



Fire Industry Association

Market Conditions Review

WAVE 11

Market Conditions Review

The last 12 months in our industry have been dominated by two main factors; the aftermath of the Grenfell Tower tragedy and BREXIT.

There have been numerous stages of reports (dominated by the Hackitt report) that are clearly leaning towards a more defined route of competency (for both companies and individuals), in fact Hackitt mentions the word competency 152 times in her report. The Competency Steering Group was set up and we are involved in a number of these sections. One of the many pieces of work that came out of this is “what does good look like” which is a matrix for each discipline of fire safety, such as company certification, personal qualification, register of that competence and training delivery. Under these four headings, competency can be shown in a number of ways, examples being third party certification, nationally recognised qualification to level 3, CSCS card and industry best practice training (on say products, method of operation etc.). The outcome of these works will absolutely affect the way our industry operates in the future and we need to be prepared for these changes.

As for BREXIT, we are still not sure what the future holds even though the vote to leave was made on 23rd June 2016! I have delivered a number of presentations about BREXIT but they

have always been based on worst case scenario and what preparations we need to make in advance. All of the major manufacturers and service providers that operate overseas have made their preparations which will have cost a lot of money and there is a potential that it will be wasted should a “deal” be done or no deal proves to make little difference as trade will always find a way. However, it is stated that two-thirds of UK construction firms have not planned or taken any action to mitigate the impact of Brexit, with a third of companies reportedly already experiencing the impact – it sounds like our sector is more prepared than the construction industry as a whole which is not surprising considering the level of compliance we always work at.

Talking more about competence, the FIA’s 5-year training and examination programme is starting to deliver, albeit slower than anticipated. We have an ever-increasing number of technicians trained to a higher level than ever before and passing examinations to Level 3 (which seems to be the direction of requirement in post Hackitt working groups). In fact, others too are now starting to realise the importance of nationally recognised qualifications and are setting up Awarding Organisations and training companies to take advantage of this predicted requirement.

Third party certification is almost certainly going to be a requirement for companies operating in the fire safety market going forward, which is something we at the FIA have insisted upon for many years (as part of our joining criteria) as a sign of defining professionalism. In fact, we have a compliance manager that spends all of his time assisting aspiring companies achieve ISO 9001 to define their professionalism.

Now for the comments on the Market Conditions report.

This is our 11th market condition survey and covers the last 12 months.

The UK construction industry (to which we are most closely linked for forecasting data) is forecast to grow 5% in 2020 following a 1% forecast fall this year, and an 8% fall in 2018. However, there are varying reports around these figures without any certainty based on the unknowns of the outcome of BREXIT. Still, we should not be too disillusioned with these figures as there is and will be significant refurbishment works to bring existing buildings up to standard.

To support this, according to the survey results, sales enquiries are definitely on the decrease compared with last year with a significantly higher percentage from the private sector over the public sector. Geographically, increases are only seen in London, North-East and by a slight degree, Scotland. There is also a good indication of conversion rate with orders mirroring the enquiry downturn with private sector split slightly ahead.

With the downturn in orders comes the inevitable reduction in recruiting, especially at skilled level, and the reduction in taking on apprentices.

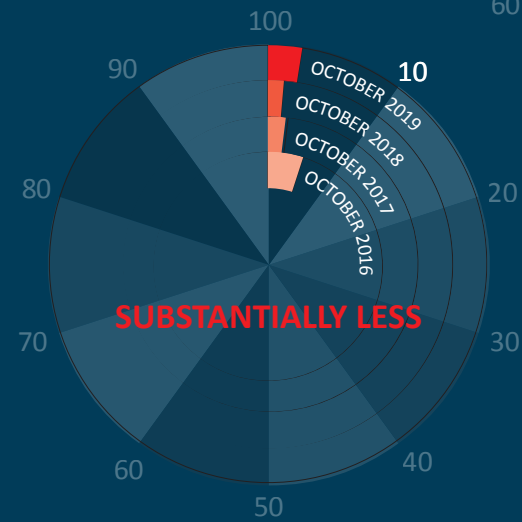
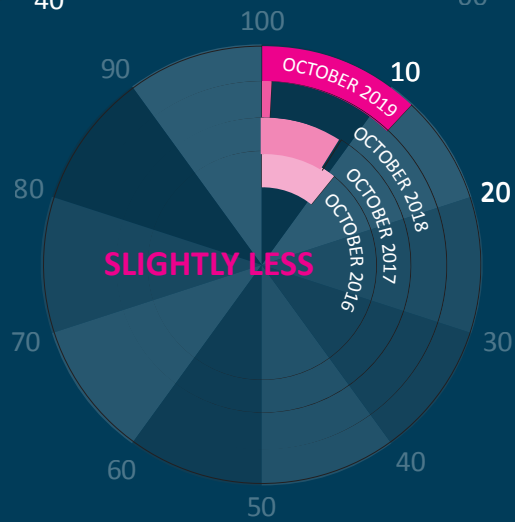
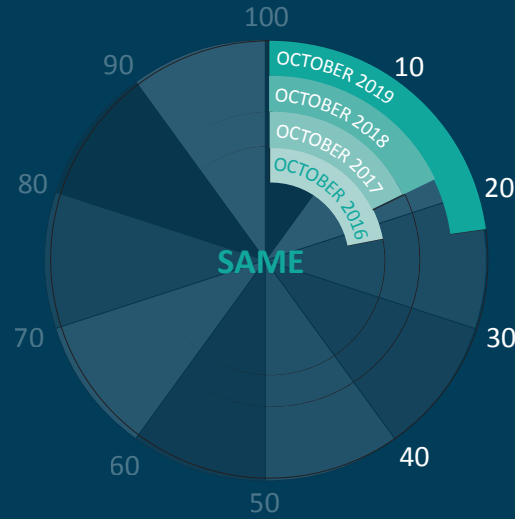
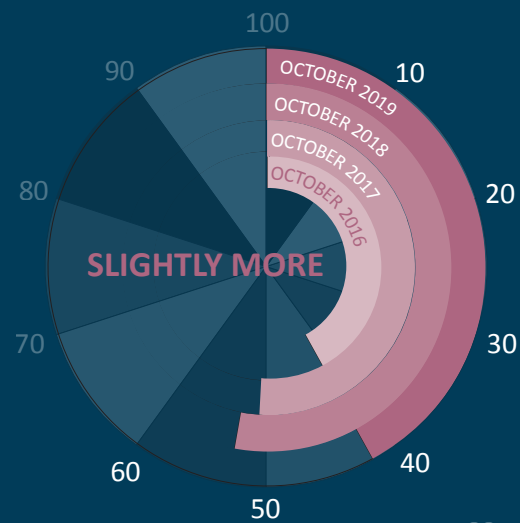
On the training front there is a clear increase in those taking up training, maybe this is due to the inevitable changes coming from the post Hackitt recommendations and a realisation that our industry's competency levels need to be increased and defined. The predictions only indicate further increases in training over the next 12 months.

There are various views on the number and value of tenders throughout this year, but it is clear that more tenders require third party certification of the supplying company as a prerequisite. This could be attributed to nervousness from the Responsible Person following the shortfalls in checking the levels of competency of their suppliers in the past.

