. Approximate estimates of GVA at 2-digit level are available for much of the economy from the Annual Business Survey (ABS). These were used to allocate GVA at the 2-digit level with the results being constrained to the official GVA totals by SIC section taken from the Regional Accounts. For those areas of the economy not covered by the ABS, shares of employment at the 2-digit level were used instead, taken from the Annual Population Survey.

Labour Force Survey

About the survey

One of the key data sources used within this report is the Office for National Statistics' (ONS) Labour Force Survey (LFS). The LFS is a survey of households living at private addresses (plus in NHS accommodation and student halls of residence) in the UK.

The survey is carried out on a quarterly basis. The sample is made up of around 41,000 responding (or imputed) households in Great Britain every quarter, and around 1,600 households in Northern Ireland. The LFS uses a rotational sampling design which means that, once selected, a household⁵³ is kept in the sample for a total of five consecutive quarters.

Interviewers can take answers to questions by proxy if a respondent is unavailable. This is usually from another related adult who is a member of the same household. About a third of LFS responses are collected by proxy. Information on individuals aged 16 – 19 most likely to be obtained by proxy.

Full user guidance can be accessed here: <http://www.ons.gov.uk/ons/guide-method/user-guidance/labour-market-statistics/index.html>

Preparation of LFS data for this report

The UK Commission provided report authors with a core set of tables based on LFS data for mandatory inclusion within Sector Skills Assessment reports. The data within these tables was prepared by two contractors: Cambridge Econometrics (CE) and Warwick Institute for Employer Research (IER).

Data was prepared in three stages:

- The original survey data was gathered and coded by IER to the categories and classifications required for the SSA tables. This was then sent to CE
- CE used the data prepared by IER and derived the indicators and aggregated the data to the dimensions required for the tables
- The UK Commission checked tables and distributed to report authors

⁵³ Note: It is the address that is selected and not necessarily the particular people who live there.

Annual data presented within this report is based on an average of four consecutive quarters of data. Data prior to 2009 is based on SIC2003 and data for 2009 and 2010 is based on SIC2007 codes.

Reporting of LFS data

In line with ONS convention, annual LFS data presented within this report has been suppressed if individual cell sizes fall below 6,000. This is because cell sizes of fewer than 6,000 are deemed to be low quality estimates.

Analysis of employment uses all four categories of employment status within the LFS: employee, self-employed, government scheme & unpaid family worker.

Please note, some tables present a total for *All sectors* while others present a total for *Whole economy*. The values for these totals are different because the *Whole economy* total includes the 'Not within scope' category (i.e. sectors that don't fall within an SSA sector), whereas *All sectors* is the total for just the 15 SSA sectors.

UK Commission's Employer Skills Survey 2011

The UK Commission's Employer Skills Survey 2011 (UK Commission's ESS 11) was the first large-scale economy-wide employer skills survey to be conducted across the whole of the UK. The survey was managed by the UK Commission for Employment and Skills and was conducted by three contractors: IFF Research, BMG Research and Ipsos Mori (Davies et al, 2012). The project steering group included representatives from all four nation governments, the Alliance of Sector Skills Councils, the Department for Work and Pensions and the Skills Funding Agency.

Fieldwork was carried out from March to July 2011. Two waves of interviews were conducted. The main survey involved telephone interviews with approximately 87,600 employers and a follow-up survey focusing on investment in training was undertaken with over 11,000 respondents. The data presented within this report draws only on information gathered from the main survey.

The table below provides information on the number of employers interviewed by sector and nation for the main survey.

SSA sector	England	Scotland	Wales	NI	UK
Agriculture, forestry and fishing	1,270	99	133	45	1,547
Energy production and utilities	1,306	106	133	69	1,614
Manufacturing	6,774	182	470	350	7,776
Construction	7,538	300	660	463	8,961

SSA sector	England	Scotland	Wales	NI	UK
Wholesale and retail trade	13,919	333	1,129	769	16,150
Transportation and storage	4,078	152	300	205	4,735
Accommodation, food and tourism activities	9,630	324	909	455	11,318
Information and communication	2,262	56	111	81	2,510
Creative media and entertainment	3,301	99	227	135	3,762
Financial, insurance & other professional services	4,525	146	391	281	5,343
Real estate and facilities management	3,113	85	133	93	3,424
Government	2,078	163	188	176	2,605
Education	4,597	164	391	287	5,439
Health	2,912	107	242	137	3,398
Care	4,028	101	338	296	4,763
Not within scope	3,722	86	257	162	4,227
Total	75,053	2,503	6,012	4,004	87,572

UK Commission's ESS 11 is a quota survey. Quotas were set on a size by sector within nation / English region basis. In Northern Ireland and Wales, where more interviews were carried out than the required minimum to get national representation, they were predominately distributed in proportion to the population.

In order to include the maximum number of questions without extending the overall length of the interview, the sample was randomly split in half for some sections, and one set of employers were asked one module of questions, and the other half of the sample different questions.

The survey is a local unit (establishment) survey. This means that for large multi-site organisations several branches/ locations may have been interviewed. The establishment level sampling reflects that the survey asks employers about issues that need to be answered by people with day-to-day contact with employees rather than head office.

Respondents are those who have the best overview of HR and training within the establishment. This will tend to be HR or training managers in large establishments and owner/managers or senior managers within small establishments.

The valid population of establishments being used in UK Commission's ESS 11 is all establishments with the exception of sole traders (this means that establishments with one employee and no working proprietors (for e.g. flower stall at a station, where there is one person working but they don't own it themselves) are included). In addition, establishments with multiple working proprietors but no employees are also included.

