

Building our industrial strategy (Green Paper)

A response from Energy & Utility Skills

Who we are

Energy & Utility Skills is the skills body for the energy and utilities sector, with membership comprising of the major infrastructure companies within water, power, gas and waste recovery/renewables, along with their main delivery partners. Our sector is responsible for delivery of around 56% of the National Infrastructure Plan.

- We are the expert voice on workforce issues in the energy and utilities sector working with Government, regulators and other key audiences.
- We are the provider of choice for guidance, employer solutions, setting, registering and assessing competency standards and bespoke consultancy.
- We help our clients attract new talent, develop their workforce and assure a high level of competence across their business.

For further information on Energy & Utility Skills, please visit <http://www.euskills.co.uk/>.

Executive Summary

Energy & Utility Skills welcomes the inclusion of 'Developing Skills' as one of the 10 key pillars and the consideration given to skills and the wider infrastructure sector throughout this draft Industrial Strategy. This is entirely appropriate given the critical role that the energy and utilities sector fulfils: the gas, power, waste management and water industries deliver essential services to 65 million people around the clock and are collectively responsible for delivering 56% of the National Infrastructure Delivery Plan (2016-2021). The people who perform this vital work are core to the health; wellbeing and prosperity of the UK. In light of this, we would urge government to expand the skills focus to broader 'workforce renewal and skills', which includes attraction; retention and a range of other critical enablers.

We also welcome the dual roles given to education policy and business skills as part of a coherent framework approach to driving economic growth. This draft Industrial Strategy explicitly references the shortage of technical skills within the UK employment market and the "*particular skill shortages that exist in sectors that depend on STEM subjects*". These issues merit inclusion in a single workforce renewal and skills strategy for all four nations.

In addition, the draft Industrial Strategy starts to recognise the vital functions of energy and utilities infrastructure and also the role of government in providing the necessary investment to support longer-term growth. At the same time, The Secretary of State advises in his introduction that the Industrial Strategy must be "about creating the right conditions for new and growing enterprise to thrive whilst not protecting the position of incumbents". Collectively, the members of Energy & Utility Skills, primarily large incumbents, deliver vital services to 65 million domestic customers and countless businesses every day. It is imperative that the Industrial Strategy does not set out to promote market inequality and supports these critical businesses to maximise their significant contribution to UK growth and productivity, regardless of tenure.

With infrastructure so high on the agenda of the Industrial Strategy Green paper, we have been surprised to see relatively little mention of the National Infrastructure Commission. The original purpose of the Commission was to help put infrastructure development on a long-term and stable footing. This would appear to complement and indeed reinforce the aims and purpose of the Industrial Strategy. The draft Strategy, a significant element of which also focuses on the growth potential of the infrastructure sector, would benefit from more references to and greater alignment with, the Commission's ongoing work programme. It is also vital that the Industrial Strategy makes more explicit the essential work of the government sponsoring departments and regulators, who set the price limits and investment levels that enable the delivery of the National Infrastructure Plan and ultimately the Industrial Strategy itself. Bodies such as Defra, the energy team in BEIS, Ofwat, Ofgem, the Environment Agency; the Drinking Water Inspectorate and Health and Safety Executive (HSE) all have major responsibilities in ensuring joined up policy and achieving optimum efficiency and affordability for Government and the nation.

We have noted the proposed new 'sector deals'. The energy and utilities sector has already come together to articulate a clear approach to boosting supply of priority skills and upgrading productivity and growth through efficient and effective workforce renewal. We are also working with recognised bodies such as Energy UK, Water UK, the Energy Networks Association, IGEM, Institute of Water, CIWM, Environmental Services Association, Future Water, British Water and a number of others to optimise our collective impact in ensuring a resilient and sustainable workforce. The recently launched first ever Workforce Renewal and Skills Strategy sets out the actions the sector is already taking. It illustrates how we will transform our strategic prospects by leveraging government policy and industry expertise to address challenges around skills; training and wider workforce renewal. This Strategy, which has already been shared with BEIS Ministers, encompasses all four nations and has been developed in partnership with regulators; unions and other key stakeholders. Energy & Utility Skills would be interested in discussing with government potential scope for continuing this work through a 'sector deal' arrangement in a UK-wide context.