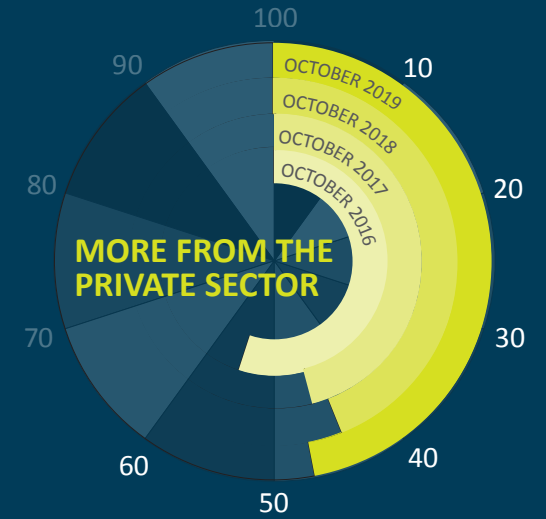
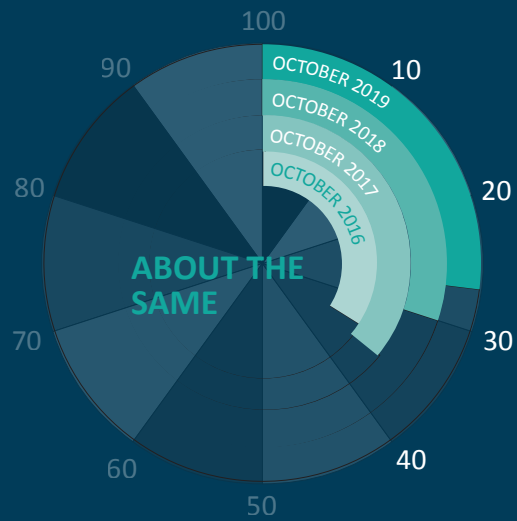
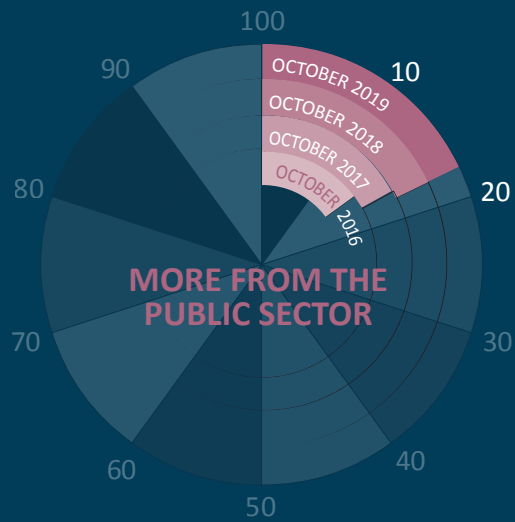
As for our members suppliers, costs are increasing (and as always, I don't think they would ever admit to a decrease!) and the lead times are remaining static overall which is a good sign with BREXIT imminent.

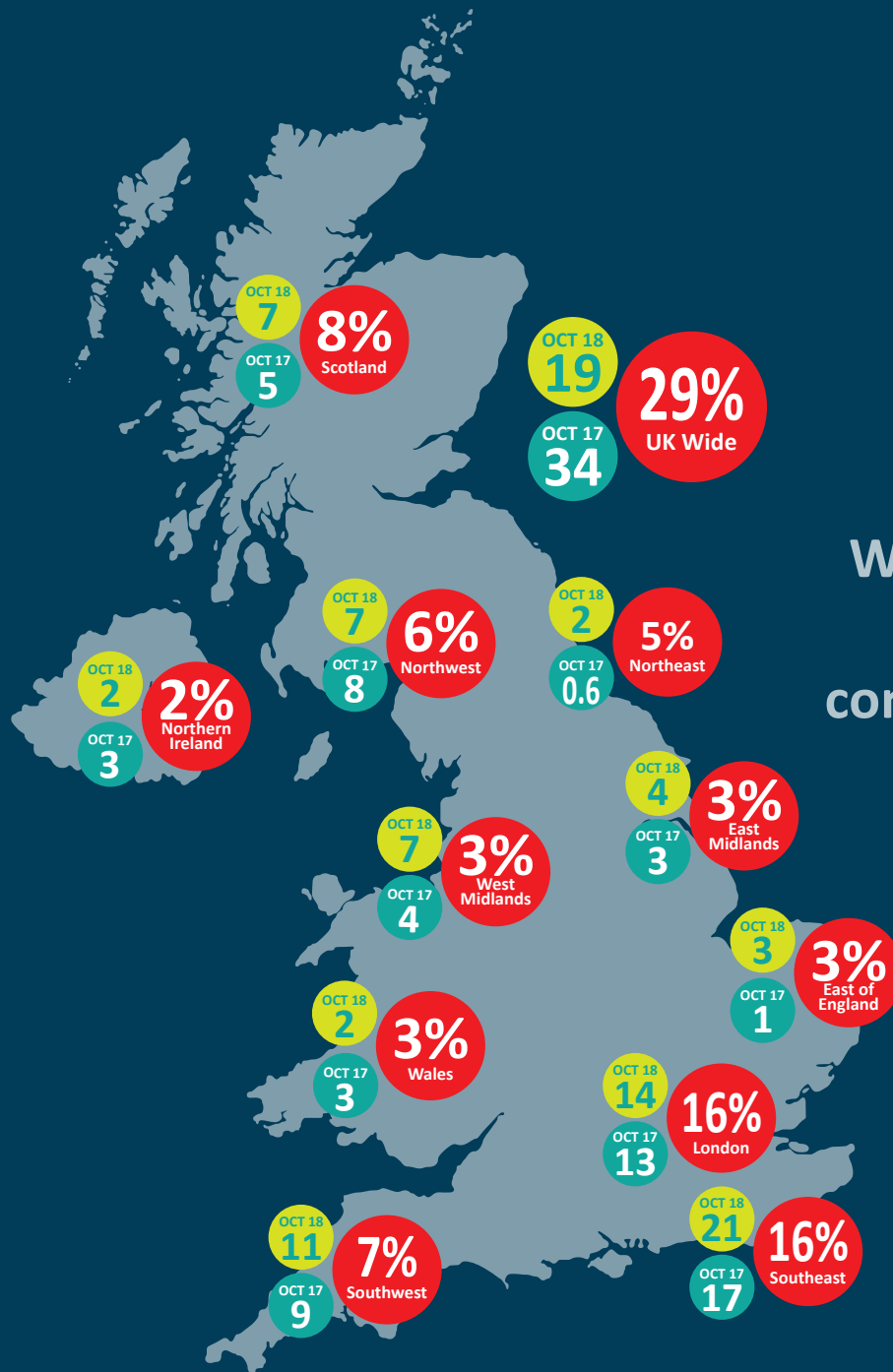
Finally export sales are static which is not surprising with the unknowns with BREXIT; and we are glad to see that 50% (still not great but up from 30% last year!) of SME businesses said that they had started their preparation for BREXIT – let's hope for a strong deal for those that export!

Have you received more enquiries in the last 12 months than in the previous year? (%)



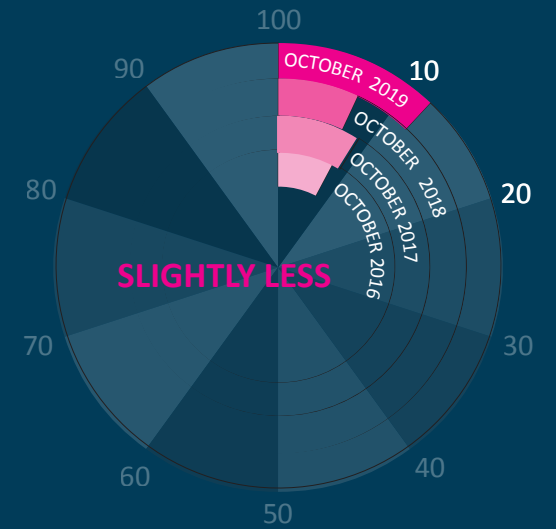
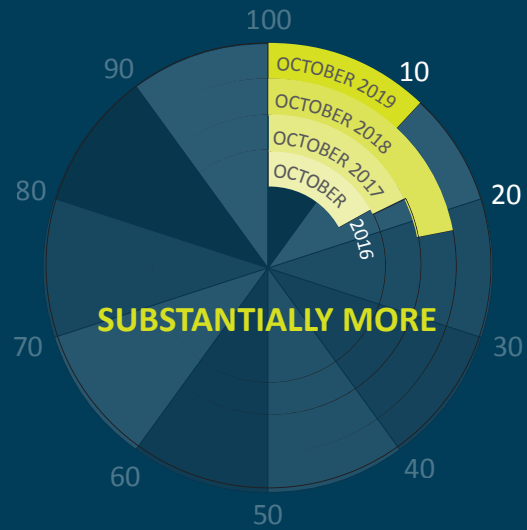
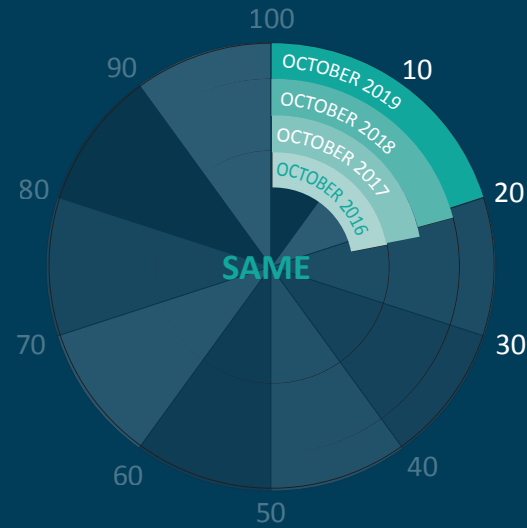
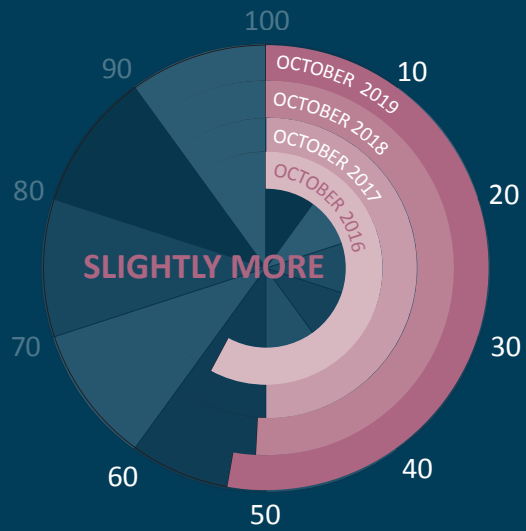
Have you had more enquiries from the Public or Private Sector? (%)



