



**ENERGY & UTILITIES
SKILLS PARTNERSHIP**
SUSTAINABLE TALENT FOR ESSENTIAL SERVICES
AND SUSTAINABLE INFRASTRUCTURE

THE SKILLS ACCORD

DRIVING A SKILLS STEP-CHANGE IN TRAINING
INVESTMENT THROUGH PROCUREMENT.



We rely on the energy and utilities sector to deliver the essential services that underpin our everyday lives: water, gas, power and waste for our homes and businesses. Ongoing skills investment, through sector attraction, recruitment, training and upskilling, is critical to ensuring efficient, safe and cost effective delivery of these services.

Why do we need a Skills Accord?

As an industry we face major skills challenges – short and long term. At the same time, contractors seek to remain competitive and procurement teams are attracted to the lowest cost.

What is it?

A new way of advancing the energy and utilities sector supply chain to generate the required capacity and capability. The Skills Accord is a series of commitments requiring signatories to commit to relevant skills development within their own business and encourage the same through their supply chain.

The sector needs to invest in the current workforce and create new additional apprenticeships and other training programmes. The Skills Accord focusses on formal training programmes targeted in areas of current and future skill shortages to ensure impact in the right place.

How has it been developed?

To address these challenges procurement specialists across the energy and utilities sector have developed a Skills Accord, which will help address the pressure on supply chain companies to drive sustainable skills while remaining competitive.

221,000 new recruits are estimated to be required in the sector by 2027

Source: Energy & Utility Skills 2015.

THE COMMITMENTS

To promote and invest in the skills the sector needs most, signatories of the Skills Accord agree to the following five commitments:

- 1 To address sector-wide skills gaps and shortages.**
Contribute to 5% sector target, based on company's requirement.
- 2 To promote signing up to the Skills Accord through the Supply Chain.**
Encourage suppliers to become signatories and agree training targets.
- 3 To promote relevant skills development across the Supply Chain through procurement.**
Develop and deliver responsible procurement practices through the supply chain on skills delivery.
- 4 To continuously improve performance.**
Continuous improvement of sustainable skills and procurement practices.
- 5 To monitor and report.**
Annual review and reporting of company and sector performance.

HM Treasury, National Infrastructure plan for Skills 2015

One of the key challenges stated in the plan was how to incentivise skills investment through procurement.

For the energy & utilities sector this means ensuring procurement and engagement approaches provide appropriate incentives to retrain and up-skill the workforce to meet future skills demands.

Key Features

- Requirement to embed commitments into the procurement processes.
- Annual review procedure – to evaluate progress and refine accordingly.
- Signatories set a company specific training target, contributing to an overall sector target of 5%.
- Training eligibility criteria to ensure skills shortages are targeted in technical and operational areas.
- Signatories commit to reporting and monitoring to ensure compliance.
- Individual targets set based upon the services and contracts being delivered – recognising not all companies are the same.

Eligible Training

- For technical, design or operational roles related to work on or associated with the asset.
- A significant training intervention (for longer than 3 months) that includes assessment of competence and / or knowledge and leads to a qualification or award. (For example apprenticeship, HNC/ HND, graduate programme or an internally developed programme.)
- Training must be shown to directly contribute to the development of skills or capability to perform an operational or technical role.

Annual Review Process

Signatories are required to carry out an annual review of performance against the commitments.

This involves two processes:

- **Quantitative Assessment** - Measuring training activity contributing to the sector target.
- **Qualitative Assessment** - Evaluation questionnaire - to demonstrate compliance against commitments.

The process is simple to minimise administrative burden and unnecessary cost.

Next Steps

For more information on the Skills Accord and how it can benefit your organisation, please contact sue.guest@euskills.co.uk

www.euskills.co.uk/skills-accord

BENEFITS

The Skills Accord not only offers tools and support: you're also part of a highly respected network with a proven commitment to championing skills in the sector.

The Skills Accord is a set of five robust and challenging commitments that require signatory companies to ensure that responsible procurement practices are used to drive investment in skills. The Skills Accord applies to technical and operational training in the energy and utilities sector. Signatories to the Skills Accord incur an annual administration fee.

Benefits include:

Collaboration and sharing best practice methods for embedding skills development into procurement processes within the energy and utilities sector.

Developing sustainable procedures and continuously improving processes leads to a more resilient and agile workforce, ensuring a more sustainable and successful business in the long term.

Signatories gain recognition for their strategic commitment to investing in employee skills development.

BY PLACING THE PROCUREMENT PROCESS AT THE HEART OF THIS TRANSFORMATION, WE ENSURE THAT AN INCREASED COMMITMENT TO INVESTING IN SKILLS AND TRAINING, NOT ONLY BENEFITS THE ASSET OWNING COMPANIES BUT ALSO SMEs.



nationalgrid



Skills Accord lead companies