Finally, Energy & Utility Skills welcomes the proposed introduction of a Chief Secretary to the Treasury who "*will oversee the delivery of the government's infrastructure commitments through tackling cross-cutting issues which are challenging the delivery of priority projects*". Skills are a prime example of such a cross-cutting issue since the engineering skills that are in such short supply are often required by a range of infrastructure sectors and industries, including waste management; water; gas and power.

Questions for consultation

1. Does this document identify the right areas of focus: extending our strengths; closing the gaps; and making the UK one of the most competitive places to start or grow a business?

Energy & Utility Skills welcomes the focus on employment and skills issues within this draft Industrial Strategy. By expanding the focus on skills and employment to wider workforce renewal, the energy and utilities sector can fully play its part in closing the productivity gap between regions and driving growth across the UK.

Energy & Utility Skills welcomes the proposal to establish a “*single, authoritative view of the (skills) gaps faced by the UK now and in the future*” but seeks more clarity on exactly what is being proposed and when. The task of identifying persistent or emerging skills gaps in all sectors and proposing appropriate action is clearly vitally important. This Industrial Strategy will be a useful vehicle through which to develop and articulate such an overarching view. Energy & Utility Skills, as a sector specialist, member-led organisation, will be ideally placed to represent the challenges faced by the energy and utilities sector, in order to ensure that this ‘bird’s eye view’ of skill gaps and shortages is as accurate and complete as possible.

2. Are the 10 pillars suggested the right ones to tackle low productivity and unbalanced growth? If not, which areas are missing?

We welcome inclusion of ‘Developing Skills’ and ‘Infrastructure Renewal’ as two of the 10 key pillars and the integration of skills issues throughout this document. While the proposed 10 pillars are appropriate, Energy & Utility Skills would support expansion of ‘Skills’ to the broader heading of ‘Workforce Renewal and Skills’ to ensure that the full range of critical barriers to and enablers of a more productive and highly skilled workforce are taken into account. STEM skills and technical education are just one aspect of wider workforce renewal.

The energy and utilities sector faces critical workforce renewal challenges: it is predicted that 221,000 vacancies will need to be filled during the next decade, brought about through 100,000 existing employees that are set to retire and 90,000 people who will leave to find new roles. These challenges are made all the more daunting by the difficulties the sector faces in filling vacancies with competent workers. The Employer Skills Survey (2015) found that the proportion of vacancies that are hard to fill in the energy and utilities sectors due to a lack of skilled applicants is 36%, which is higher than any other sector (average UK figure is 23%).¹ In response, the energy and utility sector has come together to create the first ever Workforce Renewal and Skills Strategy to show how companies in this sector will join forces to tackle these challenges.

3. Are the right central government and local institutions in place to deliver an effective industrial strategy? If not, how should they be reformed? Are the types of measures to strengthen local institutions set out here and below the right ones?

Before considering new or different institutions, it is important to evaluate the ways in which existing departments and bodies work together to achieve common goals and deliver coherent and consistent policies. It is vital that the Industrial Strategy encourages all of the relevant government departments involved in infrastructure and essential services in each of the four nations to align themselves on strategic workforce renewal and skills policy. This will be particularly important as competition for STEM skills remains high and employment levels rise.

Already, the National Infrastructure Plan (NIP) for Skills recognises the overall workforce renewal and skills challenges for the UK economy and the situation is compounded by a number of other sectors competing with energy and utilities for the same talent pool and supply chain with key infrastructure projects (HS2, Crossrail, Crossrail 2), often at higher rates of remuneration available.

In the interests of ensuring policy and regulatory coherence and consistency, it would be beneficial to give the National Infrastructure Commission greater status and certainly a more integral role in the Industrial Strategy itself. The purpose of the National Infrastructure Commission is to put infrastructure development on a long-term and stable footing and this would necessarily ensure that critical success factors, such as sustainable workforce renewal, were taken into account.

Additional support should also be provided for collaborative sector networks, focusing on ensuring adequate supply of the right workforce with the right skills in the right roles at the right time at a sustainable price. The ‘sector deals’ could provide a useful vehicle for this.