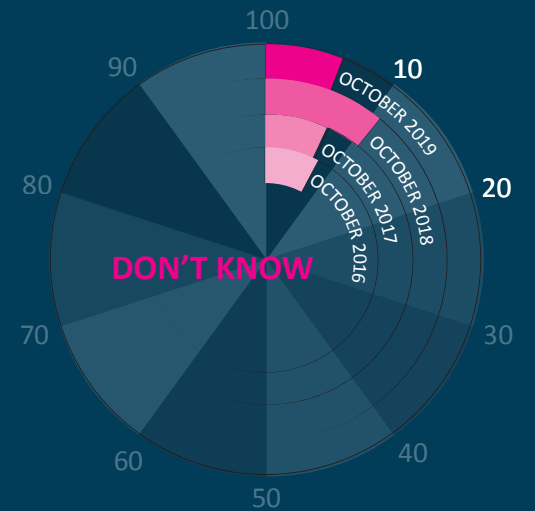
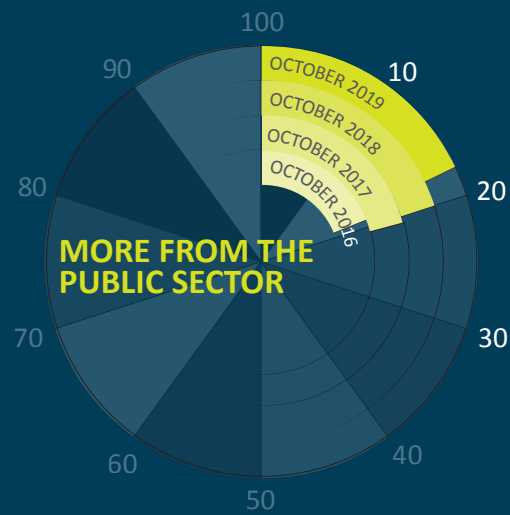
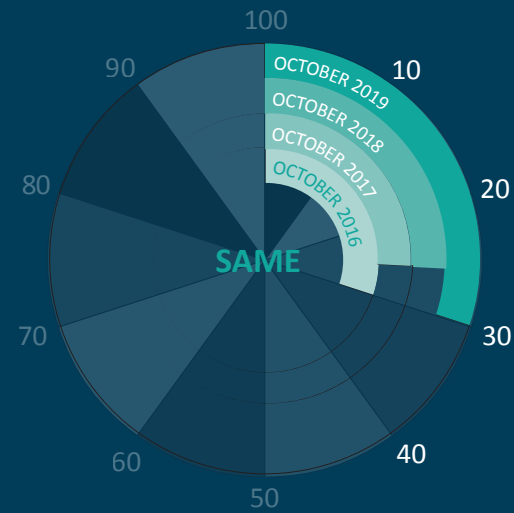
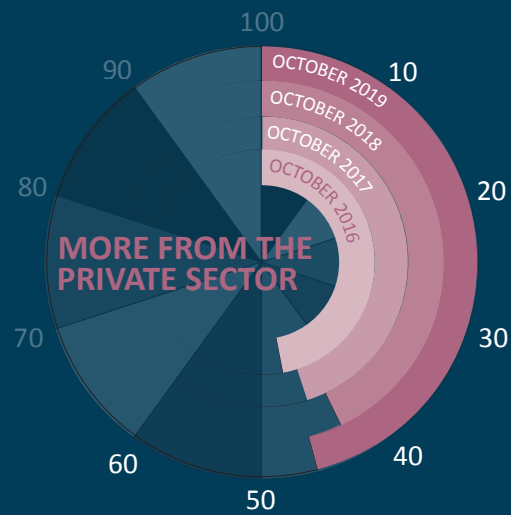


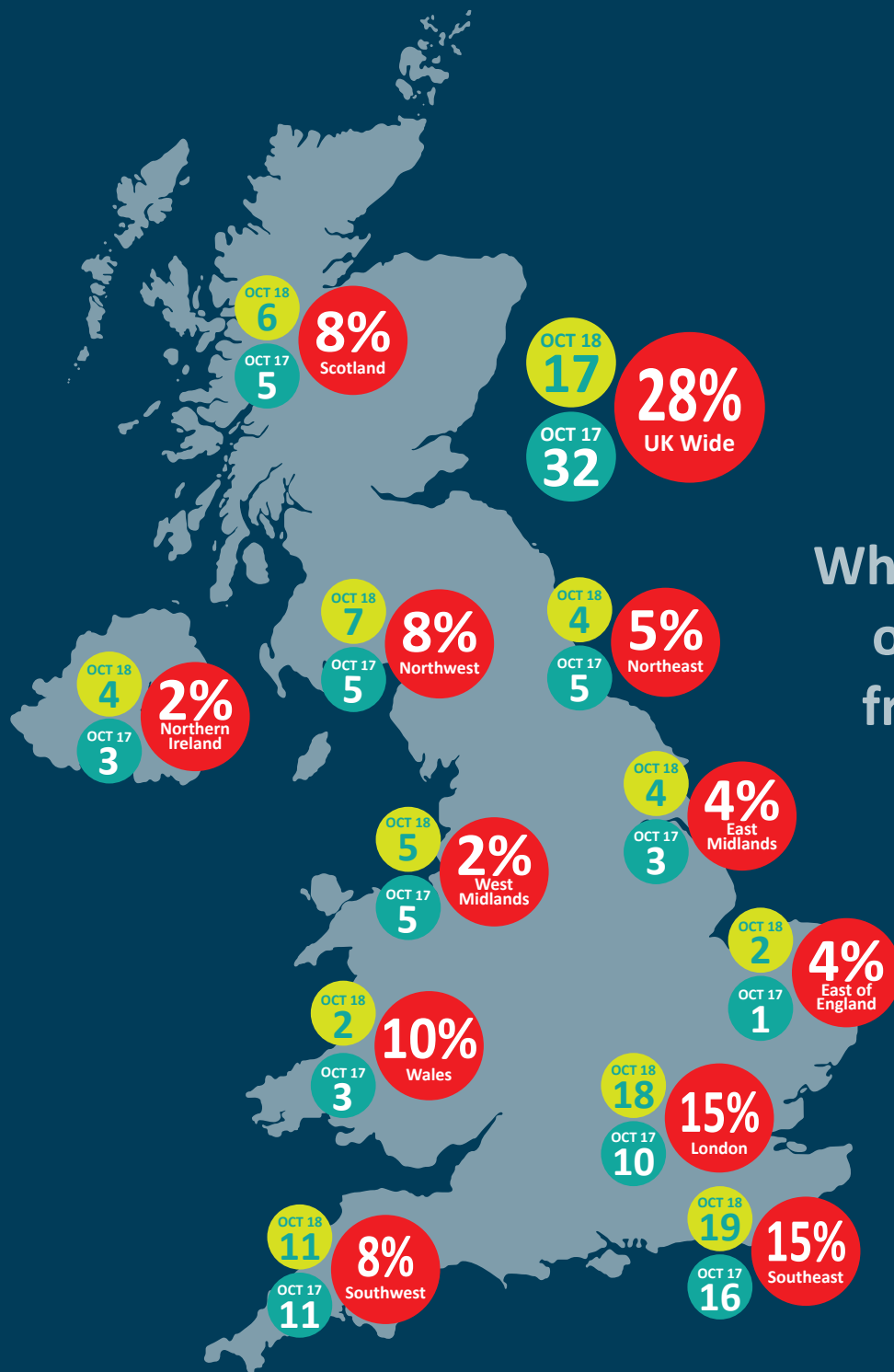
Where have the majority
of your enquiries
come from geographically?

