

Viewpoint

North East Sector Skills Agreement workshop outcomes



Business & workforce development

This is a 'work in progress' document. The solutions listed throughout these pages were suggested by delegates at the Horizon workshop in Newcastle and will contribute to the Sector Skills Agreement for the North East.

1. Benchmarking

THE ISSUE:

Lack of formalised benchmarking makes the sector blind to competition.

The majority of companies choose not to access formal benchmarking systems that are available, though many use informal techniques. Does benchmarking need to be more formalised through management and supervisor training? Or are there other solutions?

SOLUTIONS FROM THE GROUP:

- Look at who would produce a benchmark. Need to demonstrate the benefits and to whom – show the value. But who sets the gold standard? It needs to be client driven.
- Help people to understand what benchmarking is in simple terms.
- Clarify between benchmarking and performance characteristics.

2. Skills Requirements

THE ISSUE:

Skills requirements are changing more than the industry realises.

This applies to existing workers. Finding qualified craft operatives is increasingly difficult. Employers require greater awareness of changing skills needs to meet technological changes.

TOP SOLUTIONS (IN ORDER OF VOTES):

- Straightforward mechanisms for funding – not a postcode lottery or led by various regional initiatives.
- Remove age limit for apprentice funding.
- Responsive provision to meet employer needs – greater engagement needed between providers and industry.
- Employers – more forward planning, research and development.

OTHER SOLUTIONS FROM THE GROUP:

- Links to organisations that can help and inform to keep it up to date.
- Pan-European sharing of knowledge to learn from others.
- Think about and plan training needs before new policies are implemented, not vice versa.
- Look at Business Link support e.g. 50/50 subsidies. £6.5million soon available to help. Need to raise awareness about financial incentives.

3. Retirement

THE ISSUE:

Too few employers plan to replace staff before they retire or leave.

The majority of regional firms plan to replace staff retiring with key skills. And changes in the population profile (e.g. fewer younger people) may affect traditional recruitment streams.

TOP SOLUTIONS:

- Target kids at young age – access into schools. More engagement with Connexions. Stop schools pre-selecting who attends careers talks.
- Specialist careers advisers for the sector.

OTHER SOLUTIONS FROM THE GROUP:

- Audit of skills within a company to assess where gaps need filling.
- Educate career advisors – but difficult with high turnover rates.
- Try and get into curriculum early.

4. Research and Development

THE ISSUE:

Too few industry members conduct research to share commercial knowledge.

Only 30% of regional companies do any kind of research and development (R&D) of their own. Companies know of little R&D conducted by trade associations and professional institutions, including higher education institutions. Who should be doing and sharing more? Knowledge is power.

TOP SOLUTION:

- Tap into manufacturers' knowledge/research to use best products.

OTHER SOLUTIONS FROM THE GROUP:

- Industry and providers to keep people up to date on latest developments.
- Utilise European Social Funding for business research and improvement.
- Talk more to universities – meeting through trade associations and SummitSkills. Swap knowledge and advise on industry needs.
- 'Knowledge Partnership' – industry can employ undergraduates.
- Go into universities – use as a meeting place to encourage attendance.

The following four issues were not discussed by the delegates. We would like your views on:

- Q: How important are these issues to business?
- Q: What are the most effective ways of dealing with them?
- Q: Are there solutions already in place that meet the needs identified?
- Q: Can existing solutions be adjusted or developed?

5. Rivalry

THE ISSUE:

Companies need to think more positively about partnering because competition isn't always good.

Skills shortages lead to rivalry to poach and secure trained staff. Rivalry extends to extreme competitive tendering. Extended contracts and partnering arrangements are becoming more common in the public sector, encouraging cooperation rather than competition.

6. Bargaining Power

THE ISSUE:

Clients and companies must see bargaining power as something beyond price.

Price is seen by a majority of employers as their major bargaining factor. Supply chain management was not recognised by regional companies as a bargaining element. Would more efficiency be achieved through training in supply chain management techniques? And what else?

7. Information Technology

THE ISSUE:

Information technology could be more effectively used to improve productivity.

Almost all regional companies use IT daily. But more training is needed to ensure IT is used effectively. IT training tailored to sector needs could improve performance and cost efficiencies. How can people be helped to get the most out of IT?

8. Enterprise

THE ISSUE:

The sector aspires to be entrepreneurial but needs to develop these new skills.

Employers see this as important. Many are even asking for training. People at all levels in our sector from craft to management need to come to grips with the skills it takes to be a good entrepreneur.

External influences

1. Globalisation

THE ISSUE:

Globalisation presents new opportunities and potential threats.