Sampling error for the survey results overall and for different sub-groups by which analysis is presented in the report is shown in the table below. Sectoral figures are presented for the 14 SIC 2007 sections which were used for the survey sampling approach.

Figures have been based on a survey result of 50 per cent (the 'worst' case in terms of statistical reliability), and have used a 95 per cent confidence level. Where the table indicates that a survey result based on all respondents has a sampling error of +/- 0.32 per cent, this should be interpreted as follows: 'for a question asked of all respondents where the survey result is 50 per cent, we are 95 per cent confident that the true figure lies within the range 49.68 per cent to 50.32 per cent'.

As a note, the calculation of sampling error has taken into account the finite population correction factor to account for cases where we are measuring a significant portion of the population universe (i.e. even if two sample sizes are the same, the sampling error will be lower if in one case a far higher proportion of the population was covered).

These confidence intervals are based on the assumption of a normal distribution of responses.

Sampling error (at the confidence 95 per cent level) associated with findings of 50 per cent

	Population	Number of interviews	(Maximum) Sampling Error
Overall	2,299,921	87,572	+/-0.32
By country			
England	1,960,298	75,053	+/-0.35
Northern Ireland	65,559	4,004	+/-1.5
Scotland	175,114	2,503	+/-1.94
Wales	98,950	6,012	+/-1.22
By size of establishment			
1-4	1,466,397	18,955	+/-0.99
5-24	648,446	47,770	+/-0.61
25-99	147,319	15,951	+/-1.03
100-249	25,945	3,270	+/-2.27
250+	11,814	1,626	+/-3.12
By sector			
Agriculture	98,458	939	+/-3.18
Mining & Quarrying	2,222	188	+/-6.84
Manufacturing	128,255	7,704	+/-1.08
Electricity, Gas and Water	10,583	1,426	+/-3.35
Construction	241,429	6,654	+/-1.18
Wholesale and Retail	441,365	15,340	+/-0.78
Hotels & Restaurants	167,215	8,471	+/-1.04
Transport and Communications	210,801	7,885	+/-1.08
Financial Services	52,381	1,881	+/-2.22
Business Services	551,612	14,488	+/-0.80
Public Administration	26,058	1,617	+/-2.36
Education	65,499	5,439	+/-1.27
Health and Social Work	140,269	8,161	+/-1.05
Community, Social and Personal Services	163,774	7,379	+/-1.11

Looking specifically at sampling error for SSA sectors at national level, Agriculture in Scotland provides an illustrative example. 99 interviews were completed for this sub-group. Applying the assumptions outlined above, this gives a maximum sampling error of around +/- 10 percentage points. This demonstrates the indicative nature of the detailed survey estimates for smaller sectors.

Within the report, data based on unweighted bases of less than 25 have therefore been suppressed for quality reasons. In addition, data based on unweighted bases of between 25 and 50 have been marked as indicative. More stringent thresholds have been applied in Scotland because of the lower total number of interviews that were conducted than in other nations. Estimates based on unweighted bases of fewer than 50 have been suppressed, whilst estimates based on bases of 50-99 are marked as indicative in the relevant tables.

Finally, occupations within the survey are defined by 2010 Standard Occupational Classification codes and sectors are defined by 2007 Standard Industrial Classification codes.

Please visit the UK Commission's Employer Surveys website for further information including the full survey report and questionnaire. <https://ness.ukces.org.uk/default.aspx>

Working Futures

Working Futures 2010-2020 is the latest in a series of detailed projections of UK employment, productivity, labour supply and skills. The projections have been prepared by the Institute for Employment Research (IER) and Cambridge Econometrics (CE) on behalf of the UK Commission for Employment and Skills (UKCES).

The projections are calculated from a number of different data sources, including the Annual Business Inquiry, the Business Register and Employment Survey, and the Labour Force Survey. The results provide a picture of employment prospects up to 2020 by industry, occupation, qualification level, gender and employment status for the UK as a whole, the four nations, and English regions.

As with all projections and forecasts, the results presented in Working Futures should be regarded as indicative of likely trends and orders of magnitude given a continuation of past patterns of behaviour and performance, rather than precise forecasts of the future. At a time of great uncertainty about the short to medium term prospects for the economy, it is important to stress the value of Working Futures in aiding understanding of likely prospects for employment in the longer term (i.e. in 2020). Readers should therefore focus on the relative position of sectors, and occupations in 2020 and treat the projected values as broad indicators of scale rather than exact predictions.

Further methodological details can be found on the UK Commission's website - <http://www.ukces.org.uk/publications/working-futures-technical-report>

Literature Review

The first stage of the process was the collection of secondary research in order to produce a detailed literature.

This review was structured according to guidance from UKCES and included a national scope as well as sector and regional specific information.

As part of this process, Asset Skills partner organisations were contacted to gather further information and to collate the most up to date portfolio of publications. Various sources were reviewed including: Asset Skills own primary research; trade association research; industry bodies; UKCES publications; trade press within the sector and sub-sectors; research from each of the nations.

All references are clearly cited within the report. Additionally, a separate list of references is provided in the Bibliography.

Asset Skills Quantitative Primary Research: The Skills Barometer

In July 2008 the Asset Skills Research Team launched 'The Skills Barometer', an on-going quantitative research study, designed to periodically sample employers' response to skills and productivity issues at six monthly intervals, and therefore better understand the current performance of, and challenges to, companies within the sub-sectors that comprise the Asset Skills footprint, across all four home nations.

Methodology

The questionnaire is 10-15 minutes in duration and is conducted via Computer Aided Telephone Interviewing (CATI) through an external research agency.

BMG Research was commissioned in May 2009 to undertake this work, on a six-monthly basis.

