

BESA carries out business health check

3 years ago



The Building Engineering Services Association (BESA) is urging its members to respond to its latest [‘state of trade’ survey](#) to help establish how well the sector is faring against the current turbulent economic background.

Despite the relatively robust performance of the stock market and some signs of an easing of last year’s material supply disruption, building services contractors are still grappling with high prices, cash flow problems, and skills shortages.

British Steel has just raised its prices by £50 a tonne due to “the sustained high level of steelmaking costs in recent weeks” adding to the pressure on supply chains. With material costs already priced into projects, it is hard for contractors to pass on these extra costs to clients. Steel is now almost 70% more expensive than it was in November 2020.

High prices led to project delays and business failures last year, so it is important for organisations like BESA, and its fellow survey partners the ECA, Select and SNIPEF, to be able to gauge both the current trading situation and the general business health of contractors across the industry.

In its final survey of last year, BESA and its partners found that staff shortages were members’ most pressing business concern. Of the 52% of respondents who said they had vacancies, over a quarter said there were ‘not enough applicants’ and 31% said many of those who did apply lacked the right skills or qualifications for the job.

Update

In the survey that has [just been issued](#), members are being asked to provide an update on the skills situation so trade bodies can put even more effort into tackling this issue. They will also be asked to compare their current turnover with previous quarters – and most importantly with the period before the

pandemic.

As well as their main sources of concern, they are also being asked to indicate whether they think market conditions are improving, if they are tendering for more or less work, and if the supply of products and materials is better or worse.

“Business surveys like this are hugely important because they give us a snapshot of what is happening at the sharp end of the market and how businesses are managing,” said BESA’s director of legal and commercial Debbie Petford.

“Trade associations can help in a number of ways from providing business and legal advice to lobbying government to address pressing problems on behalf of members. So, the more people that respond to our survey the better as that will give us the clearest picture of what is going on and what are the biggest barriers to growth and prosperity,” she added.

BESA is aware that there are the usual ongoing problems with cash flow caused by delayed or late payment and the amount of contractors’ money tied up in retentions but needs to get a clearer picture of whether that situation is worsening because of the prevailing economic conditions.

“Cash flow is the lifeblood of all businesses,” said Petford. “It can also be a huge source of stress to business owners and their staff, so our survey is another way of checking on the wider health of our industry – including the impact of business hardship on mental health and staff morale.”

The survey will also seek to establish how well contractors are adapting to changing technical challenges such as the growth in demand for decarbonisation of buildings and improving indoor air quality, the increased use of digital systems, and other challenges like improving cyber security.

[Respond to the online survey here](#)

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