Fire Industry Association

Impact of COVID-19 on the Fire Safety Industry

Ian Moore, FIA CEO

FIA COVID-19 Report

For those that don't know, the FIA is over 100 years old and is the largest fire protection trade association in Europe with over 900 member companies. We restrict our membership to those that have (or are on a path to achieve) third party certification to ensure we only represent professional companies.

We are a not-for-profit organisation and are committed to reinvesting extensively into projects that benefit the world of Life Safety. At the FIA, we pride ourselves on raising the bar on professionalism by improving the competency of fire safety professionals through offering world class training to Level 3 qualifications in a number of fire safety courses that have come to be recognised as the industry benchmark.

We promote and shape legislation and the professional standards of the fire industry through close liaison with government, official bodies, as well as other key stakeholders. What's more, we offer technical support to our members and the wider fire industry through a team of highly experienced and knowledgeable fire safety experts.

2020 has been an unpredictable and a somewhat turbulent year thus far for all of us. Our year has been shaped by 3 key themes: thriving in spite of COVID-19, the ongoing works around Grenfell and the immediacy of BREXIT.

COVID-19 has overwhelmingly been the biggest issue to shape and change our industry, lives and world in recent history. As such this report aims to look at the variety of impacts from COVID-19 and our thoughts on what this means for the industry in the short, medium and long term.

Now let's move on to the COVID-19 Survey report.

Ian Moore.

Contents

Executive Summary

We hope that this survey allows you to gain a greater understanding of how organisations have been impacted by COVID-19 and what this means for the wider fire industry both now and in the future. In its entirety the fire industry is varied and complex; as such this survey did not intend to delve deeply into the specific details of COVID-19 and your organisation.

This survey report understandably contains the fears, challenges and struggles faced by many within our industry but in equal measure it highlights the resilience, optimism and innovation that has been brought to the forefront during this pandemic.

We would like to thank all of our respondents across the industry who took time out of their days to provide us with their insightful findings, opinions and thoughts. Your contributions will aid us, the FIA, in representing the views and needs of the industry effectively, clearly and confidently to those who need to hear it.

General

To get a greater understanding from this report it is important to know ***who provided these answers***. The 'Fire Detection and Alarm (FD&A)' sector was the largest group of respondents with 41%, followed by 'Fire Risk Assessors (FRA)' with 26% and a variety of organisation were classified as 'Other' representing 20% of respondents and finally the Extinguishing sector accounted for '13%'.

After further analysis of the comments submitted within the survey it highlighted that Housing Associations, Local Government, Insurers and Quality and Competency Approval Bodies represented a substantial amount of the 'Other' category.

This survey has captured thoughts and opinions from across the sector which allows us to have a broad overview of the impacts of COVID-19; in an ideal world, it would have been interesting to gain a greater insight from more manufacturers of fire service equipment. Although, through our Fireside Chats, we discovered that some manufacturers have been busy shifting production to making 'medical equipment rather than fire equipment' .

When asked about ***regulatory challenges*** during COVID-19, the survey found 44% said 'Yes' whilst 50% said 'No' with 6% claiming they were 'Uncertain'. Respondents who answered 'Yes' found that these challenges arose due to a lack of access to customer premises because of lockdown. This will be explored in greater detail in the Services section

A key topic during COVID-19 was whether businesses ***employees were required to be on-site*** and as such considered a key worker.

Does your company have any employees that are required to have access to customer premises?