Questionnaire Scope

The questionnaire covers the following broad areas:

- Business growth objectives
- Current drivers and challenges
- Investment in skills and training
- Access to skills and knowledge

Fieldwork

To date there have been seven waves of fieldwork:

- Wave 1: October 2008
- Wave 2: May 2009

- Wave 3: October 2009
- Wave 4: May 2010
- Wave 5: October 2010
- Wave 6: May 2011
- Wave 7: October 2011

Geographic and Sub-Sector Scope

The scope of this research extends to all industries within the Asset Skills footprint, and covers all regions and nations.

Sample Composition Fieldwork Wave 7, October 2011

In each wave of Barometer fieldwork new employers that have not taken part in the survey previously are recruited by the Asset Skills Employer Engagement team and those employers that took part six months previously are re-contacted on behalf of Asset Skills by BMG research. New employers accounted for 49 per cent of all responses in this wave whilst repeat completions accounted for 51 per cent. The response rate for repeat completions was 49%.

Regional and National Sample Composition - Employers

Nation / Region	Number	%
Nation		
England	201	56
Scotland	50	14
Wales	58	16
Northern Ireland	49	14
Total	358	100
English Region		
East Midlands	24	12
East of England	28	14
London	26	13
North East	17	8
North West	30	15
South East	20	10
South West	17	8
West Midlands	17	8
Yorkshire & The Humber	22	11
Total	201	100

Source: Asset Skills, Skills Barometer, 2011

Sub-Sectoral Sample Composition

Sub-Sector	Number	%
Cleaning	55	15
Facilities Management	105	29
Cleaning and Facilities Management subtotal	160	45
Housing	124	35
Property	66	18
Housing and Property subtotal	190	53
Unanswered / don't know	8	2
Total	358	100

Source: Asset Skills, Skills Barometer, 2011

Sample Composition by Workplace Size

Number of Employees	Number	%
1-10	78	22
11-49	43	12
50-249	52	15
250+	171	48
Don't know / Unanswered	14	4
Total	358	100

Note: Numbers do not sum due to rounding

Source: Asset Skills, Skills Barometer, 2011

Sample Composition by Organisation Type

Number of Employees	Number	%
Private sector	186	52
Public sector	172	48
Total	358	100%

Source: Asset Skills, Skills Barometer, 2011

Full results from the Asset Skills Barometer can be found on the Asset Skills website at:

www.assetskills.org/research

The Asset Skills Barometer can be accessed via the following link:

http://www.assetskills.org/Research/Projects/Barometer_Article.aspx

Identifying Future Industry Drivers and Skills Implications

Employers and industry experts within the Real Estate and Facilities Management sector were invited to participate in a series of exercises which were designed to identify the main sectoral drivers which are likely to have the greatest impact on their sub-sectors over the next five to 10 years.

Methodology

A meta-driver approach was utilised to identify the drivers impacting on future skills requirements for the Real Estate and Facilities Management sector. This approach utilised the following steps and was adapted from the approach used by van der Giessen A., van der Zee, et al (2009)

1. A list of relevant generic meta-drivers was drawn up based on literature reviews, consultation with industry experts and Asset Skills primary research.
2. A list of key questions, were designed to identify the sector relevance and other properties of the meta-driver at a sectoral level. These questions were:
 - a. Is this driver relevant for the sector?
 - b. How relevant is this driver for the sector?
 - c. How uncertain is this driver for the sector?
 - d. Are substantial impacts expected on the volume of employment?
 - e. Are substantial impacts expected on employment composition?
 - f. Are substantial impacts expected on new skills?
 - g. Will the impacts be characterised as short (zero to three years); medium (three to seven years); or long (more than seven years)? It should be noted that all three categories may apply.
 - h. Are substantial differences expected between sub-sectors?
3. A series of qualitative workshops were conducted with employers within the Real Estate and Facilities Management sector. The findings of these workshops were used to complete the check list matrix.

4. During the workshop the skills implications of the priority drivers identified were discussed in full.

There are a number of advantages for using the 'meta-driver' approach:

- The ability and opportunity to use the rich potential of a multitude of already available studies on drivers, determinants of change and key trends;
- Circumventing the risk of a too narrow focus on the sector, whilst acknowledging sector-specificity and avoiding the risk of analysing sectors as if they were isolated;
- Guaranteeing an overall consistency, coherence and completeness.

Research Objectives

The objectives of this research were to:

- Identify the drivers which will have the most significant impact for the sector, and its composite sub-sectors;
- Identify which drivers matter most for jobs and skills; and
- Explore and fully discuss the skills implications of the drivers identified.

Fieldwork Dates

A series of four employer workshops were conducted as follows:

Sub-sector	Employer workshop fieldwork date
Property	1 st November 2011
Cleaning	2 nd November 2011
Facilities Management	2 nd November 2011
Housing	10 th November 2011

Identifying Future Property Sub-Sector Drivers and Skills Implications Workshop Participants, 1st November 2011, London

Association of Building Engineers

Association of Chief Estate Surveyors

Association of Residential Managing Agents

e surv

Local Land Charges Institute

Lovells

National Federation of Property Professionals

Royal Institution of Chartered Surveyors

Royal Town Planning Institute

Valuation Office Agency

Women in Property

Identifying Future Cleaning and Facilities Management Sub-Sector Drivers and Skills Implications Workshop Participants, 2nd November 2011, London