Finally, Energy & Utility Skills welcomes the proposed introduction of a Chief Secretary to the Treasury who “will oversee the delivery of the government’s infrastructure commitments through tackling cross-cutting issues which are challenging the delivery of priority projects”. Skills are a prime example of such a cross-cutting issue since the engineering skills that are in such short supply are often required by a range of infrastructure sectors, including energy and utilities.

4. Are there important lessons we can learn from the industrial policies of other countries which are not reflected in these 10 pillars?
 5. What should be the priority areas for science, research and innovation investment?
 6. Which challenge areas should the Industrial Challenge Strategy Fund focus on to drive maximum economic impact?
 7. What else can the UK do to create an environment that supports the commercialisation of ideas?
 8. How can we best support the next generation of research leaders and entrepreneurs?
 9. How can we best support research and innovation strengths in local areas?
 10. What more can we do to improve basic skills? How can we make a success of the new transition year? Should we change the way that those resitting basic qualifications study, to focus more on basic skills excellence?
- 11. Do you agree with the different elements of the vision for the new technical education system set out here? Are there further lessons from other countries’ systems?**

¹ UKCES (2016) Employer Skills Survey

The vision of the technical education outlined appears to offer the right policy approach to advance the apprenticeship and vocational education system in England. However, we would like to suggest the following points for consideration during development of this policy:

- The 15 technical education proposed routes do not fully or adequately cover the vital infrastructure sector such as energy and utilities. Whilst the energy and utilities sector is needed to deliver almost two thirds of the National Infrastructure Plan and provide essential services to 65 million people each and every day, the apprenticeship levy is agnostic as to where the talent lands, and the existing 15 technical routes do not yet recognise the sector beyond the limited reach of housing construction and advanced product manufacturing. Therefore, we would like the initial work in the development of the routes to focus on and ensure that the sectors that do most to enable and support the economy are reflected in the approach being taken by Government and have the sustainable workforces they need.
- In addition, the technical routes proposal, which includes recommendations to increase the amount of training for 16 to 19-year-olds on technical routes by more than 50 per cent (to over 900 hours a year in 2019), is welcomed. However, further details are required on how this ambitious policy will materialise and work in practice and the feasibility of the work placements for employers. Therefore, the proposed pilots for the work placement must include a range of businesses and industry types.
- For the 'T-levels' to be successful, it must be explicitly demonstrated that it is employer-led and owned. Therefore, the inclusion of the technical education role for the Institute for Apprenticeships appears to offer the right policy approach to advance the apprenticeship and vocational education system in England. In the development phase of the routes, however, employer consultation is paramount in order to ensure accomplishment of technical education objectives.
- The plans involve streamlining an estimated 13,000 existing technical qualifications down to just 15 routes. Further detail and impact assessment on this is required to ensure the routes are fit-for-purpose for employers and industry in the short and longer term. If the activity is to meet the needs of employers, it should be commenced at a speed that they can attest is sustainable and that their vital supply chain can withstand.
- The proposals do not cover industry-specific licences to practice and/or courses not at Level 2.
- The proposals include a single common framework of standards which cover both apprenticeships and college-based provision. It will be important to work closely with employers to ensure that these meet the needs of all sectors.

There is currently no strategy or plan to ensure a sustainable workforce in all four nations for these critical sectors to the UK economy, environment and society. The current National Infrastructure Plan for Skills has no focus on achieving results in this area and the new government apprenticeship target of 3 million starts and the apprenticeship levy appear agnostic as to where or how the talent is deployed in terms of broader economic objectives. The National Audit Office recently confirmed this point by stating in its apprenticeship inquiry report, "*It is (...) important to provide a clear strategic rationale for how increasing the number of apprenticeships fits into the wider plan for improved productivity and growth*".

We recommend that the key sectors for UK productivity and growth should be invested in first, to make sure that they have the workforce they need to deliver for the UK economy. Energy and utilities are the largest single contributor to the National Infrastructure Delivery Plan. Ensuring a sustainable and resilient workforce here first is an intellectually sound investment for the whole of the UK.

