

Sector Skills Agreements



What are they?

Sector Skills Agreements are fundamentally altering the way skills are demanded, delivered and developed throughout the UK.

By mapping out exactly what skills employers need their workforce to have, and how these skills will be supplied, Sector Skills Agreements will ensure the UK has the skilled workforce it needs to increase productivity and profitability, now and in the future.

Sector Skills Agreements between employers and education and training suppliers will set out how to work with key partners to shape the necessary supply of training to close skills gaps.

They are facilitated by the network of employer-led Sector Skills Councils, but are signed up to by everyone who supplies, funds and plans education and training.

Agreements will enable the government, employers, employee representatives and organisations who plan, fund and support education and training to work together to tackle the provision of skills around a common set of objectives.

Third parties may be involved introducing and supporting training programmes but each Agreement will lay out resource requirements and the types and levels of courses required.



How are they created?

Employers have been asked to shape the process through their Sector Skills Council by discussing and agreeing what their skills requirements are now and in the future, and proposing how these can best be met. This has been done in conjunction with trade associations or employer bodies to get a truer representation of a whole sector both geographically and by size of company.

The organisations which supply and fund education and training are then consulted about the way in which they can ensure that the needs of employers are met within a set timeframe.

In all, it is a five stage process:

Stage 1: A sophisticated assessment of each sectors' needs to cover the long-term, medium-term and short-term, mapping the drivers of change in the sector five to ten years down the track, and determining skill needs.

Stage 2: A review of the range, nature and employer relevance of current training provision across all levels.

Stage 3: An analysis of the main gaps and weaknesses in workforce development, leading to agreed priorities to be addressed.

Stage 4: A review of the scope for collaborative action – engaging employers to invest in skills development to support improved business performance – and an assessment of what employers are likely to sign up to.

Stage 5: A final agreement of how the SSC and employers will work with key partners to secure the necessary supply of training.

Within the Agreements are set benchmarks and milestones that are negotiated with the key delivery partners to monitor progress and employer buy-in. SSAs are subject to constant updates and development to ensure they are responding to the changing needs of business.

Four Sector Skills Councils have drawn up the UK's first Sector Skills Agreements:

- e-skills UK
- SEMTA (the Science, Engineering and Manufacturing Technologies Alliance)
- ConstructionSkills
- Skillset (the Sector Skills Council for the Audio Visual Industries).

Another six are expected to complete Agreements by Summer 2006.

By the end of 2005 there will be 25 Sector Skills Councils forming the Skills for Business network, covering some 85% of the UK workforce. Every Sector Skills Council will draw up a Sector Skills Agreement with and for the industry they represent.



Employer commitment

From the start there has been strong business support for the Agreements. Many firms are so busy simply doing business that there is little time for looking at widespread skills development. This is especially true for time and finance-starved SMEs who often need a third party to introduce and support training programmes.

Sector Skills Agreements represent an active mechanism for employers to exert real influence over the supply of training in their sector. They are also the perfect tool for getting employers committed to the drive for skills – a necessity for all UK firms.

The key outcomes for employers and employees from Sector Skills Agreements are:

- employers having genuine opportunities to shape and endorse learning provision so that it delivers world-class learning that is relevant to the needs of their business
- employers benefiting from a more collaborative environment within their industry sector through their Sector Skills Council
- individuals benefiting from world-class learning that is supported and shaped by employers and trade unions and leads to real job opportunities
- employees benefiting from ongoing career development that is linked to the future direction of their industry, and opportunities that fulfil their potential

Supply-side and government commitment

Sector Skills Agreements are a collaboration between the supply-side and the demand-side. Government, employers, employee representatives and organisations which plan, fund and support education and training are working together to tackle the effective provision of skills together around a common rallying point and set of objectives.

Each Sector Skills Agreement clearly lays out what actions are required and where resourcing efforts should be focused. It also clarifies what types of courses are needed and at what level education and training should be available. Every organisation involved in the planning and funding of education and training has assessed and agreed these objectives so that the commitments they make are feasible and achievable.



Who is involved?

Sector Skills Agreements are brokered by Sector Skills Councils in partnership with the Sector Skills Development Agency, the Department for Education and Skills (DfES) and the Department for Trade and Industry (DTI) as well as the Welsh Assembly Government, the Scottish Executive and the Department for Employment and Learning Northern Ireland (DEL).