Have you received more orders in the last 12 months than in the previous year? (%)



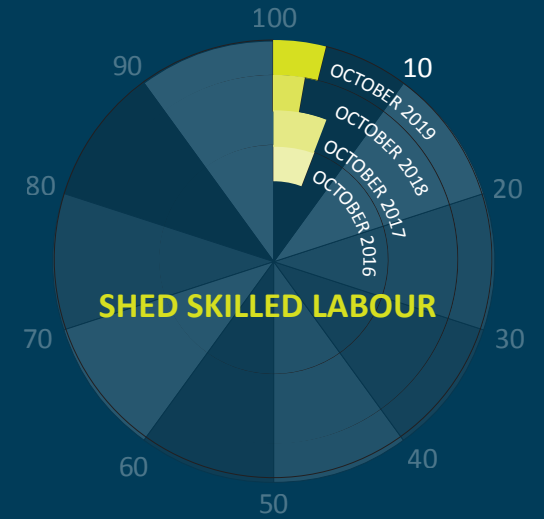
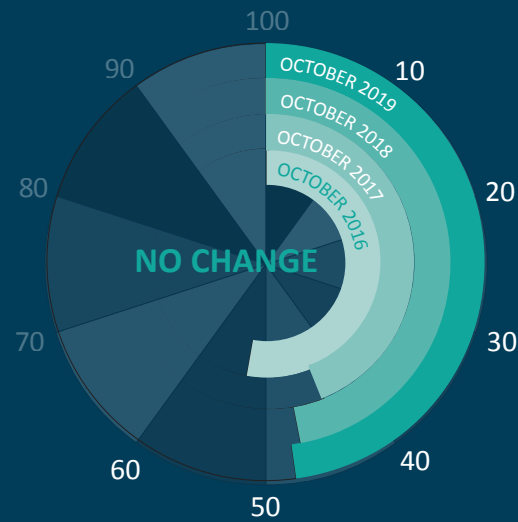
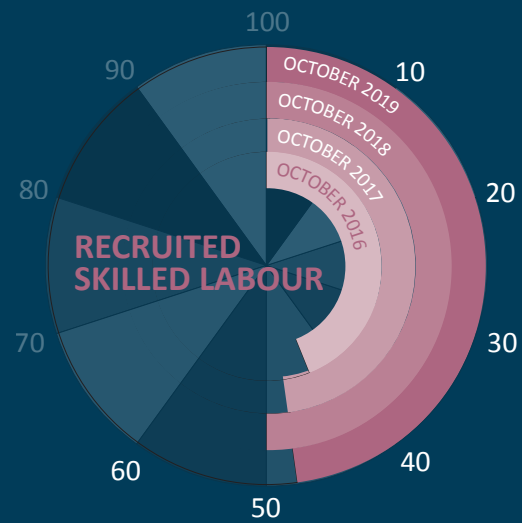
Have you had more orders from the Public or Private Sector? (%)



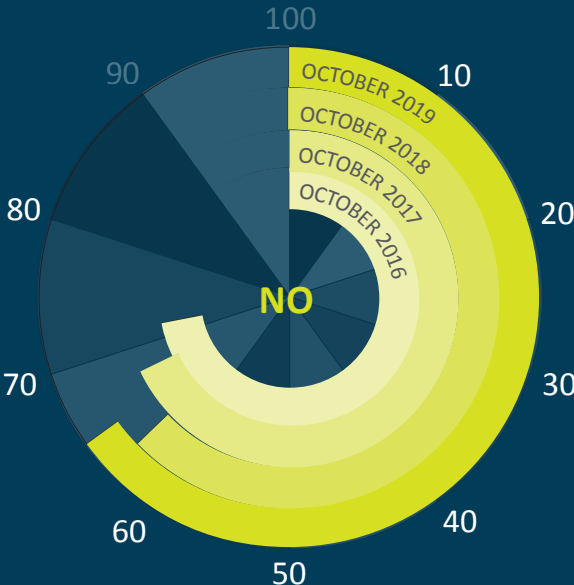
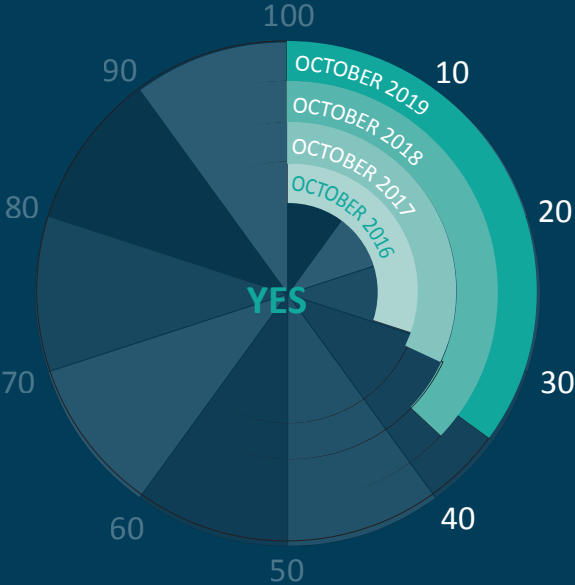


Where have the majority
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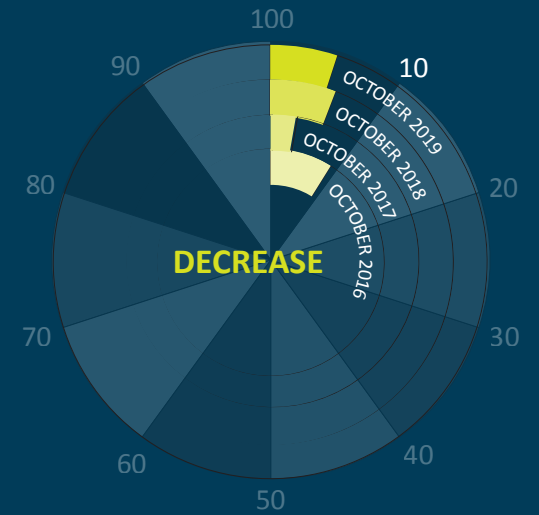
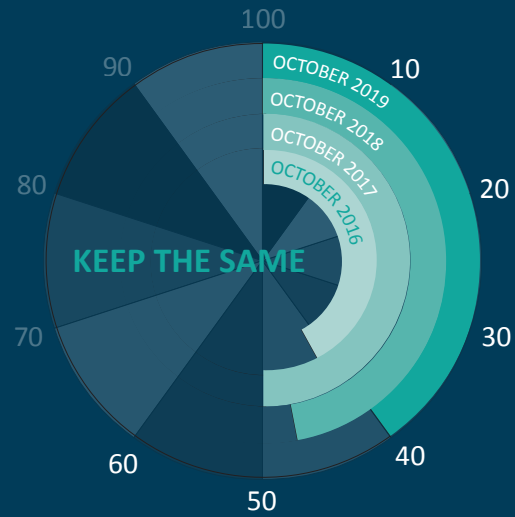
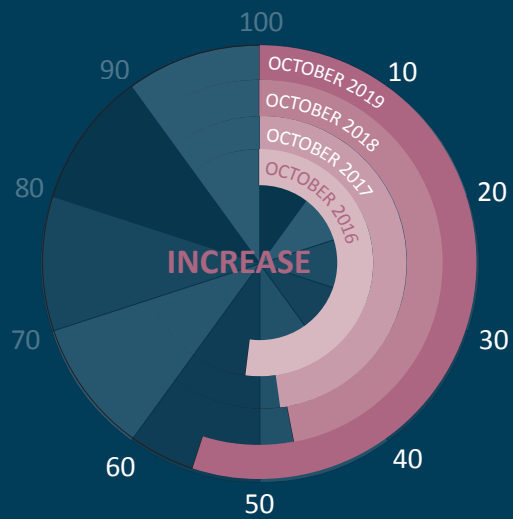
Have you recruited skilled labour in the last 12 months or have you shed skilled labour in the last year? (%)