Association of Building and Cleaning Service Providers

British Cleaning Council

British Institute of Cleaning Science

British Institute of Facilities Management

Chartered Institute of Building

City College Brighton and Hove

Ernst and Young

Facilities Management Association

Interserve

Kier Facilities Services

LMP Cleaning

Numeratic International

Remploy

Royal Grammar School

University College London

Vinci Facilities

Identifying Future Housing Sub-Sector Drivers and Skills Implications Workshop Participants, 10th November 2011, London

Chartered Institute of Housing

East Thames Housing Group

InCommunities

National Housing Federation

New Charter Housing Trust Group

Sanctuary Group

Tenant Services Authority

Labour Market Analysis of the Private Security Industry

Worcester Research was commissioned by Skills for Security in August 2011, to undertake research to examine the full breadth of the Private Security Industry spanning all four home nations. Specifically the research sought to identify:

- The nature of the sector: the size, scope and composition of the sector, economic contribution and cross-relationships with other sectors;
- Drivers of demand: an assessment of key factors driving change in the Private Security Industry, as well as in various sub-sectors where possible;
- Current skills needs: an assessment of the current skills needs of employers and an evaluation of how well the current workforce meets these needs;
- Future skills needs: an assessment of how the demand for skills and labour are likely to change over the course of the coming decade. This included insight into the likely volume and composition of the workforce; and
- Current learning provision: an overview of the volume and type of relevant learning currently undertaken, as well as an assessment of how well this meets the needs of the sector.

Fieldwork

The employer survey fieldwork was undertaken between September and November 2011.

Sample sizes, composition and sampling strategy

The format of the survey was that of a self-administered online questionnaire. The final achieved sample was 244 employers. The response rate was 6 per cent.

The sample was drawn from a circulation group of around 4,000 companies on Skills for Security's database of sector employers.

The size distribution of respondent was as set out below:

Regional and National Sample Composition - Employers

Number of employees	%
1-10 employees	37%
11-49 employees	19%
50-199 employees	14%
200+ employees	30%
Total	100%

A copy of the questionnaire is presented in the next section.

Annex A: Supplementary Data

This section includes data which does not feature in the main body of the report but which may be of use in adding further detail to the main themes which have been discussed.

Table A1: Real Estate and Facilities Management sector SOC codes

SOC 2010 Codes	Description
Real estate activities	
1231	Property, housing and land managers
2434	Chartered surveyors
3232	Housing and welfare officers
3531	Estimators, valuers and assessors
3544	Estate agents, auctioneers
7129	Sales related occupations (not elsewhere classified)
Security and investigation activities	
3319	Protective service associate professionals
9241	Security guards and related occupations
9249	Elementary security occupations (not elsewhere classified)
Services to buildings and landscapes	
5113	Gardeners and landscape gardeners
5114	Groundsmen and greenkeepers
6231	Housekeepers and related occupations
6232	Caretakers
6292	Pest control officers
9132	Industrial cleaning process occupations
9231	Window cleaners
9232	Road sweepers
9233	Cleaners, domestics
9239	Elementary cleaning occupations (not elsewhere classified)

Source: Office for National Statistics

Table A2: GVA per person employed by sector, GB⁵⁵ (2002-2009) (£000s)⁵⁶

	2002	2003	2004	2005	2006	2007	2008	2009
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Agriculture, forestry and fishing	6	7	8	9	10	9	8	8
Energy production and utilities	99	133	155	187	224	196	190	171
Manufacturing	39	36	39	41	49	52	52	48
Construction, building services, engineering and planning	42	46	47	51	63	59	60	58
Wholesale and retail trade	29	29	31	32	40	36	38	37
Transportation and storage	36	39	40	42	50	48	49	50
Hospitality, tourism and sport	17	17	19	19	22	20	19	20
Information and communication technologies	65	73	80	82	89	87	89	92
Creative media and entertainment	41	44	47	48	54	51	51	49
Financial, insurance and other professional services	50	52	54	57	66	62	61	57
Real estate and facilities management	33	34	37	37	43	41	35	33
Government services	*	*	*	*	*	*	16	14
Education	2	3	3	3	4	4	4	4
Health	2	2	2	2	3	3	3	3
Care	6	6	7	7	10	9	8	8
All economy	28	29	31	32	39	37	30	37

Notes: *Unreliable estimates suppressed

Source: Annual Business Inquiry (ABI); Business Register and Employment Survey (BRES); and Annual Business Survey, ONS

⁵⁵ Due to a lack of detailed GVA and employment data for Northern Ireland over the time period in question, GVA per worker has been calculated for Great Britain only, as opposed to the UK.

⁵⁶ Data has been calculated from GVA and employment data at the 2 digit SIC level. The time period covered for the time series means there is a split in the time series data with the transition. SIC 2003 is used from 2002 to 2007 and SIC 2007 was used for 2008 and 2009. This change in classification leads to discrepancies between the data for 2002 to 2007 and 2008 to 2009 data.

Table A3: Business (enterprise) start-ups and closures 2009 (UK)

	Start-ups⁵⁷ Number	Closures⁵⁸ Number
Agriculture, forestry and fishing	285	190
Energy production and utilities	1,270	408
Manufacturing	10,570	15,445
Construction, building services, engineering and planning	35,835	51,040
Wholesale and retail trade	38,760	47,090
Transportation and storage	6,980	10,805
Hospitality, tourism and sport	23,345	28,030
Information and communication technologies	16,120	19,935
Creative media and entertainment	24,290	20,805
Financial, insurance and other professional services	25,640	25,765
Real estate and facilities management	12,805	16,275
Government services	1,010	1,260
Education	3,485	3,160
Health	4,135	3,110
Care	2,745	2,165
	28,750	32,135
Other sectors		
All economy	236,025	277,618

Source: *Business Demography – Enterprise Births, Deaths and Survivals, 2009*, ONS

⁵⁷ A business start-up is identified as a business that was present in year t, but did not exist in year t-1 or t-2. Start-ups are identified by making comparisons of annual active population files and identifying those present in the latest file, but not the two previous ones.