Answered: 84   Skipped: 0

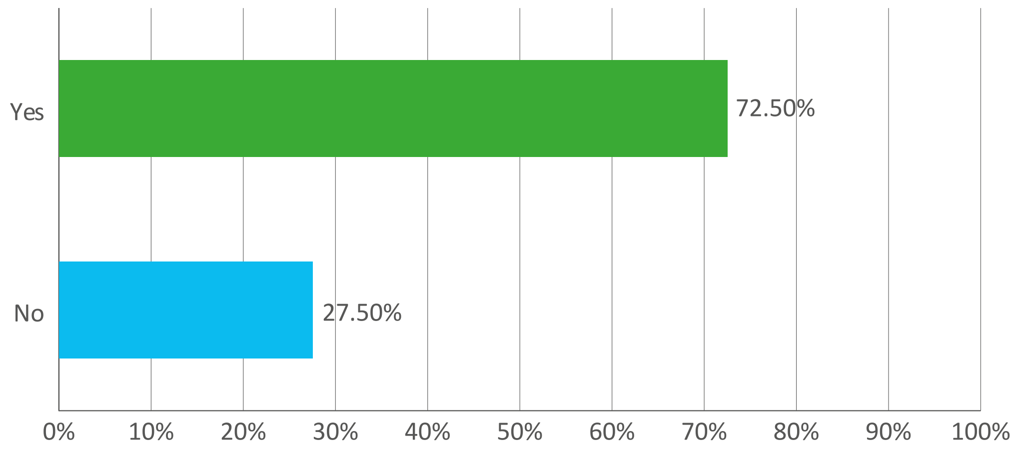


Figure 1 – Q3

As Figure 1 indicates almost 72% of respondents had employees who were required to gain access to customer premises during COVID-19. With multiple respondents claiming they were 'unable to gain access site regarding routine maintenance visits.

Through close collaboration with our members we acknowledged this could prove a troubling obstacle with the strict rules that were imposed at the start of lockdown. Resultingly, we voiced the concerns of the fire industry to the government and we received a direct response that stated fire professionals were considered key workers which enabled fire safety professional to undertake their duties.

Financial impact

This section of the report will explore how COVID-19 has impacted the financial side of respondent's businesses by assessing the impact on their financial performance.

What is the estimated impact of COVID-19 on your company's overall financial performance for 2020?

Answered: 84 Skipped: 0

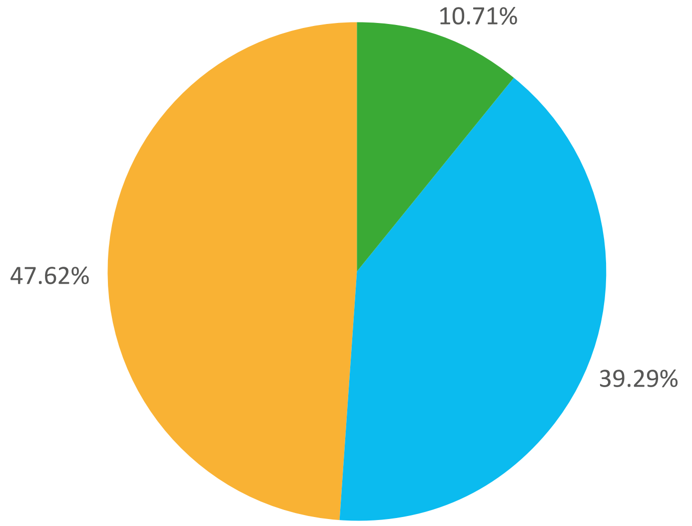
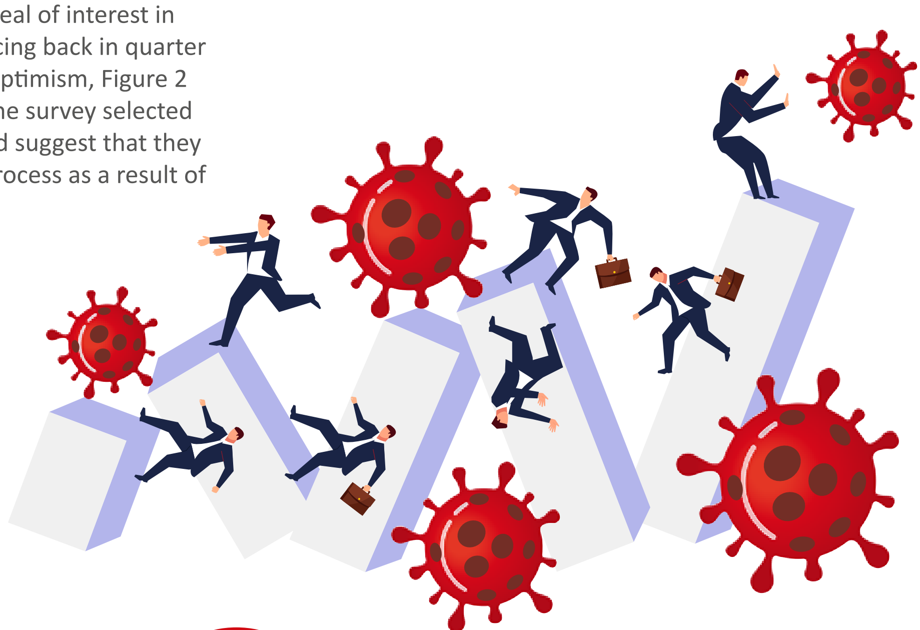


Figure 2 – Q4

Figure 2 shows that businesses within the fire safety industry have been affected across the board to varying degrees. We found that 47% of respondents believed that their organisations' financial performance is expected to be significantly below budget. Broadly speaking a high financial impact will in some cases have severe short terms implications, especially where respondents' reserves are low - these impacts will be explored in the Operational Changes section.