Key delivery partners include, but are not limited to: .

- funding bodies, including the LSC, SFC and ELWa
- economic development agencies
- qualification authorities, including QCA and SQA
- higher education institutions and organisations
- further education institutions and organisations
- Confederation of British Industry (CBI)
- careers advice bodies, including Careers Scotland, Careers Wales, Future Skills Scotland, Future Skills Wales and Connexions
- Investors in People UK
- University for Industry (Ufi) and SUFI
- NIACE
- Association of Learning Providers (ALP)
- Department for Work and Pensions (DWP)
- Jobcentre Plus
- Federation of Small Businesses
- ACCAC

Sector Skills Agreements also need to be developed in close consultation with trade unions, who have been actively involved with the development of the Agreements and will play a key role in their delivery. This includes, but is not limited to:

- the Union Learning Funds across the UK
- the Union Academy and the rapidly growing network of Union Learning Representatives across the UK.

The First Sector Skills Agreements were completed in Spring/Summer 2005, with others coming on stream gradually until the end of 2007.



Collaborative action in the construction industry

The SSA for construction has been developed by ConstructionSkills to ensure employers and supply-side (training providers and funders) are working together effectively to meet this challenge and that they are working towards common goals.

Primarily the SSA focuses on:

- ensuring the existing workforce has the skills and qualifications it needs
- recruiting new entrants with the right skills
- improving business performance.

The ConstructionSkills SSA has already ensured there is boosted support from funding bodies and standards bodies for schemes which are proving successful and which directly tackle skills needs – this includes OSAT (On-Site Assessment and Training) scheme which enables workers to be assessed on-the-job to qualify for NVQs. We are looking to expand this work across the UK.

Employers have pledged to support new apprenticeship routes to increase the number of apprenticeship completions from 3,000 to 13,000 each year. The Major Contractors Group and the Major Home Builders Group have signed up to a 'programme-led' apprenticeship which will see apprentices who have been on a quality training programme placed with their sub-contractors to get site-based experience and complete their qualification.

It is particularly important to engage construction SMEs in training and our aim is to increase threefold the number of companies with a training plan or Investors in People accreditation by 2010. We have undertaken specific research with SMEs to inform our work towards this target.

The SSA for IT: the spur for UK global competitiveness in the e-economy

The need for broader, deeper and continually changing skills affects not only the 1.2 million people in the IT workforce, but also the four million business managers and leaders who need to be able to exploit the potential of IT for increased business competitiveness, and the 20 million people who use IT in their everyday work.

e-skills UK has worked with partners to agree an unprecedented collaboration between employers, educators, government and other stakeholders to deliver on a coherent strategy for IT skills across England, Scotland, Northern Ireland and Wales.

The SSA for IT brings together a new public-private partnership for the development of workforce skills. Public funding will be targeted at training that delivers meaningful results for employers. Employers of IT professionals will invest £2.4 billion in their training over the coming three years. Two million people will increase their IT user skills in line with market needs. The new employer-oriented ITQ (IT user qualification), supported by the e-skills Passport, will enable those within and outside the workforce to improve skills and record their achievement.

Bringing employers together with schools, colleges and universities will help prepare students for a rapidly changing e-enabled world. Key planks of the strategy include the development of a new Pathway for IT for 14-19 year olds; partnerships to offer new degree courses that embrace technical, business, interpersonal and project management skills; and the inclusion of IT strategy within the curricula of other disciplines.

In schools, Computer Clubs for Girls (CC4G) will transform the attitudes of a generation of girls to technology-related careers, benefiting 150,000 students by 2008. Encouraging a greater proportion of women into the growing IT workforce is imperative for the sector and a primary focus for collaborative work to promote careers.

Increasing our competitive edge in the global market place for science, engineering and manufacturing technologies

SEMTA works with employers in the aerospace, automotive, electronics, bioscience and marine sectors.