⁵⁸ A business closure is defined as a business that was on the active file in year t, but was no longer present in the active file in t+1 and t+2. In order to provide an early estimate of closures, an adjustment has been made to the 2008 and 2009 deaths to allow for reactivations. These figures are provisional and are subject to revision.

Table A4: Number of establishments by sector and nation (2010)

	UK		England		Scotland		Wales		Northern Ireland	
	Number	%	Number	%	Number	%	Number	%	Number	%
Agriculture, forestry and fishing	144,895	6	96,770	4	17,625	9	14,210	13	16,290	19
Energy production and utilities	13,290	1	10,365	0	1,495	1	865	1	565	1
Manufacturing	144,115	6	124,235	6	9,395	5	6,040	5	4,445	5
Construction, building services, engineering and planning	358,455	14	303,300	14	27,845	14	14,280	13	13,030	15
Wholesale and retail trade	509,215	20	431,330	20	38,165	20	23,000	20	16,720	20
Transportation and storage	83,825	3	70,685	3	6,370	3	3,925	3	2,845	3
Hospitality, tourism and sport	223,370	9	185,390	8	20,515	11	11,580	10	5,885	7
Information and communication technologies	131,065	5	120,095	5	6,610	3	3,130	3	1,230	1
Creative media and entertainment	134,115	5	121,900	6	6,830	4	3,640	3	1,745	2
Financial, insurance and other professional services	255,000	10	228,725	10	14,770	8	7,160	6	4,345	5
Real estate and facilities management	149,325	6	129,340	6	10,610	5	5,730	5	3,645	4
Government services	52,210	2	40,870	2	5,625	3	2,985	3	2,730	3
Education	67,125	3	55,020	3	5,535	3	3,250	3	3,320	4
Health	55,135	2	46,925	2	3,895	2	2,515	2	1,800	2
Care	85,935	3	70,460	3	7,810	4	4,710	4	2,955	4
All economy	2,574,230	100	2,183,845	100	193,305	100	112,810	100	84,270	100

Source: Inter-departmental Business Register (IDBR), ONS

Table A5: Number of establishments by sector and English region (2010)

	North East	North West	Yorkshire & The Humber	East Midlands	West Midlands	East	London	South East	South West
Agriculture, forestry and fishing	3,870	11,305	11,205	10,770	11,880	12,170	935	11,785	22,850
Energy production and utilities	475	1,460	1,155	1,025	1,065	1,320	950	1,605	1,310
Manufacturing	4,650	15,950	13,100	12,915	15,930	15,235	13,350	20,025	13,080
Construction, building services, engineering and planning	10,845	35,520	26,035	24,975	28,750	41,485	42,520	58,785	34,385
Wholesale and retail trade	16,630	55,955	41,975	36,895	45,695	48,635	67,620	71,850	46,075
Transportation and storage	2,610	8,775	7,270	6,830	7,930	9,305	9,190	11,570	7,205
Hospitality, tourism and sport	8,395	23,095	17,600	14,030	16,700	19,290	32,470	31,885	21,925
Information and communication technologies	2,325	10,885	6,685	6,900	9,260	14,735	29,655	28,805	10,845
Creative media and entertainment	2,660	10,035	6,735	6,215	7,425	12,210	43,255	22,760	10,605
Financial, insurance and other professional services	5,440	23,475	14,900	14,950	18,300	23,850	61,915	45,495	20,400
Real estate and facilities management	4,185	14,800	10,225	9,390	11,925	15,045	27,475	22,980	13,315
Government services	1,815	4,810	4,260	4,270	4,040	4,215	6,495	6,340	4,625
Education	2,495	6,890	4,965	4,810	5,465	6,330	8,215	9,925	5,925
Health	2,010	6,255	4,265	3,830	4,570	4,850	8,045	8,280	4,820
Care	3,575	9,340	6,950	6,110	6,940	7,210	10,725	11,700	7,910
All economy	75,975	255,705	187,810	174,700	210,065	253,120	392,540	394,505	239,425

Source: Inter-departmental Business Register (IDBR), ONS

Table A6: Number of establishments by sector (2006-2010) (UK)⁵⁹

	2006	2007	2008	2009	2010	Change 2006-2010 %
Agriculture, forestry and fishing	146,485	158,080	163,715	146,620	144,895	-1%
Energy production and utilities	18,170	18,260	11,435	12,980	13,290	-27%
Manufacturing	165,675	163,525	167,335	151,165	144,115	-13%
Construction, building services, engineering and planning	230,610	240,535	258,055	374,320	358,455	55%
Wholesale and retail trade	533,105	532,905	532,060	520,070	509,215	-4%
Transportation and storage	70,425	70,750	71,665	86,680	83,825	19%
Hospitality, tourism and sport	219,770	222,920	227,430	229,690	223,370	2%
Information and communication technologies	136,395	140,505	144,080	134,805	131,065	-4%
Creative media and entertainment	125,100	130,185	131,180	132,225	134,115	7%
Financial, insurance and other professional services	271,310	283,920	287,015	256,915	255,000	-6%
Real estate and facilities management	180,305	191,195	201,915	155,855	149,325	-17%
Government services	159,395	164,690	54,875	52,060	52,210	-67%
Education	28,935	28,880	66,055	66,725	67,125	132%
Health	25,860	25,810	53,300	53,900	55,135	113%
Care	40,150	40,075	82,755	83,675	85,935	114%
All economy	2,533,855	2,600,065	2,643,215	2,634,790	2,574,230	2%

Source: Inter-departmental Business Register (IDBR), ONS

⁵⁹ Data for 2006 – 2008 is based on SIC 2003, whereas data for 2009 and 2010 is based on SIC 2007.