4 out of 5 regional employers don't think the market will be affected by foreign competition. Foreign competition is unfamiliar currently but Europe and Asia are potential threats. Open tendering is an opportunity for foreign traders to access the North East market.

TOP SOLUTIONS:

- Twin a contracting firm with a European firm – use twin towns – workforce share etc.
- Training to ensure quality tenders.

OTHER SOLUTIONS FROM THE GROUP:

- Employers to take advantage of overseas opportunities.
- Partnering agreements between employers and local government.
- Provision – keep an eye on what's going on abroad and learn from it.
- Check: we may actually be more competitive after you take travel, lodging etc. into account for overseas firms.
- Be aware of not being legally/commercially restrictive if partnering.

2. Technology/Environment

THE ISSUE:

The sector is not aiming far enough ahead in new and environmental technology.

Most recognise this as a major issue but have no plan to address it. Employers' environmental skills tend to be driven by legislation; the sector reacts to change rather than plans for it. Technology is changing faster and planning future skills well ahead will become more important.

SOLUTIONS FROM THE GROUP:

- Put pressure on manufacturers to supply more information, to allow time to plan – the technology is fast-moving.
- Providers – find out more to plan provision in good time. Create a good relationship regularly with manufacturers.
- Sector advisory groups to form to help communicate the issues.
- More sustainable training and funding – not short time period/bidding.
- Papers/short information on new developments.
- More education on new legislation/technology.
- Unbiased information on new products skills as 'honest broker' to avoid manufacturer bias.

3. Government

THE ISSUE:

Government regulation is placing burden on the sector that needs more support.

Legislation and building regulations are seen to have increased business costs and red tape. The skills card regime is felt to be implemented piecemeal and insufficiently inspected. The good guys feel penalised. What can skills and training do to help?

TOP SOLUTIONS (IN ORDER OF VOTES):

- Greater communication in forming ideas and consulting before it even becomes legislation – this doesn't happen at the moment.
- More aggressive inspection of operatives.
- Return to levy rather than incentives.
- =Financial subsidies for firms who train people to implement schemes.
- =Policing of the compliant and non-compliant.

OTHER SOLUTIONS FROM THE GROUP:

- Industry involvement in creating legislation is vital get rid of the current disconnect.
- Educate the public on what constitutes a qualified operative.

New entrants

1. Basic Skills

THE ISSUE:

Lack of basic skills is a rising issue for our sector.

1 in 3 of the region's employers are alarmed at low level literacy and numeracy, as well as poor attitudinal skills of new entrants. Young people with lack of basic skills are attracted to this sector, and their basic skills will be more stretched in the future by IT demands. How must the SSA address this?

TOP SOLUTIONS (INVOTE ORDER):

- Reduce misadvice on careers in the sector and leave it to the proper careers advice systems/Connexions.
- Change funding for schools/colleges so not 'bums on seats' driven.
- Don't isolate the less academic – they still may work well.
- = Employers – feedback to providers and SummitSkills to benchmark what is the minimum entry level.
- = Key skills worked into GCSEs.
- = Industry exposure in media.
- = Get rid of inconsistency in teaching methodology.
- = Union learning representatives had had success with uncovering basic skills needs – employees prefer the confidentiality factor.

OTHER SOLUTIONS FROM THE GROUP

- Look at Scottish system – core skills are embedded in apprenticeship.
- All-encompassing selection test including tools, dexterity etc. as well as numbers/writing.
- Government – have greater engagement direct with employers.
- Change funding scheme – don't incentivise for staying on at school.
- Incentivise for improving basic skills
- More employability skills in schools.

2. Diversity

THE ISSUE:

While overt anti-diversity comments are fewer these days, the sector is still not diverse.

70% of regional firms employ no women outside administrative roles and very few when they do. Women are interested in joining the sector later in life. 23% of regional businesses employ people from ethnic minority groups. Where do training and skills feature in this issue?

TOP SOLUTIONS:

- Promotion of female role models that have progressed in the sector.
- Develop initiatives such as Women in Science and Engineering.
- Educate teachers and careers advisers.

OTHER SOLUTIONS FROM THE GROUP:

- Bring parents to interviews to give them an understanding of the sector.
- Create business ambassadors to promote a diverse mix.
- Ensure the workplace is fit for purpose for both genders.
- Avoid positive discrimination.

3. Migrant Workers

THE ISSUE:

Migrant workers are a hot news topic...

30% of regional firms claim to employ migrant workers. Retirement and people leaving the sector will need more migrant workers to replace them. Skills training needs to be planned to accommodate this trend. English for Speakers of Other Languages is among many skills that will be required...