This will be particularly critical as we move closer to BREXIT. Both the National Audit Office and the Public Accounts Committee highlighted these points in their inquiries. The National Audit Office report recommended to the Department for Education (DfE) that they and the Institute for Apprenticeships and Technical Education will need "*to support employers to develop ambitious plans for good quality standards, not least in sectors where we have evidence of the skills gaps and that are priorities for the industrial strategy*" (National Audit Office, 2016). This was further reinforced in the Public Accounts Committee report published in November 2016, which outlined the need to evaluate whether employer needs and stated policy goals are being achieved and ensure that the apprenticeship programme addresses the needs of emerging industries and tackles skills shortages that could become particularly acute as a result of Brexit.

12. How can we make the application process for further education colleges and apprenticeships clearer and simpler, drawing lessons from the higher education sector?

13. **What skills shortages do we have or expect to have, in particular sectors or local areas, and how can we link the skills needs of industry to skills provision by educational institutions in local areas?**

As a sector, we face a range of critical skills challenges, some of which we share with other STEM sectors and some of which are unique to us. There are a range of complex interdependencies surrounding access to STEM skills that impact upon other priority sectors, such as transport. An immediate example is the volume of workforce needed to deliver the energy and utilities company requirements in the National Infrastructure Plan and all the commitments of the Ofgem and Ofgas determinations. This comes at the same time as HS2, HS3, Crossrail and Crossrail 2 require almost exactly the same competencies. Hinkley Point could further compound these issues. Significant infrastructure delivery and affordability risks exist if excessive strain is placed on the available talent pool.

In the face of this increasingly competitive talent environment, the energy and utilities sector predicts that 221,000 vacancies will need to be filled during the next decade brought about through 100,000 existing employees that are set to retire and 90,000 people who will leave to find new roles. In response, the sector has proactively come together to articulate and develop an approach to addressing the priority sector skills challenges through the recently launched first ever Workforce Renewal and Skills Strategy and the Energy & Utilities Skills Partnership.

This plan illustrates how we will transform our strategic prospects by leveraging government policy and industry expertise to address challenges around skills; training and wider workforce renewal. Our Strategy, which has already been shared with BEIS Ministers, encompasses all four nations and has been developed in partnership with regulators; unions and other key stakeholders.

As highlighted in the National Infrastructure Plan for Skills (2015), the energy and utilities sector faces critical recruitment challenges in attracting high quality entrants. This is compounded by the fact that currently a fifth of employees are aged over 55, higher than the one sixth across the whole of the UK workforce. The proportion of vacancies that are hard to fill due to a lack of skilled applicants is 36%. This is higher than any other sector (the UK average is 23%).

Our Workforce Renewal and Skills Strategy sets out a coherent response to these challenges on behalf of the sector. Some actions are already in progress while others are already planned for the future. We will broaden the talent pool through demonstrating the attractiveness of our sector, inspiring and attracting new talent in a highly competitive recruitment environment. We are also maximising investment in skills from asset owners and from the supply chain, through innovative procurement mechanisms, and taking targeted action to address anticipated skill gaps and shortages.

We acknowledge clear regional differences in workforce deployment needs: for example, UKCES research indicates that skills shortages are greatest in Northern Ireland, followed by Yorkshire and the Humber, the East of England and the East Midlands. Nonetheless, sectoral focus is vital to create a stable and efficient business environment for energy and utilities companies and their supply chains.

In light of this, we support the government's proposal, in the 'Building Our Industrial Strategy: Green Paper', for a single authoritative view of the skills gaps faced by different UK sectors. We look forward to further detail on which agency will lead this analysis of the workforce and skills required to deliver against the National Infrastructure Plan and new Industrial and Productivity Strategy. Energy & Utility Skills, as a sector specialist, member-led organisation, will be ideally placed to represent the challenges faced by the energy and utility sector, in order to ensure that this 'bird's eye view' of skill gaps and shortages is as accurate and complete as possible.

14. How can we enable and encourage people to retrain and up skill throughout their working lives, particularly in places where industries are changing or declining? Are there particular sectors where this could be appropriate?