For both the respondents who reported a 'High' and 'Moderate' impact there will be a great deal of interest in looking out for the wider economy bouncing back in quarter 3 and 4. Although there are reasons for optimism, Figure 2 fails to show you that no one who took the survey selected the 'Maximum impact' option. This would suggest that they were going through the administration process as a result of the financial impacts of COVID-19.

What's more, the 10% of respondents who claimed that COVID-19 had a 'Low impact' is testament to the resilience and financial robustness of organisations within the fire safety industry. Comments were made by those who felt a 'Low impact' said that their training allowed them to work in multiple sub-sectors of the fire industry from FRA to FD&A. This diversification of revenue generating activities allowed them to better weather the financial impacts of COVID-19.



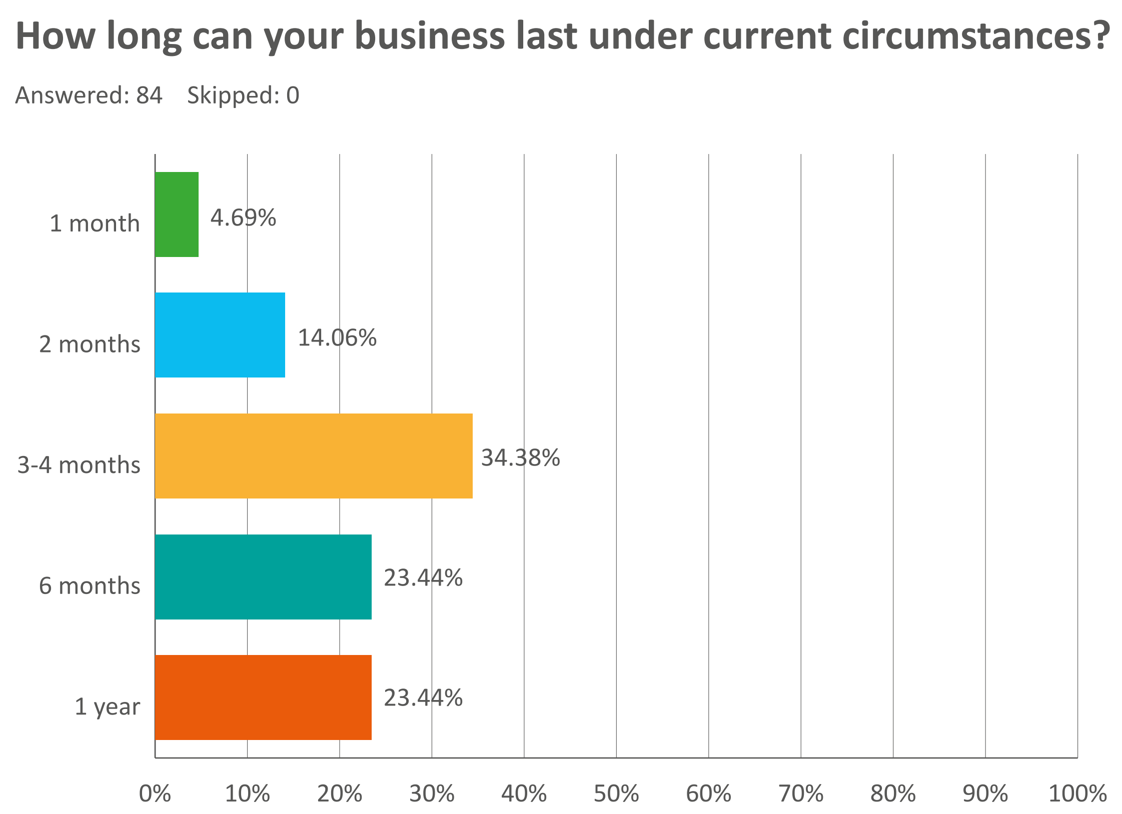


Figure 3 – Q6

The resilience of our industry proves to be a recurring theme throughout this report as Figure 3 indicates. To appreciate the importance of these responses, this survey was completed as the United Kingdom was just past the peak. At that time there were far more unknown answers than when you are reading the survey now. Figure 3 shows that 81% of respondents are able to continue operating for more than 3 months; with some respondents commenting that they could last longer than a year which wasn't an option we provided in the survey. Unfortunately, only time will tell how accurate the responses are.