All these companies are operating in a highly competitive global market where skills are at the heart of staying ahead of the competition and continuing rapid technological change

The SSA developed for these industries looks at five key areas:

- Commercialisation of product and process development and implementation, which requires the development of skills in the existing workforce.
- Development of the supply chain. It is crucial to develop the capacity of small and medium sized companies to handle projects which will increase the efficiency of the supply chain.
- Encouragement of the continuous improvement and lean/process excellence across all sectors.
- Development of specialist managerial and team leadership skills to ensure bioscience sector scientists have the entrepreneurial management skills to help speed the commercialisation of research across all sectors.
- Increasing the skills levels and breadth of skills of the workforce in a measurable way. For example, in Aerospace, Automotive and Electronics, by 2014 there will be some 200,000 plus Craft and Operator employees, the majority of whom will have skill sets up to Level 3 in Business Improvement Techniques (BIT Level 3). One of the targets under review and consideration by these sectors is that 50% of these employees should achieve this level over the next three years.

These are some of the goals that the SSA sets out and which training bodies, funding agencies, standards organisations and employers have committed to achieving over the next few years.

Addressing national needs – the Skillset SSA

Skillset has produced three detailed skills strategies for film, television and interactive media, and nine regional strategies, each of which are based on detailed research and forecasting. This, in turn, has led to the development of separate Sector Skills Agreements for England, Scotland, Wales and Northern Ireland.

Employers and the supply-side have committed to working together to address the skills needs identified by employers over the next few years.

The UK film industry will benefit from £50 million of investment over the next five years in order that the UK will continue and improve on its reputation as a centre of film skills excellence. This money will be channelled into a wide variety of projects such as the network of Screen Academies offering training and development at further and higher education level. Agreement has already been reached with HEFCE in England to a new approach to funding of Skillset approved courses and institutions and similar discussions are taking place in Wales and Scotland.

Ofcom, the communications industry regulator, in partnership with the industry and Skillset, has established the Broadcast Skills and Training Regulator (BSTR) which will start to ask licensed broadcasters to begin reporting on company people development plans so that employers can be monitored on their training activity as a condition of their licence.

Action groups have been established with employers in interactive media and computer games to establish pathways to tackle skills issues. In this new industry, it is particularly important to establish the processes and structures needed to respond to the constantly changing demand for updated skills.

Some common themes across each sector also exist. For instance, in England, Skillset is now working with the LSC on securing more public investment to help train freelancers to Level 3 and above qualifications. It has also secured agreement to develop more flexibility for apprenticeships and fit-for-purpose qualifications as part of a Sector Qualifications Strategy developed with the backing of the QCA.

Ongoing and very productive negotiations continue to reach similar agreements with public agencies in Scotland, Wales and Northern Ireland.

**The Skills for Business network of Sector Skills Councils is growing fast.
Over 80% of the workforce is now covered.**

Employers wanting to find out how the new employer-led approach to skills can benefit them should contact their SSC, call 01709 765 444 or visit www.skillsforbusiness.org.uk.

Name: Asset Skills

SECTOR: Property services, housing, cleaning services and facilities management
Tel: 01392 423399
Fax: 01392 423373
Email: enquiries@assetskills.org
Website: www.assetskills.org

Name: Automotive Skills

SECTOR: The retail motor industry
Tel: 020 7436 6373
Fax: 020 7436 5108
Email: info@automotiveskills.org.uk
Website: www.automotiveskills.org.uk

Name: Central Government

SECTOR: Aspirant SSC for Central Government
Tel: 0207 276 1611
Fax: 0207 276 1323
Email: cgssc@cabinet-office.x.gsi.gov.uk

Name: Cogent

SECTOR: Chemical, nuclear, oil and gas, petroleum and polymer industries
Tel: 01224 787800
Fax: 01224 787830
Email: info@cogent-ssc.com
Website: www.cogent-ssc.com

Name: ConstructionSkills

SECTOR: Construction
Tel: 01485 577577
Fax: 01485 577503
Email: information.centre@citb.co.uk
Website: www.constructionskills.net

Name: Creative & Cultural Skills

SECTOR: Advertising, crafts, cultural heritage, design, music, performing, literary and visual arts
Tel: 020 7089 5866
Fax: 020 7089 5857
Email: info@ccskills.org.uk
Website: www.ccskills.org.uk

Name: Energy & Utility Skills

SECTOR: Electricity, gas, waste management and water industries
Tel: 0845 077 9922
Fax: 0845 077 9933
Email: enquiries@euskills.co.uk
Website: www.euskills.co.uk