Table A7: Size of establishments, by nation (all sectors) (2010)

	UK	England	Scotland	Wales	Northern Ireland
2-4	908,825	767,415	66,560	44,675	30,175
5-9	388,990	323,815	33,775	18,005	13,395
10-24	259,470	215,295	23,090	11,910	9,175
25-49	97,820	82,055	8,330	4,170	3,265
50-99	49,505	41,835	4,140	2,055	1,475
100-199	21,905	18,505	1,905	925	570
200-250	4,135	3,525	360	150	100
251-499	7,605	6,440	655	330	180
500+	4,115	3,475	375	175	90
Total	1,742,370	1,462,360	139,190	82,395	58,425

Source: Inter-departmental Business Register (IDBR), ONS

Table A8: Size of establishments, by nation (all sectors) (2010)

	England		Scotland		Wales		Northern Ireland	
	Number	%	Number	%	Number	%	Number	%
2-4	767,415	52	66,560	48	44,675	54	30,175	52
5-9	323,815	22	33,775	24	18,005	22	13,395	23
10-24	215,295	15	23,090	17	11,910	14	9,175	16
25-49	82,055	6	8,330	6	4,170	5	3,265	6
50-250	63,865	4	6,405	5	3,130	4	2,145	4
251+	9,915	1	1,030	1	505	1	270	0
Total	1,462,360	100	139,190	100	82,395	100	58,425	100

Source: Inter-departmental Business Register (IDBR), ONS

Table A9: Working hours by sector and nation, 2010 (UK)

	England				Scotland				Wales				Northern Ireland			
	Full-time %	Part-time %	Weighted base 000s	Unweighted base 000s	Full-time %	Part-time %	Weighted base 000s	Unweighted base 000s	Full-time %	Part-time %	Weighted base 000s	Unweighted base 000s	Full-time %	Part-time %	Weighted base 000s	Unweighted base 000s
Agriculture, forestry and fishing	79	21	296	2.112	83	17	51	0.385	85	*	31	0.198	88	*	27	0.281
Energy production and utilities	92	8	346	2.336	91	9	88	0.620	96	*	25	0.157	92	*	14	0.131
Manufacturing	90	10	2,541	17.233	92	8	199	1.431	93	7	138	0.905	93	*	91	0.831
Construction, building services, engineering and planning	90	10	2,268	14.834	93	7	244	1.702	93	7	112	0.717	93	*	71	0.664
Wholesale and retail trade	62	38	3,469	22.822	58	42	352	2.369	57	42	205	1.325	63	37	112	1.055
Transportation and storage	84	16	1,251	8.292	83	17	117	0.822	80	23	46	0.308	87	*	33	0.307
Hospitality, tourism and sport	55	45	1,704	10.849	52	48	198	1.295	51	49	100	0.636	62	38	44	0.403
Information and communication technologies	90	10	675	4.269	89	11	56	0.377	88	*	18	0.114	88	*	13	0.115
Creative media and entertainment	75	25	875	5.406	68	32	64	0.436	70	23	32	0.214	72	*	14	0.130
Financial, insurance and other professional services	82	18	1,768	11.123	78	22	138	0.948	77	22	53	0.358	81	19	41	0.375
Real estate and facilities management	65	35	847	5.623	73	27	75	0.519	63	35	38	0.254	74	*	18	0.165
Government services	81	19	1,835	12.302	84	16	173	1.210	81	23	111	0.744	84	16	89	0.842
Education	60	40	2,624	18.075	64	36	234	1.677	66	32	154	1.059	67	33	75	0.726
Health	64	36	1,712	11.931	65	35	198	1.409	67	31	111	0.771	71	29	64	0.631
Care	61	39	1,409	9.629	60	40	183	1.308	61	40	97	0.665	62	38	40	0.399
Whole economy	73	27	24,321	161.435	73	27	2,444	17.008	72	27	1,311	8.689	77	23	766	7.231

Source: Labour Force Survey 2010, ONS

Table A10: Employment status by sector and nation, 2010

	England				Scotland				Wales				Northern Ireland			
	Employee %	Self- employed %	Weighted base 000s	Unweighted base 000s	Employee %	Self- employed %	Weighted base 000s	Unweighted base 000s	Employee %	Self- employed %	Weighted base 000s	Unweighted base 000s	Employee %	Self- employed %	Weighted base 000s	Unweighted base 000s
Agriculture, forestry and fishing	50	46	295	2.110	49	50	51	0.385	33	62	31	0.197	*	75	27	0.281
Energy production and utilities	94	6	346	2.334	95	*	87	0.619	99	*	25	0.157	95	*	14	0.130
Manufacturing	93	6	2,540	17.229	95	5	199	1.432	94	6	138	0.905	93	7	91	0.831
Construction, building services, engineering and planning	63	37	2,266	14.822	77	23	244	1.701	65	35	112	0.717	55	45	70	0.657
Wholesale and retail trade	91	9	3,466	22.800	91	9	351	2.359	86	14	204	1.323	84	16	112	1.052
Transportation and storage	83	17	1,252	8.294	85	15	117	0.820	76	23	46	0.308	77	23	33	0.307
Hospitality, tourism and sport	89	10	1,702	10.836	89	11	198	1.295	87	12	100	0.634	82	17	44	0.403
Information and communication technologies	84	16	674	4.266	82	18	56	0.377	77	*	18	0.113	87	*	13	0.115
Creative media and entertainment	68	32	875	5.409	76	24	65	0.438	60	39	32	0.214	75	*	14	0.130
Financial, insurance and other professional services	85	15	1,768	11.122	90	10	138	0.948	81	19	53	0.359	92	*	41	0.375
Real estate and facilities management	75	24	847	5.624	85	15	75	0.520	78	21	37	0.252	67	*	18	0.165
Government services	97	3	1,834	12.298	97	3	173	1.209	97	*	111	0.742	99	*	89	0.842
Education	94	6	2,619	18.049	95	5	234	1.676	96	4	153	1.056	95	*	75	0.726
Health	92	8	1,712	11.930	94	6	199	1.410	92	8	111	0.769	95	*	64	0.631
Care	91	9	1,404	9.601	93	6	183	1.306	95	*	97	0.665	90	*	40	0.399
Whole economy	86	14	24,301	161.314	89	11	2,442	16.995	85	14	1,309	8.674	84	16	765	7.217