It is hard to draw a clear conclusion on this question as we cannot discern whether respondents gave their answers after having made organisational changes to adapt to COVID-19 or if they answered before making any changes.

However, beyond the results of the survey we have seen more tangible and optimistic signs that can perhaps provide a better indication where the industry will be in the following months. For instance, since this survey was released, the FIA have had a net gain of 16 members and over 250 membership enquiries up and down the country. This might indicate one or more things:

a) that the fire industry in its current form is sustainable

b) organisations are seeing the value that trade associations can have in giving a voice to its members at the highest levels

c) organisations view trade associations as a hub of valuable, varied and important resources that help prepare their members for the future

d) organisations appreciate the crucial, industry specific information that trade associations provide and disseminate to their members

Operational Changes

This section of the report aims to understand what ***operational changes*** have been made during COVID-19. With such a variety of respondents (explored in section 1) it can, at times, be difficult to find the key themes. However, when asking respondents what they will prioritise during the next 3-6 months, there was clearly commonality in their answers.

Which of the following workforce priorities will your company review during the next three to six months? Select all that apply.

Answered: 84 Skipped: 0

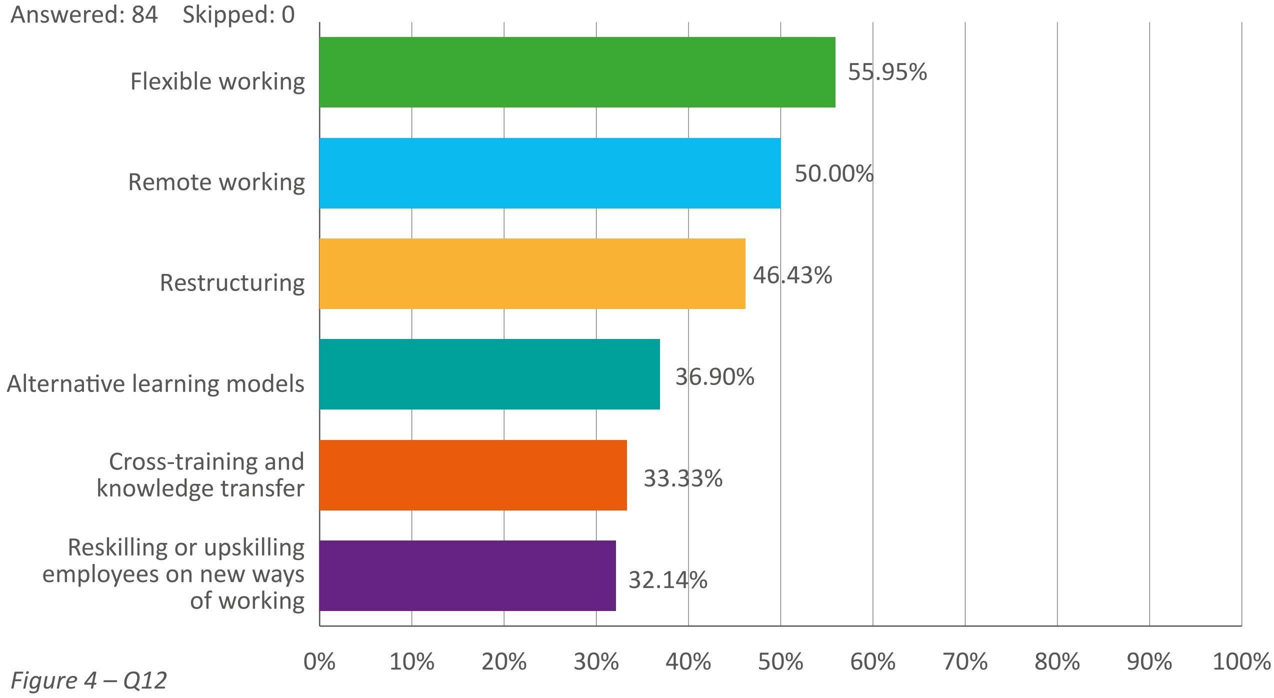


Figure 4 – Q12

Put simply, COVID-19 has changed the way organisations work and where they work from - which has been coined "the new normal".