Name: e-skills UK

SECTOR: Information technology, telecommunications and contact centres
Tel: 020 7963 8920
Fax: 020 7592 9138
Email: info@e-skills.com
Website: www.e-skills.com

Name: Financial Services Skills Council

SECTOR: Financial services industry
Tel: 020 7216 7366
Fax: 020 7216 7370
Email: info@fssc.org.uk
Website: www.fssc.org.uk

Name: GoSkills

SECTOR: Passenger transport
Tel: 0121 635 5520
Fax: 0121 635 5521
Email: info@goskills.org
Website: www.goskills.org

Name: Improve Ltd

SECTOR: Food and drink manufacturing and processing
Tel: 0845 644 0448
Fax: 0845 644 0449
Email: info@improveltd.co.uk
Website: www.improveltd.co.uk

Name: Lantra

SECTOR: Environmental and land-based industries
Tel: 0247 669 6996
Fax: 0247 669 6732
Email: connect@lantra.co.uk
Website: www.lantra.co.uk

Name: Lifelong Learning UK

SECTOR: Community learning & development, further education, higher education, libraries, archives & information services, work-based learning & development
Tel: 0870 757 7890
Fax: 0870 757 7889
Email: enquiries@lifelonglearninguk.org
Website: www.lifelonglearninguk.org

Name: People 1st

SECTOR: Hospitality, leisure, travel and tourism
Tel: 0870 060 2550
Fax: 0870 060 2551
Email: info@people1st.co.uk
Website: www.people1st.co.uk

Name: Proskills

SECTOR: Glass, extractives, coatings, refractories and building products
Tel: 0114 275 9345
Fax: 0114 275 1233
Email: info@proskills.org.uk
Website: www.proskills.org.uk

Name: SEMTA

SECTOR: Science, engineering and manufacturing technologies
Tel: 01923 238441
Fax: 01923 256086
Email: infodesk@semta.org.uk
Website: www.semta.org.uk

Name: Skillfast-UK

SECTOR: Apparel, footwear, textiles and related businesses
Tel: 0113 239 9600
Fax: 0113 239 9601
Email: enquiries@skillfast-uk.org
Website: www.skillfast-uk.org

Name: Skills for Health

SECTOR: Health sector across the UK
Tel: 0117 922 1155
Fax: 0117 925 1800
Email: office@skillsforhealth.org.uk
Website: www.skillsforhealth.org.uk

Name: Skills for Justice

SECTOR: Custodial care, community justice, court services, prosecution services, customs and excise and police
Tel: 0114 261 1499
Fax: 0114 261 8038
Email: info@skillsforjustice.com
Website: www.skillsforjustice.com

Name: Skills for Logistics

SECTOR: Freight logistics industry
Tel: 01908 313360
Fax: 01908 313006
Email: info@skillsforlogistics.org
Website: www.skillsforlogistics.org

Name: SkillsActive

SECTOR: Sport & recreation, health & fitness, outdoors, playwork and caravans
Tel: 028 9756 0002
Fax: 020 7632 2001
Email: skills@skillsactive.com
Website: www.skillsactive.com

Name: Skillset

SECTOR: Broadcast, film, video, interactive media and photo-imaging
Tel: 020 7520 5757
Fax: 020 7520 5758
Email: info@skillset.org
Website: www.skillset.org

Name: Skillsmart Retail

SECTOR: Retail
Tel: 020 7399 3450
Fax: 020 7399 3451
Email: contactus@skillsmartretail.com
Website: www.skillsmartretail.com

Name: Skills for Care & Development

SECTOR: Social care, children, young people and families
Tel: 0113 241 1251
Fax: 0113 243 6417
Email: sscadmin@skillsforcare.org.uk
Websites: www.skillsforcare.org.uk
www.niscc.info
www.ccwales.org.uk
www.sssc.uk.com

Name: SummitSkills

SECTOR: Building services engineering
Tel: 0870 351 7742
Fax: 0870 351 7743
Email: enquiries@summitskills.org.uk
Website: www.summitskills.org.uk



01709 765 444 www.skillsforbusiness.org.uk

Published by the Sector Skills Development Agency 07/05