The energy and utilities sector believes in the need to be inclusive to a wider pool of candidates, including those at different stages of life and education and from different communities. Our sector approach to achieving this is set out in our Workforce Renewal and Skills Strategy. The energy and utilities sector's approach includes engaging harder to reach talent pools as well as career changers from other sectors including service leavers, the older workforce and returners (post career break).

The sector's commitment to being inclusive in its approach means that it must continue to develop flexible pathways to enable key target groups to enter the sector. In addition, the majority of utility-based skills needs depend on 'up skilling' and so our own initiatives, and government initiatives such as the apprenticeship levy, need to support and enable up skilling in order that our employers can maximise their contribution to UK productivity.

Our Workforce Renewal and Skills Strategy includes the following initiatives to encourage retraining and up skilling for people at different life stages and from different communities across the four nations.

Creating 'returnships' to reduce attrition following maternity / career breaks

Of the estimated 22,000 qualified women who left engineering after maternity / career breaks, more than 75% wanted to return to work according to the Women's Engineering Society. However, many women are put off pursuing such returns because traditional roles in energy and utilities, and the wider engineering sector, are seen to be inflexible in terms of working hours and practices. As our workforce evolves and expectations around flexible working increase, changing this is crucial to improving inclusiveness more broadly, not just for women.

'Returnship' programmes offer a structured way to retain talent in the long term and to begin introducing more flexible work patterns in the sector. Early adopters of returnships include:

- **SSE:** This organisation has introduced 'returnships' for women with STEM skills, and is being delivered in partnership with Prospect and Equate Scotland. SSE recognises that across the skills spectrum women take career breaks, largely for family reasons and has therefore introduced a programme of advanced career support during and after parental leave
- **Centrica:** This organisation has partnered with MARS, Vodafone and Women's Returners to launch their 'hitreturn' programme. This is a 12-week programme for professionals wanting to return to work after a career break

These programmes not only attract talent but also help retain existing female talent within organisations.

Establishing partnerships with key talent providers

Companies in the energy and utilities sector have also sought to establish partnerships with key talent providers. Partnerships have started with key organisations who represent target talent communities, through the industry talent pool platform Talent Source Network, developed through the Energy & Utilities Skills Partnership. Key partners include Career Transition Partnership (CTP) to work with service leavers, the Department for Work and Pensions (DWP) to work with people currently unemployed and other sectors including oil and gas and advanced manufacturing to identify possible career changers. The objective of these partnerships is to simplify how key target markets engage with our sector, working with key partners to make the opportunities more visible to talented people with a focus on understanding and then removing barriers to entry.

15. Are there further actions we could take to support private investment in infrastructure?

In addition to prioritising workforce renewal and skills development, it is vital that all English and preferably all UK government departments and agencies align their policies in this area. This would provide industry and investors with the policy stability and clarity they need to invest in skills and make it easier for industry to work with government and for investors to plan into the future.

16. How can local infrastructure needs be incorporated within national UK infrastructure policy most effectively?

17. What further actions can we take to improve the performance of infrastructure towards international benchmarks? How can government work with industry to ensure we have the skills and supply chain needed to deliver strategic infrastructure in the UK?

The Green Paper references "an historic lack of clear long-term thinking in the government's approach to national infrastructure strategy – in how we join up at a national level". Skills policy provides a striking example of the lack of consistency that has characterised long-term strategic planning of infrastructure. All the major utility strategies from government sponsoring departments and regulators frequently omit the need to

ensure and encourage sustainable workforce renewal and skills development. This includes within strategies where the bodies have statutory duties to sustainability and resilience.

In addition to prioritising workforce renewal and skills development, it is vital that all English and preferably all UK government departments and agencies align their policies in this area. This would provide industry and investors with the policy stability and clarity they need to invest in skills and make it easier for industry to work with government. This is an area where Energy & Utility Skills is well placed to support Government and associated bodies by drawing on the knowledge and expertise within its employer network across all four UK nations.

The eventual industrial strategy should encourage and promote industry initiatives that seek to address entrenched skills issues. Under the auspices of our sector's Workforce Renewal and Skills Strategy, industry groups are already working together to find ways to leverage the power of procurement to embed a longer-term, strategic approach to workforce renewal and skills across their extensive supply chains. This promotes improved productivity; efficiency and value for money. The [Skills Accord](#), developed by members of Energy & Utility Skills, demonstrates how procurement can be leveraged to increase uptake of training across a supply chain.