Figure 4 shows that over 50% of respondents suggested that they would be implementing '***remote working***' and/or '***flexible working***'. This transition is not entirely unsurprising as technology has, in large, enabled organisations to continue working outside of the traditional office environment. This widescale shift from the traditional office to the home office has for many has meant shifting to virtual meetings, for both internal and external use, which has the benefit of saving money, time and the environment.

It is somewhat unclear if organisations will revert back to their old working practises; however it is clear from an FIA perspective, that the ability to work remotely and flexibly has allowed us to mitigate the restrictions of COVID-19 whilst continuing to support our members and the wider industry.

In Figure 4, 46% of respondent's state that they would prioritise ***restructuring*** in the next 3-6 months - the extent of these operational changes will ultimately vary from organisation to organisation. For respondents who felt a 'High' financial impact in Figure 2, restructuring will likely be an immediate priority in order help their organisation stay afloat. Our survey found that 14% of respondents will be looking at ***redundancy*** options in the following months (we expect this to accelerate as the furlough scheme comes to an end). Considering, in Figure 2, 47% of respondents felt a high financial impact this redundancy figure is relatively low. This could be due to a multitude of reasons. However, the comments submitted by respondents heavily indicated that the ***Coronavirus Job Retention Scheme*** has been crucial to firms as it has allowed them to keep their staff whilst they assess the impact of COVID-19 and not be forced into making premature decisions on redundancies.

Another key theme that our survey highlighted was that respondents will be looking to ***upskill*** and/or ***reskill*** (32%) and ***train*** their workforce across multiple roles (33%), by taking advantage of the time offered by staff being either furloughed or working from home. The majority of organisations who plan on training their workforce in the short term will have to complete this training remotely. Thus, organisations who are able to effectively train their staff remotely now, will be better prepared moving forward.

Outside of the survey, we have seen how flexible many within the fire industry have been by engaging with our new online training and exams. So far, more than 450 fire professionals have been trained online since April 1st and over 100 online exams completed since June 1st. In addition to training, over 2000 fire safety professionals have welcomed online CPD sessions as a valuable way to invest time when they are not on the road or visiting customers.

Services

This section of the report shines a light on the impacts of COVID-19 on organisations who primarily work on site the majority of the time such as maintenance, servicing and installations – if this does not interest you then please go ahead to the next section.

What percentage of site visits have been postponed or cancelled due to Covid-19?

Answered: 56 Skipped: 28

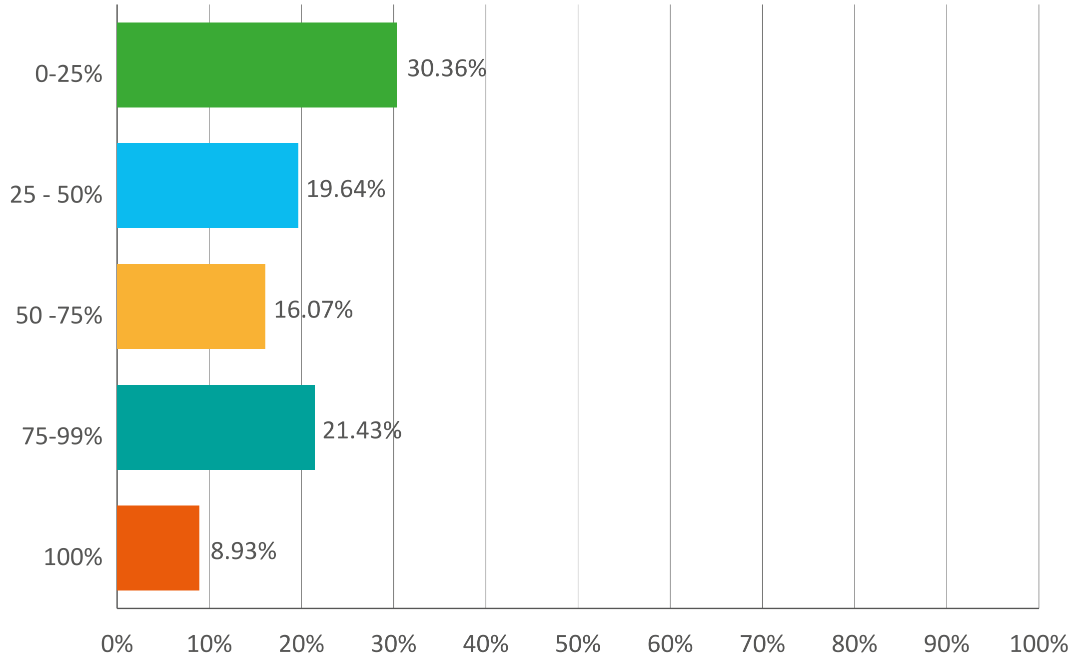
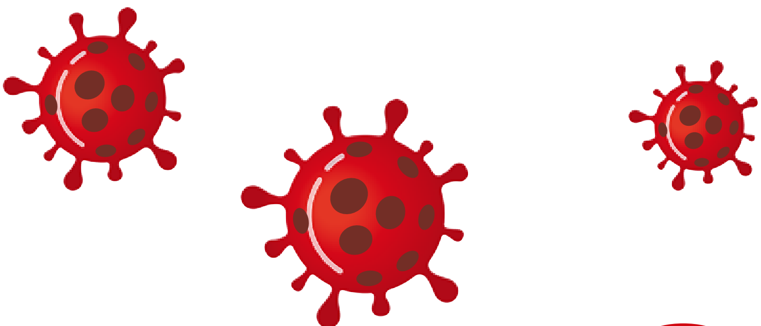