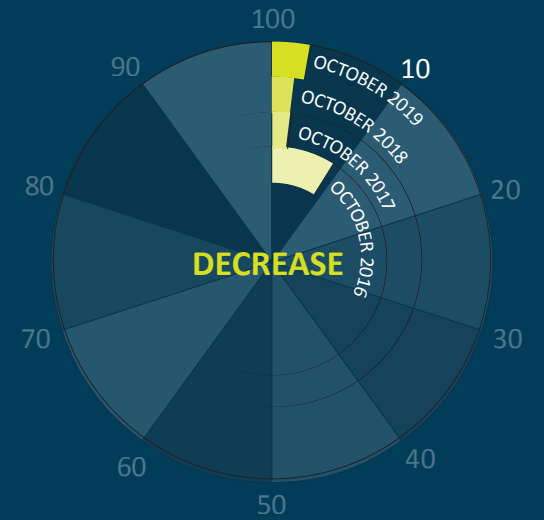
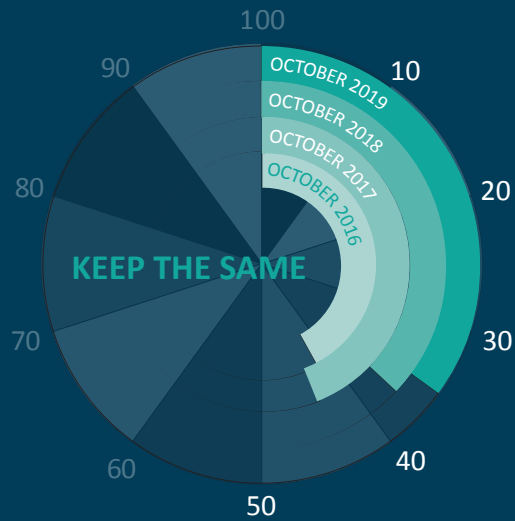
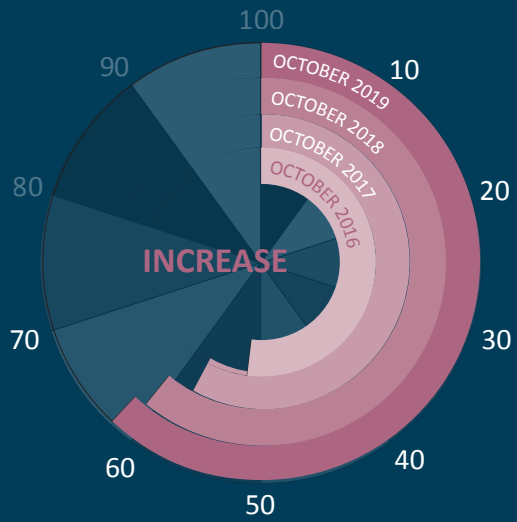
Have you recruited apprentices in the last 12 months? (%)



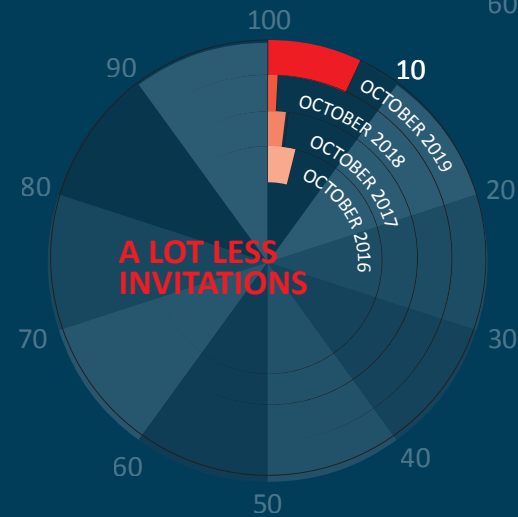
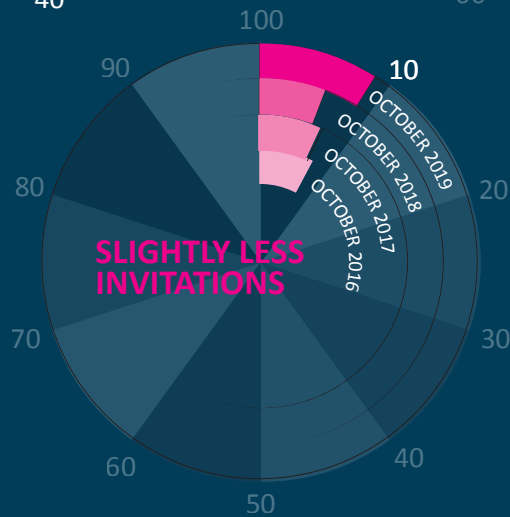
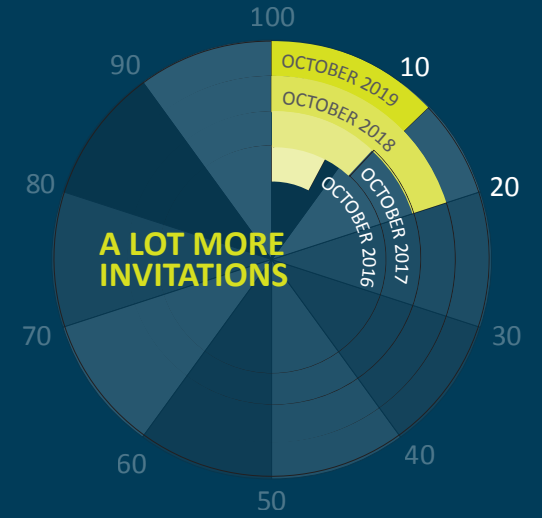
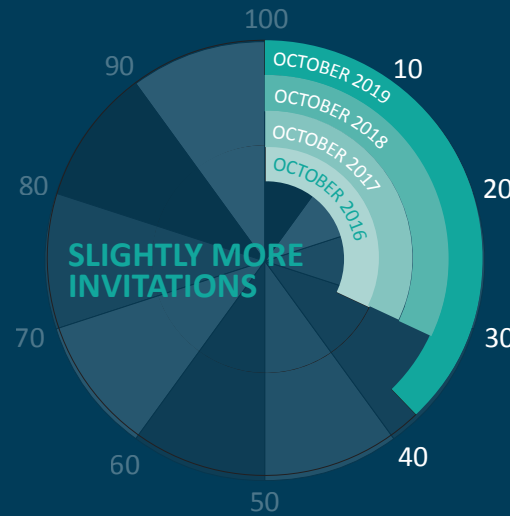
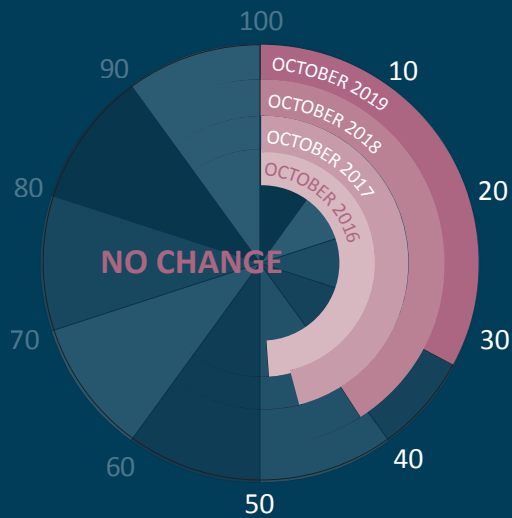
Have you increased or decreased the amount of training for your workforce in the last 12 months? (%)