TOP SOLUTION:

- Government needs to realise that migrant workers are not the answer and help UK business to fund own training.

OTHER SOLUTIONS FROM THE GROUP:

- Use migrant workers to help employers realise their own skills deficiencies.
- Minimum standard of English for entrance.
- Mapping qualifications – communicate so employers can use.
- Credit framework points rating.
- Look at birth rates – we will have to use foreign labour if UK people physically aren't there.
- Utilise economically inactive that can work. But how do we attract them?
- Northern TUC is working with Polish employees on English – interactive CDs.
- Be aware of 'free movement of services' directive.
- Latch onto those who have comparable qualifications and hang on to them.

4. Employer Requirements vs. Government Funding

THE ISSUE:

Employers see Level 3 qualification as the minimum standard for a fully trained craft operative.

60% of employers need their craft workforce trained to Level 3 but see Learning & Skills Council funding driven by Level 2 targets. Regionally there are concerns at the quality of training provision.

TOP SOLUTIONS:

- Government to rationalise funding – make it a level playing field.
- Fund all apprentices to NVQ3.

OTHER SOLUTIONS FROM THE GROUP:

- Providers – give skills up to Level 3 in courses.
- Apprenticeship training should be streamlined.
- Fund all apprentices to NVQ3.
- Cash motivation.
- Prove the need to local Learning and Skills Council.

The 'quick win' and 'long haul' solutions are the views and suggestions of the delegates at the Horizon workshop in Newcastle.

TOP QUICKWIN SOLUTIONS FOR THE SSA –

Easy to do, but important

(suggestions have been grouped into similar topics for ease of viewing/assessment)

FUNDING

- Redirect funding to encompass not only post-19 year olds but post-25 year olds. Also mature(ing) trainees provide an avenue for career change etc.
- Change funding rules for apprentice training beyond age 24 to allow more recruitment into industry.
- Change funding for sector.

TRAINING PROVISION

- Increase quality/quantity of training in the sector.
- Work with provider to optimise provision.
- Promote adult trainee on fast track training.

CAREERS ADVICE/PROMOTION

- Accurate careers advice for the right people.
- Train school careers staff on what industry has to offer. Will improve impact at grass roots levels.
- Educate careers personnel or put into LEA specialists.
- Media personality to promote industry as a great place to work and potential career paths.
- Provide good quality information and publicity on the industry which is factual and realistic.
- Publicise the fact: starting salaries for graduates are £16k but starting salaries for crafts persons are £25k.

COMMUNICATION AMONGST THE SECTOR

- Improved communication between parties ensuring industry is aware of support that's available for learning and development.
- Communicate with local companies as to specific requirements.
- Publicise the facts.
- To converse more with local companies regarding training and certificates.

BASIC SKILLS

- To influence the basic skills process in all its focus, as it plays a part in most of the issues discussed.

CLIENT COMMUNICATION

- There is lots of talk about quality, efficiency etc. But price is nearly always the main issue. Clients do not want to pay for added value! They want it as part of the low price bid.

TOP LONG HAUL SOLUTIONS FOR THE SSA –

Difficult, far off, but important

(suggestions have been grouped into similar topics for ease of viewing/assessment)

SCHOOLS ENGAGEMENT

- Get basic skills provision via employment related subjects into schools to illustrate potential employment in different industries.
- Link schools to employers with jobs.
- To implement mixed vocational skills within the schools.
- Make a major impact on the learning within schools providing the relevant skills.
- Include/embed employability within the curriculum.

MANDATORY TRAINING AND POLICING

- Return to a training levy – mandatory for all in the sector. It is the only way to really increase training and reduce poaching.
- Better policing of operatives qualifications and skill cards checking on site.

CAREERS/NEW ENTRANTS

- Change attitude/mindset that careers in the sector are of lower esteem than academic options.
- Create an attractive industry image and keep it in the public eye!
- We don't need more plumbers, we need more engineering students capable of a number of careers.

EMPLOYER COMMITMENT AND PARTNERSHIPS

- To install a sense of society, that benefits all that fish in the pool and not just those that shout the loudest.
- Ensure unwavering employer support and buy in – this will lead to effective solutions that hit the nail on the head.
- Bring together all existing groups to formulate one body.

LOBBYING

- Obtain greater visibility for building services engineering in government.

APPRENTICESHIPS

- Laying the foundation for all apprenticeships in the sector.
- Promote and give financial help to train apprentices.

TRAINING PROVISION

- Ensure quality provision – subject to all inspections.



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