Source: Labour Force Survey 2010, ONS

Table A11: Age profile of workforce 2002-2010 (UK), whole economy

	2002	2003	2004	2005	2006	2007	2008	2009	2010
	000s	000s	000s	000s	000s	000s	000s	000s	000s
Under 18	1,078	1,076	1,077	1,028	976	938	925	765	673
19-24	2,948	2,973	3,072	3,097	3,179	3,224	3,221	3,048	3,037
25-34	6,505	6,361	6,279	6,289	6,250	6,242	6,279	6,186	6,324
35-44	7,317	7,416	7,490	7,525	7,533	7,528	7,442	7,241	7,029
45-59	8,474	8,638	8,748	8,915	9,017	9,046	9,171	9,182	9,331
60-64	1,107	1,186	1,252	1,306	1,405	1,545	1,652	1,650	1,631
65+	479	522	538	580	625	641	693	739	831
Total	27,908	28,172	28,456	28,740	28,987	29,164	29,382	28,811	28,855
Unweighted base	247.273	238.005	230.951	227.794	222.196	221.046	217.000	203.221	194.448

Source: Labour Force Survey 2010, ONS

Table A12: Age profile of the sector workforce 2002-2010 (UK)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
	000s	000s	000s	000s	000s	000s	000s	000s	000s
Under 25	97	89	98	98	107	104	105	95	100
25-34	222	202	217	215	227	242	234	190	184
35-44	229	229	233	238	250	265	268	222	224
45-59	277	274	290	305	300	319	315	322	343
60+	73	76	87	90	100	107	106	118	127
Total	898	869	924	946	984	1,036	1,028	948	978
Unweighted base	7.761	7.178	7.321	7.354	7.373	7.718	7.466	6.664	6.565

Source: Labour Force Survey 2010, ONS

Table A13: Ethnicity of workforce across whole economy, four nations (2010)

	White	BAME	Total	White	BAME	Total	Unweighted base
	000s	000s	000s	%	%	%	000s
UK	26,151	26,686	28,837	91	9	100	194.336
England	21,755	2,558	24,313	89	11	100	161.395
Scotland	2,370	76	2,445	97	3	100	17.019
Wales	1,272	40	1,312	97	3	100	8.691
Northern Ireland	754	12	766	98	2	100	7.231

Source: Labour Force Survey 2010, ONS

Table A14: Ethnicity of workforce within sectors, UK (2010)

	White	BAME	Total	White	BAME	Total
	000s	000s	000s	%	%	%
Agriculture, forestry and fishing	402	*	402	100	*	100
Energy production and utilities	453	20	472	96	4	100
Manufacturing	2,769	199	2,968	93	7	100
Construction, building services, engineering and planning	2,567	130	2,697	95	5	100
Wholesale and retail trade	3,722	416	4,139	90	10	100
Transportation and storage	1,266	180	1,445	88	12	100
Hospitality, tourism and sport	1,766	280	2,045	86	14	100
Information and communication technologies	660	100	760	87	13	100
Creative media and entertainment	913	73	986	93	7	100
Financial, insurance and other professional services	1,776	224	2,000	89	11	100
Real estate and facilities management	852	125	977	87	13	100
Government services	2,037	171	2,208	92	8	100
Education	2,875	210	3,085	93	7	100
Health	1,814	272	2,086	87	13	100
Care	1,526	200	1,726	88	12	100
Whole economy	26,151	2,686	28,837	91	9	100

Notes: *Sample size too small for reliable estimates

Source: Labour Force Survey 2010, ONS

Table A15: Employment by country of birth and nation, 2010

	UK		England		Scotland		Wales		Northern Ireland	
	000s	%	000s	%	000s	%	000s	%	000s	%
UK	25,054	87	20,856	86	2,264	93	1,228	94	706	92
Rest of Europe	1,340	5	1,176	5	85	3	37	3	42	5
Rest of World	2,457	9	2,295	9	96	4	47	4	18	2
Total	28,851	100	24,327	100	2,446	100	1,312	100	766	100
Unweighted base	194.426		161.480		17.022		8.693		7.231	

Source: Labour Force Survey 2010, ONS

Table A16: Largest occupational groups, UK (2010)

Rank	Occupation	000s	% of workforce
1	Sales and retail assistants	1,233	4
2	Care assistants and home carers	741	3
3	General office assistants or clerks	656	2
4	Cleaners, domestics	588	2
5	Marketing and sales manager	532	2
6	Accounts wages clerk, bookkeeper	523	2
7	Educational assistants	513	2
8	Nurses	509	2
9	Secondary education teaching professionals	445	2
10	Primary and nursery education teaching professionals	432	1
11	Prod. works and maintenance managers	414	1
13	Kitchen and catering assistants	411	1
12	Retail and wholesale managers	394	1
14	Other good handling and storage occupation n.e.c.	382	1
15	Software professionals	327	1
	Other occupations	20,742	72
	Total workforce	28,842	100
	Unweighted base (000s)	194.372	