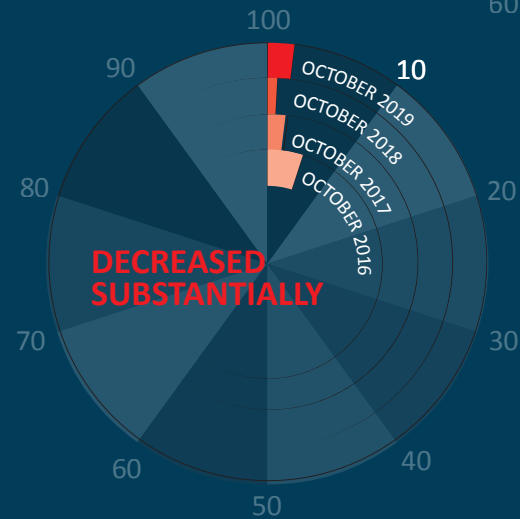
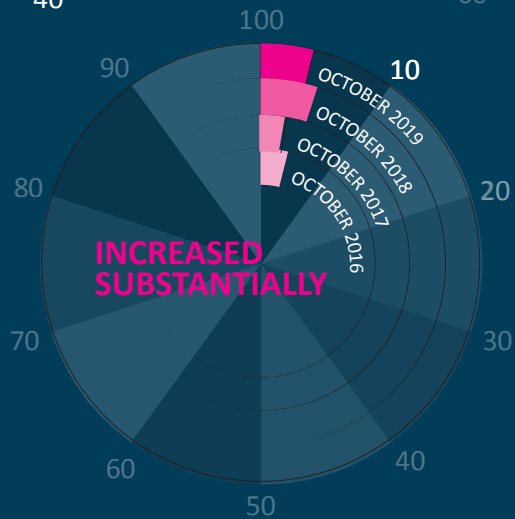
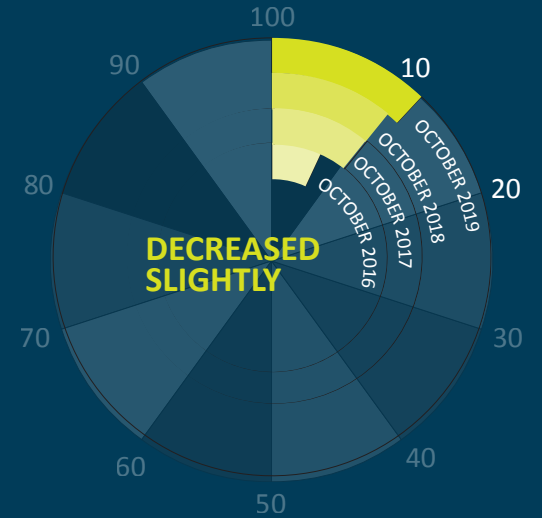
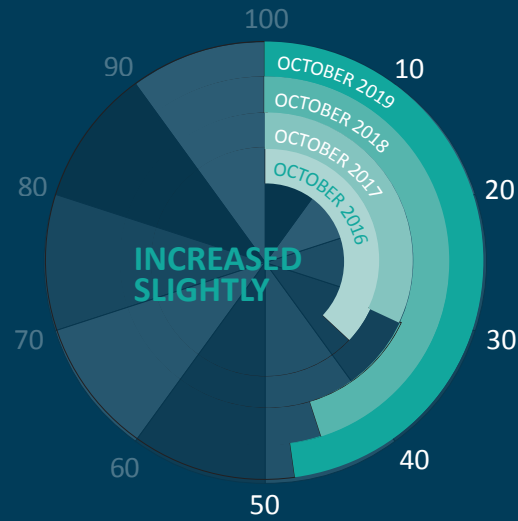
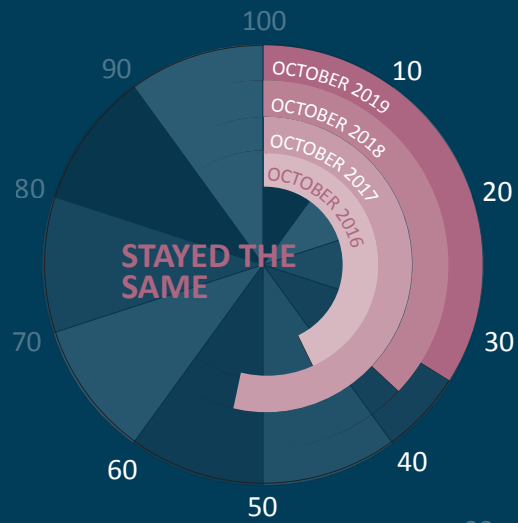
Do you intend to increase or decrease the amount of training for your workforce in the next 12 months? (%)



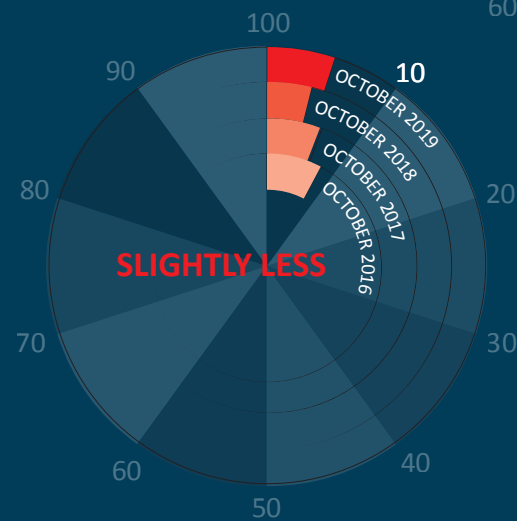
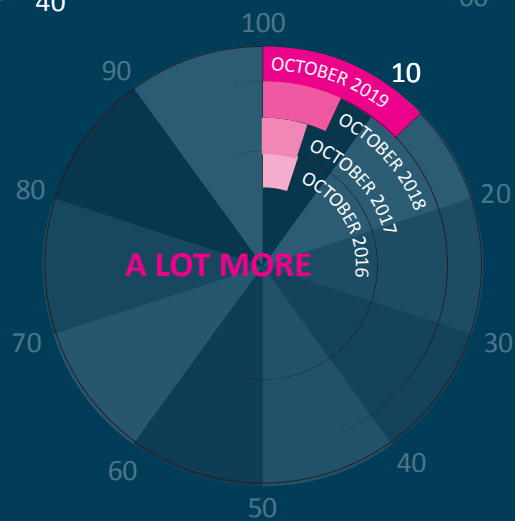
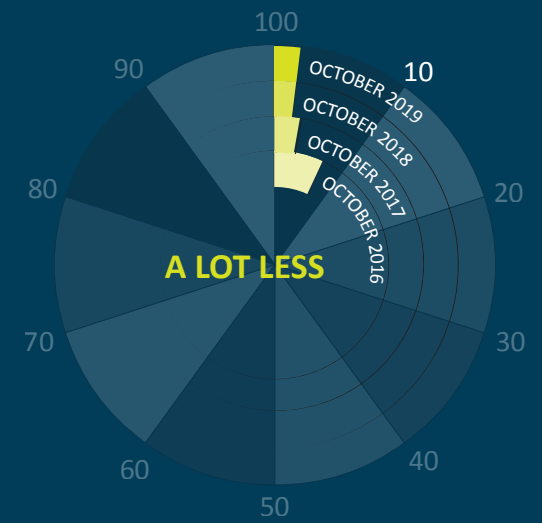
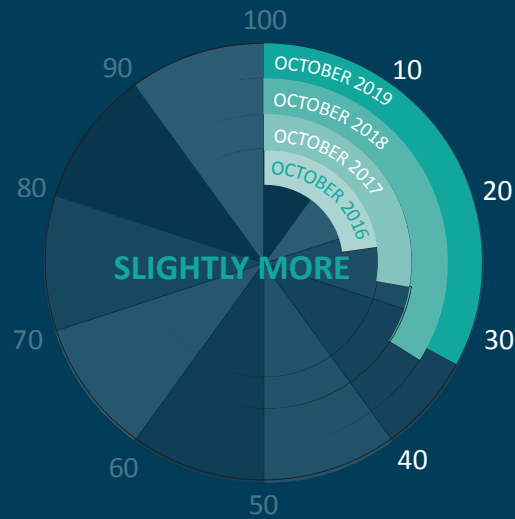
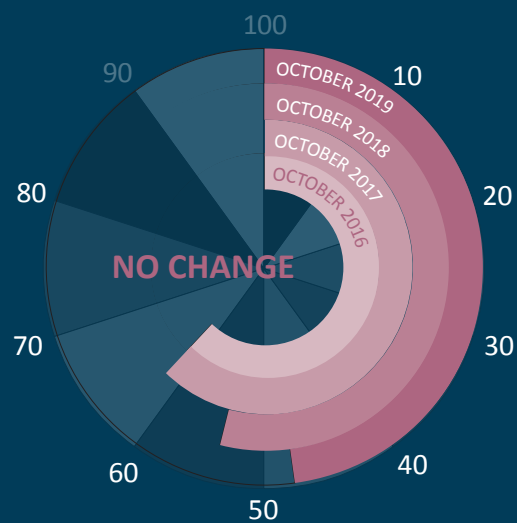
Have you received more or less invitations to tender for work in the last 12 months when compared to the previous year? (%)