In addition, the National Infrastructure Commission needs to be placed on a stronger footing and merits a much more prominent role in the eventual Industrial Strategy. The decision not place more emphasis on its role risks giving the impression that the government is not backing up its vision for a long-term infrastructure policy framework with action that will allow it to be realised.

18. What are the most important causes of lower rates of fixed capital investment in the UK compared to other countries, and how can they be addressed?
19. What are the most important factors which constrain quoted companies and fund managers from making longer term investment decisions, and how can we best address these factors?
20. Given public sector investment already accounts for a large share of equity deals in some regions, how can we best catalyse uptake of equity capital outside the South East?
21. How can we drive the adoption of new funding opportunities like crowd funding across the country?
22. What are the barriers faced by those businesses that have the potential to scale-up and achieve greater growth, and how can we address these barriers? Where are the outstanding examples of business networks for fast growing firms which we could learn from/ or spread?
23. **Are there further steps that the government can take to support innovation through public procurement?**

Procurement can provide a means of encouraging and supporting development of the right behaviours in supply chain companies through innovation in existing systems and processes. Some of these behaviours, such as investing in skills, will be critical to realising the aims and objectives of the eventual Industrial Strategy. A precedent has already been set in the infrastructure sector, where innovation in procurement systems and processes has already helped to drive investment in vital skills throughout the supply chain as part of major transport infrastructure projects. For example, TfL and Crossrail introduced a requirement to link one apprentice to every £3 million contract spend.

In our Workforce Renewal and Skills Strategy, Energy & Utility Skills has set out how our employers are working together to pilot an innovative new approach to promoting investment in skills across their supply chains. This promotes improved productivity; efficiency and value for money. The [Skills Accord](#), developed by energy and utility sector employers, demonstrates how procurement can be leveraged to increase uptake of training across a supply chain.

24. What further steps can be taken to use public procurement to drive the industrial strategy in areas where government is the main client, such as healthcare and defence? Do we have the right institutions and policies in place in these sectors to exploit government's purchasing power to drive economic growth?
25. What can the government do to improve our support for firms wanting to start exporting? What can the government do to improve support for firms in increasing their exports?
26. What can we learn from other countries to improve our support for inward investment and how we measure its success? Should we put more emphasis on measuring the impact of Foreign Direct Investment (FDI) on growth?
27. What are the most important steps the government should take to limit energy costs over the long-term?
28. How can we move towards a position in which energy is supplied by competitive markets without the requirement for on-going subsidy?
29. How can the government, business and researchers work together to develop the competitive opportunities from innovation in energy and our existing industrial strengths?
30. How can the government support businesses in realising cost savings through greater resource and energy efficiency?

31. **How can the government and industry help sectors come together to identify the opportunities for a 'sector deal' to address – especially where industries are fragmented or not well defined?**

The proposed 'sector deals' represent an excellent opportunity to streamline the efforts of an industry or sector to grow; to become more competitive and offer better value for money to their customers.

The energy and utilities sector has already come together to articulate and develop an approach to addressing sector skills challenges. This action has taken the form of a recently launched Workforce Renewal and Skills Strategy which was launched in February 2017. It identifies the highest priority challenges and initiates the collaboration required to address them. We are also working with recognised bodies such as Energy UK, Water UK, the Energy Networks Association, IGEM, Institute of Water, CIWM, Environmental Services Association, Future Water, British Water and a number of others to optimise our collective impact in ensuring a resilient and sustainable workforce.

This sector represents an ideal trial ground for implementing and optimising a 'sector deal' between policy makers, regulators, regulated delivery partners and the vital supply chain. The Energy & Utilities Skills Partnership has already been formed to ensure a safe; skilled and sustainable workforce is in place to provide the essential services that our customers seek and to meet the UK's needs from the energy and utilities infrastructure.