Source: Labour Force Survey 2010, ONS

Annex B: Glossary

Glossary of Acronyms

BIS	Department for Business Innovation and Skills
CBI	Confederation of British Industry
CIPD	Chartered Institute of Personnel Development
DELNI	Department for Employment and Learning (Northern Ireland)
DTI	Department for Trade and Industry
DWP	Department for Work and Pensions
ESS	Employer Skills Survey
EU	European Union
FE	Further Education
GDP	Gross Domestic Product
GVA	Gross Value Added
HE	Higher Education
HtVs	Hard-to-fill Vacancies
HPW	High Performance Working
IAG	Information, Advice and Guidance
ICT	Information and Communication Technology

JSA	Job Seekers Allowance
LA	Local Authority
LFS	Labour Force Survey
LMI	Labour Market Information
LMI	Labour Market Intelligence
MAC	Migration Advisory Committee
ONS	Office for National Statistics
RICS	Royal Institution of Chartered Surveyors
SIC	Standard Industrial Classification
SFA	Skills Funding Agency
SMEs	Small and Medium Enterprises
SOC	Standard Occupational Code
SSA	Sector Skills Assessment
SSCs	Sector Skills Councils
SSVs	Skill Shortage Vacancies
UKCES	UK Commission for Employment and Skills

Glossary of Terms

Asset Skills Barometer	The Asset Skills Barometer periodically samples employers' response to skills and productivity issues, to better understand the current performance of and challenges to companies within the sector. Companies are also questioned on their expected performance and any challenges which they face in their operating environment.
Emergent skills needs	May require relatively minor additions or adaptations to existing skills sets, or they may require whole new sets (or combinations) of knowledge and competencies. The former may be more pervasive than the latter but each can be critical to the development of organisations and the economy and need to be addressed to avoid skills gaps and shortages in the future.
Employment rate	The number of people in employment expressed as a percentage of the relevant population.
Green skills	Green skills, is a broad term which refers to the skills needed by businesses from staff in order for them to be sustainable and successfully support the low carbon agenda. Skills in this area often relate to the development of more environmentally friendly technologies or ways of working. Skills are increasingly required in this area to meet sustainability targets or consumer pressure to work in a more environmentally friendly way. Specific skills requirements in this area are often dictated by the industry in which a business is based.
Gross Value Added (GVA)	GVA is the difference between gross output and intermediate inputs. Gross outputs of a production unit or service during a given period is equal to the gross value of the goods and services produced during the period recorded at the moment they are produced. Intermediate outputs refer to the value of goods used in the production process during the accounting period.
Hard-to-fill vacancy (HtFVs)	Those vacancies classified by respondents to the Employers Skills Survey 2011 (ESS11) as being hard-to-fill.
Known skills gaps	Occur within an existing workforce where individual employees lack the requisite skills to undertake the full range of duties in their job.
Latent skills gaps	Unrecognised skills needs within an existing workforce which inhibit the

	capacity of the individuals and/or organisation to reach their full potential.
Skills gaps	These are said to exist at an establishment when the employer indicates that staff at the establishment are not fully proficient at their jobs. The number of skills gaps refers to the number of staff not fully proficient.
Skills shortages	Are marketed by the absence of sufficient, appropriately qualified and experienced people to undertake particular roles when employers seek them, even if other factors such as recruitment methods and rates of pay are appropriate.
Skill shortage vacancy (SSV)	These are defined as hard-to-fill vacancies where at least one of the following causes was cited: low number of applicants with the required skills, lack of work experience the company demands, or lack of qualifications the company demands.
Sustainability	Sustainability refers to the use of natural resources in a way that allows on-going replacement for future generations. A sustainable business will harm the environment as little as possible, assist people as much as possible, and make sufficient profit to allow it to keep doing this for as long as possible.

Definition of Broad Occupational Groups⁶⁰

Major Group	General nature of qualifications, training and experience for occupations in the major group
Manager and senior official	A significant amount of knowledge and experience of the production processes and service requirements associated with the efficient functioning of organisations and businesses.
Professional occupations	A degree or equivalent qualification, with some occupations requiring postgraduate qualifications and/or a formal period of experience-related training.
Associate professional and technical occupations	An associated high-level vocational qualification, often involving a substantial period of full-time training or further study. Some additional task-related training is usually provided through a formal period of induction.
Administrative and secretarial occupations	A good standard of general education. Certain occupations will require further additional vocational training to a well-defined standard.
Skilled trade occupations	A substantial period of training often provided by means of a work-based training programme.
Personal service occupations	A good standard of general education. Certain occupations will require further additional vocational training, often provided by means of a work-based training programme.
Sales and customer service occupations	A general education and a programme of work-based training related to sales procedures. Some occupations require additional specific technical knowledge but are included in this major group because the primary task involves selling.

⁶⁰ Standard Occupation Classification 2000, Volume 1, Structure and description of unit groups, Office for National Statistics, 2000

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Produced by Asset Skills for the UK Commission for Employment and Skills.

UKCES
Renaissance House
Adwick Park
Wath-upon-Dearne
Rotherham
S63 5NB
T +44 (0)1709 774 800
F +44 (0)1709 774 801

UKCES
Sanctuary Buildings
Great Smith St.
Westminster
London
SW1P 3BT
T +44 (0)20 7227 7800

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