Figure 5 – Q13

When assessing Figure 5, it is important to remember Figure 1 stated that 72% of respondents require their employees being on site. Figure 5 gives a broad overview of the disruption caused to many respondents. At the extremes, 9% of respondents have had all their bookings ***postponed*** or ***cancelled*** due to COVID-19. One can assume that 9% of organisations will have a received a high financial impact and could also make up a considerable proportion of companies that are considering redundancies.

It could be argued that this number of site visits being cancelled or postponed could have been significantly higher if fire safety professionals were not classified as key workers. With one respondent claiming:

'When the lockdown rules were implemented, we as company felt a great deal of uncertainty about how we would continue to service and maintain fire alarms for our customers in accordance with our contractual agreement. This uncertainty faded away with the announcement that we were classified as key workers and helped us keep going through lockdown'



As the lockdown has progressed, have you seen a change in levels of accessibility to your customers premises?

Answered: 57 Skipped: 27

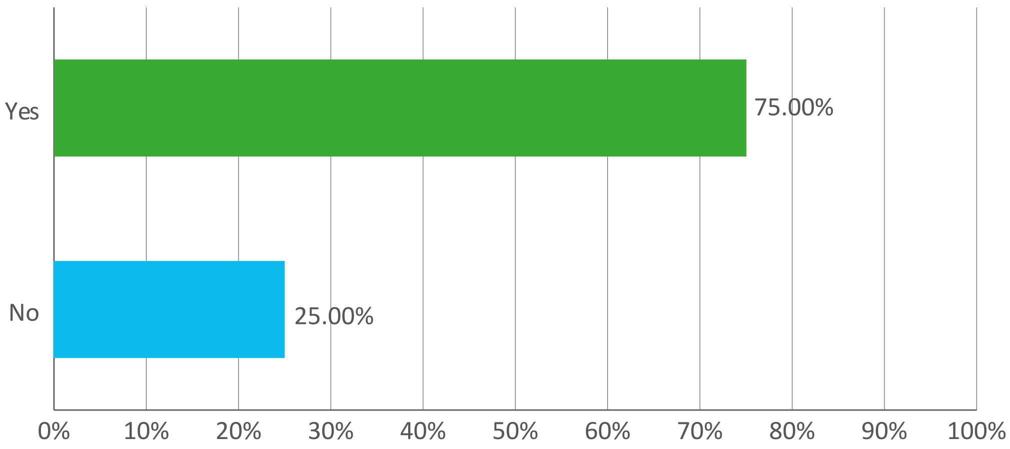


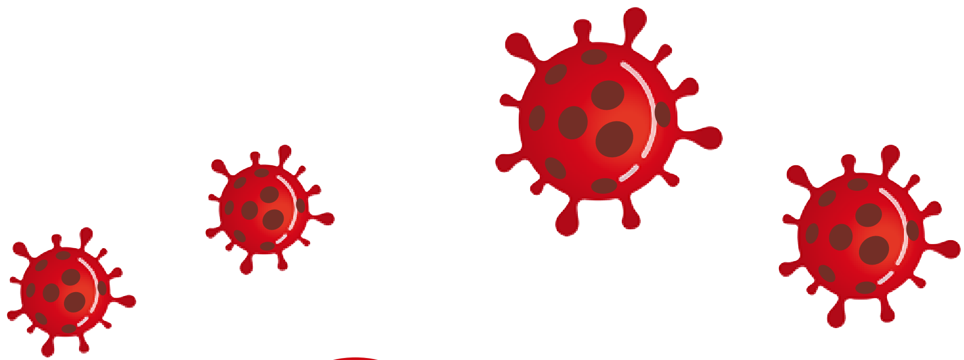
Figure 6 – Q15

Our survey found promising signs that the uncertainty that was present through lockdown is dissipating which is shown by Figure 6. With 75% of respondents finding it easier than before to ***access their customer's premises*** it provides a more positive outlook for the following months to come for the fire industry. Although, one comment highlights that 'they've completely closed their doors, except urgent matters' which is concerning as 25% of respondents said that they have not found it easier to gain access. It has been almost a month since this survey was answered by the industry and in that time, restrictions have been lifted and access to customer premises has become easier. Although, this serves as a timely reminder for organisations to begin thinking of alternative ways they can use technology to manage future challenges. If your organisation is looking to bring innovations to market, now is a perfect time to join the FIA's Innovation Forum.