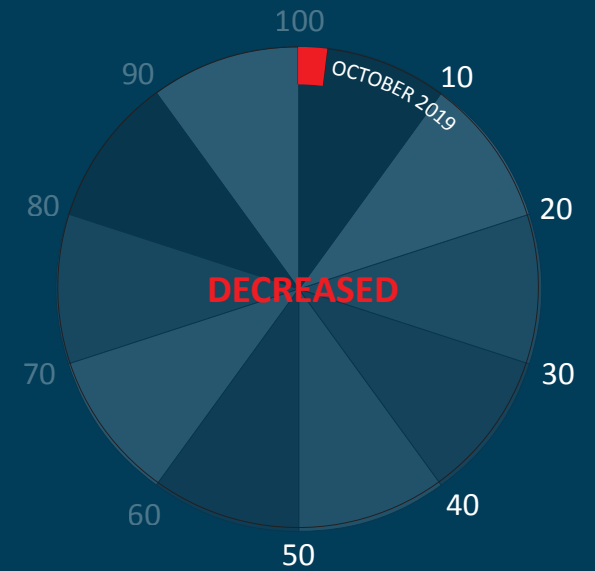
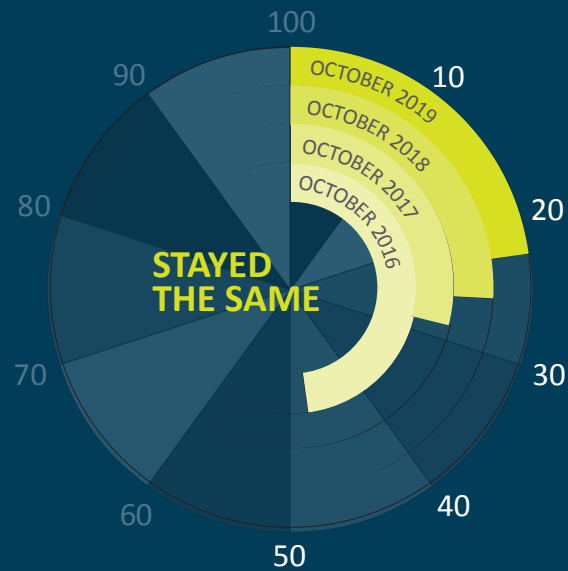
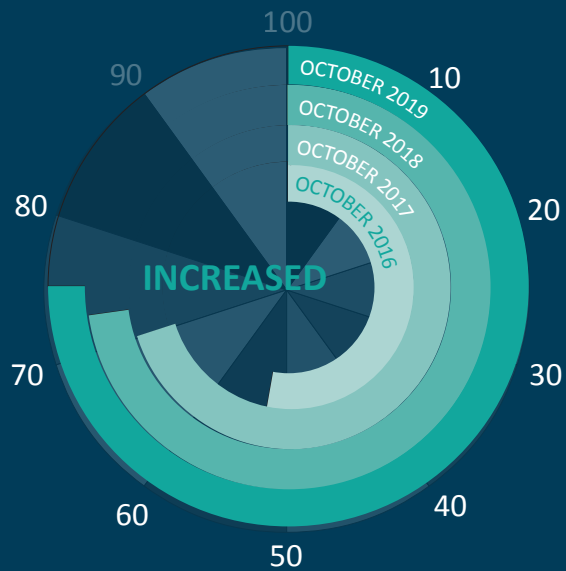
Have tender prices increased in the last 12 months when compared to the previous year? (%)



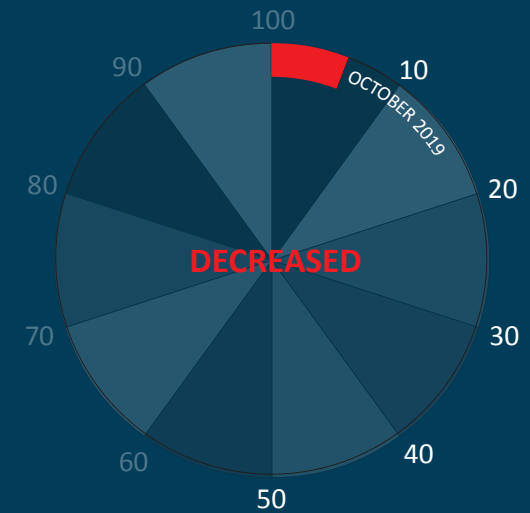
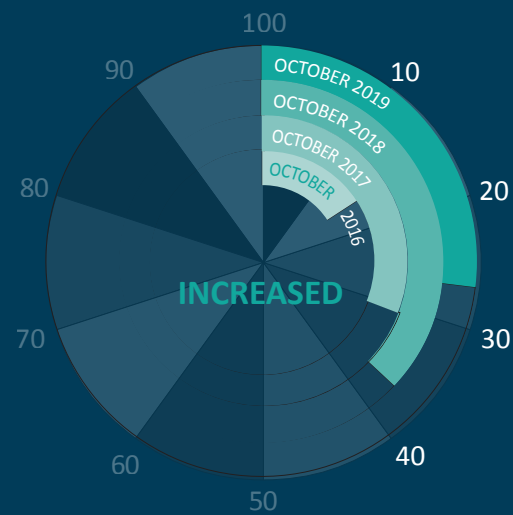
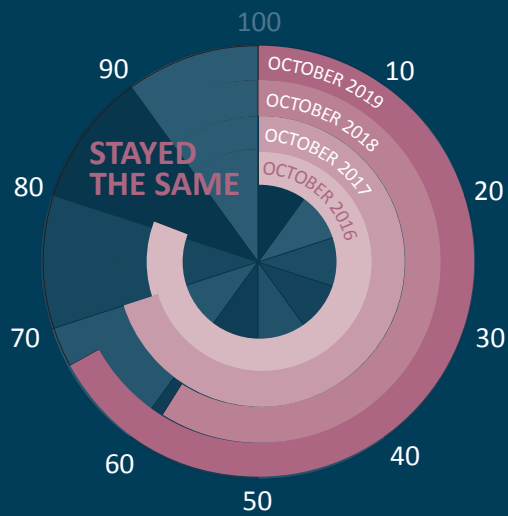
Have you seen more or less tenders in the last 12 months that require Third Party Certification when compared to the previous year? (%)



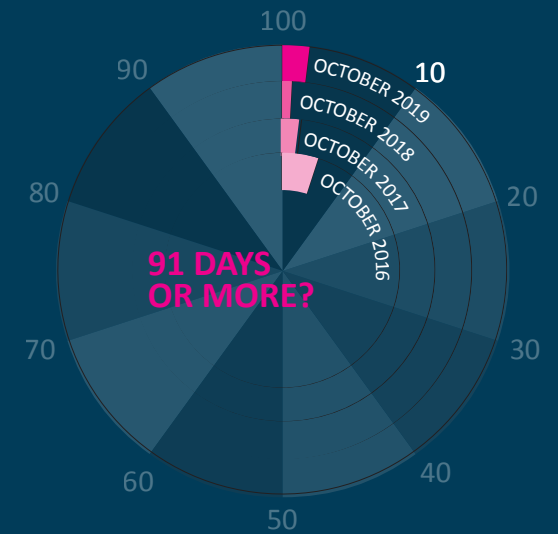
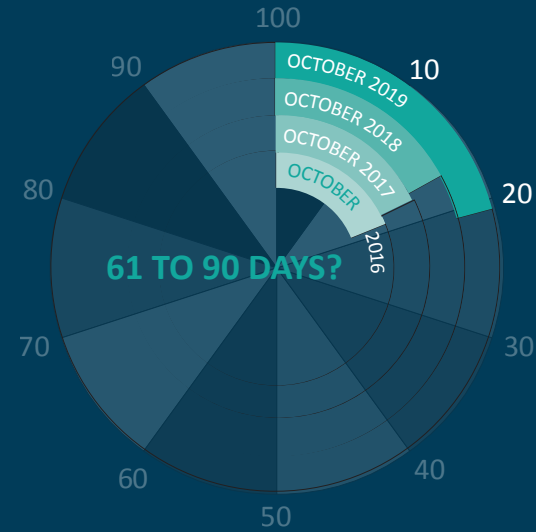
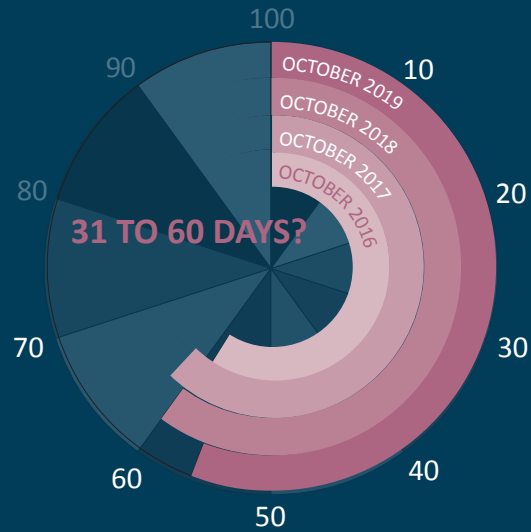
Have suppliers prices in general increased, stayed the same or decreased in the last 12 months when compared to the previous year? (%)