By doing this, the energy and utilities sector can continue to work together to address the challenge of finding the 221,000 new recruits needed over the next 10 years (31,000 new jobs and replacement demand of 190,000). It is simply unfeasible in this instance for individual businesses to be left to manage workforce resilience in such a critical economic sector on a unilateral basis.

32. How can the government ensure that 'sector deals' promote competition and incorporate the interests of new entrants?

The Energy & Utilities Skills Partnership, the home of the Workforce Renewal and Skills Strategy for the energy and utilities sector, has and continues to promote competition and the interests of new entrants by establishing a representative for all new entrants and smaller water companies.

33. How can the government and industry collaborate to enable growth in new sectors of the future that emerge around new technologies and new business models?

34. Do you agree the principles set out above are the right ones? If not what is missing?

35. What are the most important new approaches to raising skill levels in areas where they are lower? Where could investments in connectivity or innovation do most to help encourage growth across the country?

Our overall objective is to broaden the talent pool - to include all communities; backgrounds and demographics - by demonstrating the attractiveness of our sector and inspiring and attracting new talent. This includes raising awareness of the opportunities available and recruiting in areas or amongst demographics where advanced level study of STEM subjects is more unusual.

Our Workforce Renewal and Skills Strategy sets out that we will do this by working with schools and colleges to inspire and attract more young people, ensuring that we retain more people at each stage of the process and making the transition to employment as smooth as possible. We aim to adopt an inclusive approach, ensuring that the sector appeals to all communities, abilities and genders, helping to ensure that the sector workforce is representative of the communities it serves. This is also an important consideration in terms of how we extend opportunities to hard-to-reach groups in order to attract and retain diverse talent. Creation of more flexible entry and progression routes, as set out in our strategy, will be a key means of achieving this so that inclusiveness grows at every level.

There are numerous examples of programmes set out within our Workforce Renewal and Skills Strategy which reach out to disadvantaged communities and NEETs in order to enable talent in these pools to realise its potential. Most programmes are run individually by companies and focus on offering traineeships and employability programmes as feeders into employment or apprenticeships. Like many employers across the sector, Balfour Beatty experiences difficulties recruiting from a diverse pool of candidates and acknowledge a reliance upon conventional channels. To address this issue in a positive way that also benefits society, they actively engaged with organisations who could support them in attracting and recruiting ex-military personnel, ex-offenders and homeless people, against set recruitment targets.

As we seek to raise skills levels across society, it is also important to ensure that we are appealing to a diverse talent pool. Like many other engineering-led sectors, the workforce is dominated by white, male employees. Across the energy and utility sector's employee base, 78% are male compared to the 53% UK average. As detailed in our Workforce Renewal and Skills Strategy, our sector has embarked on a number of initiatives which seek to ensure that opportunities are made available and accessible, regardless of gender. An example is the POWERful Women initiative, which celebrates female talent and success in the energy sector and promotes career progression for women. SSE, GE, British Gas, EDF Energy and E.ON are active supporters of this initiative.

Non-employer-led programmes that help individuals from disadvantaged backgrounds realise their potential also exist across the UK. A successful example is the 'Bridge to Employment' scheme in Northern Ireland. This is a pre-employment training programme, run by the Department for the Economy in Northern Ireland, which helps employers recruit unemployed people regardless of their experience of work. Training is provided according to availability of vacancies and aligned with the requirements of the role. Bridge to Employment has been offered and funded for the past 20 years. Energy & Utility Skills has, in the past 12 years, brokered more than 500 trainees into training and jobs spanning the power, gas and water industries.

The Skills Partnership will continue to work with central and devolved governments to build the number of high-quality training providers and training products, seeking to further improve consistency in approach and make excellence the standard. The 2017 Industrial Strategy consultations published by central and devolved government start a vital conversation between policy makers, industry and wider stakeholders. Progressed in genuine partnership, they can help to create the supportive workforce and skills policy environment that can enable the energy and utilities sector to fulfil its potential for the economy and society, as set out in our Workforce Renewal and Skills Strategy.

36. Recognising the need for local initiative and leadership, how should we best work with local areas to create and strengthen key local institutions?

37. What are the most important institutions which we need to upgrade or support to back growth in particular areas?

38. Are there institutions missing in certain areas which we could help create or strengthen to support local growth?