In part this survey aimed to explore how respondents planned to address the ***backlog of visits*** that COVID-19 might have caused. Across the board, all organisations noted that the ***'biggest challenge will be keeping social distancing at all times'***. Beyond altering workplace practises to adhere to social distancing guidelines, there was a mixed response on how organisations intend to deal with the backlog.

A selection of respondents 'maintained a sustainable level of visits throughout the lock down', thus they did not envisage a large backlog. Furthermore, one respondent '***we will not have a significant backlog and those employees who are currently performing desktop elements of assessments will then be released to address the slight backlog before resuming a more balanced approach to desktop/site assessments'.***

Numerous organisations plan on addressing the backlog through ***'prioritising overdue visits that are of paramount importance; whilst providing overtime and other incentives to help get through the backlog before the end of December 2020'.*** One respondent suggested that they would ***'extend the working hours of the day and even consider working on weekends if required'.*** In addition, others have stated if the demand is there that they will hire more engineers as opposed to using sub-contractors. On the other hand, one respondent commented that ***'the projects that I was working on with clients are likely now to be abandoned',*** they continued to say that ***'this was primarily down to some sectors opening back up later than others with a lack of funds.'***



Employment and Staff

This section looked at the effects COVID-19 had on the management, retention and hiring of staff. Earlier in the report, we discovered that respondents found the Coronavirus Job Retention Scheme to be imperative to their survival through the pandemic.

What percentage of your staff have been placed on furlough?

Answered: 82 Skipped: 2

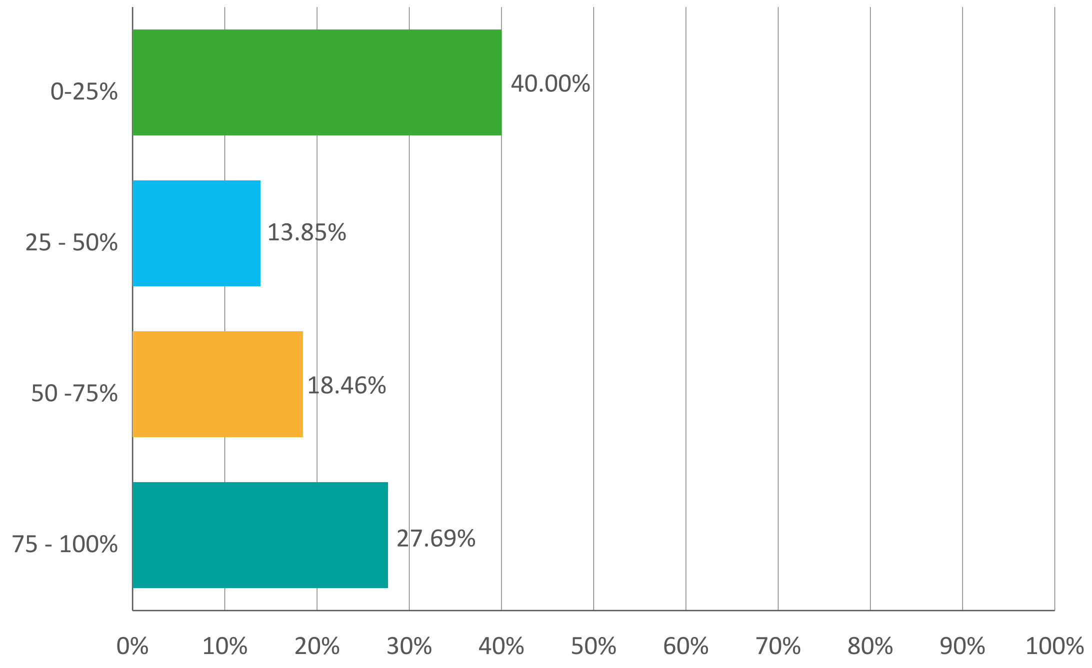


Figure 7 – Q18

Our survey sought to find out what percentage of respondent's staff have been ***placed on furlough***. We can see from the upper and lower ranges of Figure 7 the difference within the industry; as 40% of respondents placed between 0-25% of staff on furlough; compared with 27% of organisations who decided to place between 75-100% of staff on furlough.