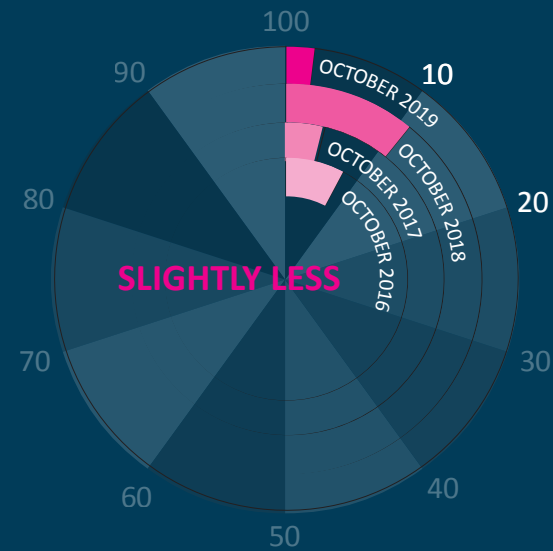
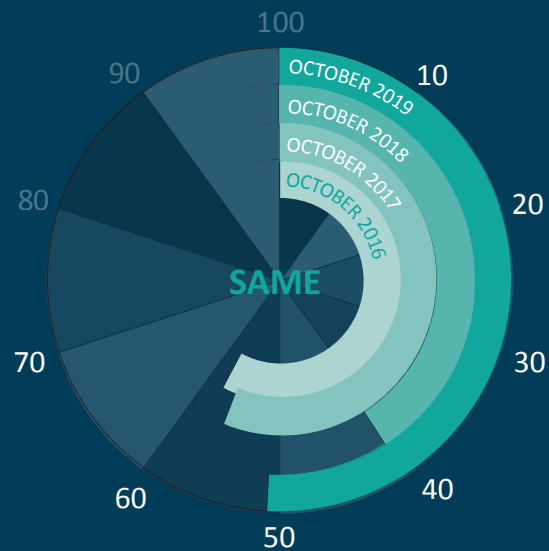
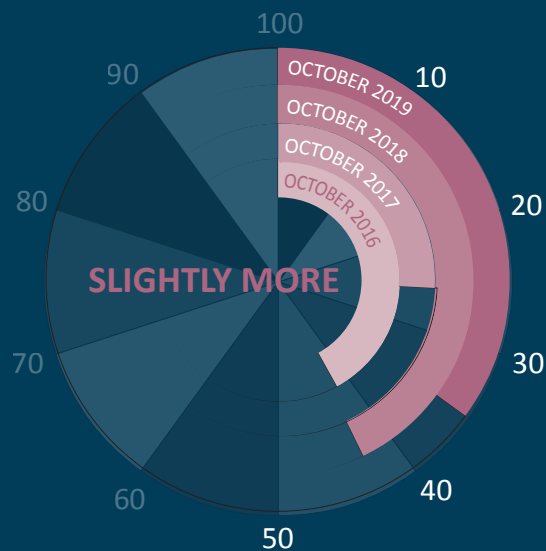
Have suppliers delivery times in general increased, stayed the same or decreased in the last 12 months when compared to the previous year? (%)



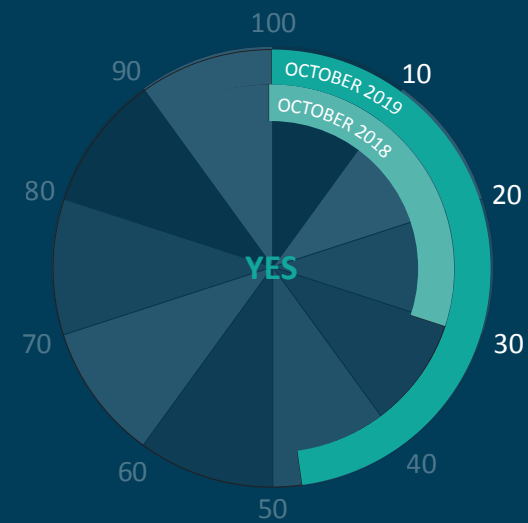
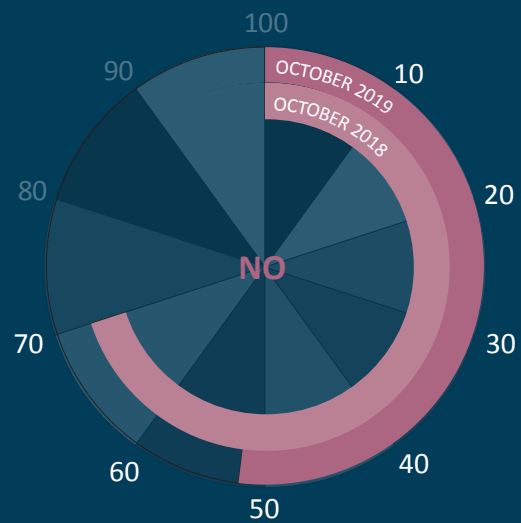
Are you generally receiving payment in (%)



If you are an exporter, has your export business grown in the last 12 months when compared to the previous year?(%)



Have you already started business preparation for Brexit? (%)



General Comments

- There are still too many non-accredited companies winning works
- Less assessments and online sales using incredibly low margins
- Still not regulated strong enough
- Why is it when you order a lounge suite and told eight weeks delivery, it is accepted but in the Fire Sector they expect an installation 'tomorrow'?
- Tighter regulation to stop electrical contractors doing jobs badly then skilled labour picking up the pieces
- There seems to be a lot less labour available. Skills gap
- Re: Gaseous Fire Suppression: We find problems with installed systems all too often. Mostly design issue, some install. The responsible companies are occasionally LPS1204, BAFE SP203-3. Perhaps audit/checks ought to be proportional to the quantity of installations a company completes? Also believe the individual responsible designer/engineer/project manager should be listed on LPCB/BAFE certificates & or in the red book. Clients think they're getting an LPCB/BAFE certified engineer!
- Internet purchasing of fire safety equipment like extinguishers is strangling the market for those out providing a service
- Awaiting Brexit and ADB amends, a perfect storm!
- Fire authorities are very vague and not helpful at all with little expert knowledge
- We continue to find shoddy workmanship in relation to fire stopping and fire door installation
- Lack of skilled workforce
- Too many semiskilled installers/commissioning engineers employed by business's used to drive down costs to win projects
- A lot more HMO landlords clueless as to what they need to install due to lack of BS 5839 advice from councils/building control/fire risk assessments
- Persons without insurance and Third-Party Accreditation offering advice or Service
- There seems to be an increase of 'man in van' to compete with on smaller projects

- Fire systems are being installed by inexperienced, un-informed installers without regard for the regs at low prices
- Increase of non-compliance installations
- Heard numerous companies state that the new FIA training is possibly set too difficult as staff with over 30 years' experience are struggling with the format of it
- I believe it is heading in the correct direction with official qualifications
- Number of clients that have reverted back to only annual service visits
- I have concerns about some new entrants to the market ignoring the need for standards and certification
- More public awareness due to Hackitt and Grenfell effect
- I intend to retire in about one year's time, but I think that the Fire Sector is sufficiently active and professional to both keep up with developments, and more importantly to lead them
- Cannot understand why test houses use products obtained from manufacturers in tests rather than source these in the market thereby ensuring tests are on what is actually being placed in marketplace
- We are seeing more and more non-3rd party accredited companies entering the fire alarm industry

- We require more apprentices and new blood into industry. We are actively seeking to do this by having input within the college and raising awareness at FIREX with Engineers of Tomorrow event
- Seems like Post Grenfell apathy by the Government taking too long to act on the deficiencies on that site and now many other similar ones. Plus, when 'jumping through all the hoops' to stay accredited but being undercut by less accredited outfits
- The initial upturn in people's concerns on life safety appears to have waned, we are regrettably offering good sound fire engineering advice that customers ignore because the fire risk assessor didn't identify it. On the other side of the coin there are companies that are scaremongering, we had an incident recently where a company was telling their customer that the smoke detector was 10 years and a month old so it had to be changed
- There are significant issues regarding the increase in PI Insurance
- Think reform is starting to be taken more seriously now and the requirement for certification is being sought now more over price
- The launch of the revised version of ADB should focus more attention on third party approved products and services which should in turn improve the Fire Sector's reputation for both the active and passive industries.