There is a variety of factors that could explain the difference in the amount of staff placed on furlough by respondents; but looking at earlier answers in our survey can help us understand the reasons why. For instance, Figure 1 highlighted that 70% of respondents required employees to be on site, with lockdown reducing access to customer premises, as shown by Figure 6, it understandable that these organisations would need to place more of their staff on furlough.

Q19: What percentage do you expect to return from furlough?

Answered: 79 Skipped: 5

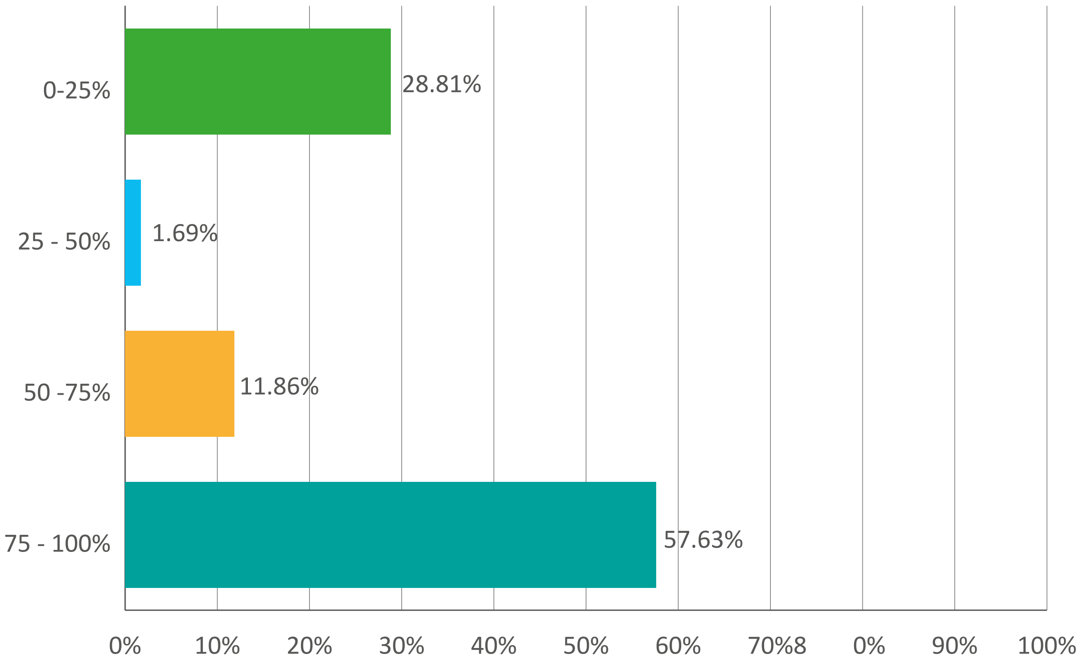


Figure 8 – Q19

Looking at Figure 8 provides positive signs for the future of the fire industry as almost 60% respondents stated that they expect 75%-100% to return from furlough. Within the fire industry, the organisations who used the furlough scheme tended to be those who were hit harder by COVID-19. Put simply, the organisations who were affected the worst plan to bring the majority of staff back, once again showing the resilience of organisations in the fire industry.

Summary

72.5% of respondents are required to have access to customer premises

47.6% of respondents felt a High Financial impact from COVID-19

Over **50%** of organisations will prioritise Flexible working and Remote working in the coming months

75% of respondents have found it easier to access customer premises as lockdown progressed

57.6% of respondents expect to bring back **75-100%** of employers back from furlough

This report has been collated, analysed and written by Adam Richardson – Business Liaison at Fire Industry Association.

DISCLAIMER
The information set out in this document is believed to be correct in the light of information currently available but it is not guaranteed and neither the Fire Industry Association nor its officers can accept any responsibility in respect of the contents or any events arising from use of the information contained within this document.

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