



**ENERGY & UTILITIES  
SKILLS PARTNERSHIP**

SUSTAINABLE TALENT FOR ESSENTIAL SERVICES  
AND SUSTAINABLE INFRASTRUCTURE

# UNIFIED SKILLS POLICY FOR A TRULY UNITED KINGDOM

WORKFORCE RENEWAL AND SKILLS STRATEGY:  
TRANSNATIONAL RESEARCH 'WHITE PAPER'



**As March 2019 draws closer, the need for a plan to optimise the UK's labour markets and productivity on departure from the European Union becomes increasingly pressing. This provides an opportunity for governments, policy makers, regulators, employers and other key interest groups to act together to find the optimal recipe for a successful 'post Brexit Britain'.**

**This White Paper is released on the one-year anniversary of the Energy & Utilities Skills Partnership's strategy for power, water, gas and waste management and invites the key organisations that deliver the UK's essential utility services and environmental infrastructure to come together. The aim is to identify those areas that will negatively impact the resilience, affordability, efficiency and productivity of our human assets and make change happen. The resulting recommendations will provide a springboard for a prosperous post-Brexit future for UK plc.**



The first-ever Workforce Renewal and Skills Strategy for the sector that serves 65 million consumers each and every day, and powers the majority of the UK economy, set out an ambitious challenge to national governments across the UK.

One part of that challenge was to call for clear and evidence-based thinking around the unintended consequences of an increasingly fractured approach to UK skills policy. The labour market and many of the UK's key business sectors operate multi-nationally, serving the explicit needs of UK-wide consumers. However, the skills policies that should enable their businesses to pursue the best human capital now pull in opposite directions across the four nations. These skills policies are quickly fracturing in England as local agencies try to manage a 'macro' UK labour market issue through 'micro', inward looking actions. Put simply, there are now many separate pieces to the jigsaw puzzle, with no one holding the picture on the lid of the box and most unsure if the pieces were ever made to fit together.

A live example of this is the quickly evolving reform of UK apprenticeships and wider technical education. Whilst sector employers deem both to be vital to the successful and sustainable delivery of the UK's major infrastructure projects, the increasingly divergent national education and skills policies are judged as being deployed ad hoc, without any strategic plan between governments. The result is hampering energy and utility industries' ability to adapt and make the very most of the opportunities that exist.

To help to bring better dialogue between the key parties and focus to the issues, Energy & Utility Skills initiated a research project in August 2017. It enabled 25 energy and utilities employers to join government representatives from across the four nations, to articulate their concerns and explore potential new solutions to the transnational skills policy challenges.

The research drew on an interview and survey-based approach, consulting major employers from across the energy and utilities sector. The 25 employers interviewed will make a substantial contribution to the future of the UK economy: they have a combined annual turnover of £27 trillion, support a total workforce of 154,142 people and pay an annual Levy bill of £37.5 million. Of the UK Infrastructure and Construction Pipeline, the 'Energy' and 'Utilities' elements combined account for the greatest share.

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The research findings showed a clear business need for greater coherence in UK skills policy. This will support the search for higher productivity, efficiency gains and cost effective delivery.

The employers reported that energy and utility companies operating across national borders face two main barriers to achieving their apprenticeship goals. The first barrier was a lack of parity around UK funding rules and systems, which is now directly and tangibly impacting apprenticeship recruitment and training. As of 1st July 2017, surveyed employers had 3,829 apprentices in training and expected to recruit 8,341 by 2019<sup>1</sup>. However, multiple funding models were frequently leading to impractical situations in practice. There was unnecessary confusion and an additional burden of 'red tape' placed on 76% of employers in the study operating in more than one UK nation.

<sup>1</sup> These figures come from approximately 60% of the employers who took part in the study – the actual numbers will be higher than those stated.

The disparity between the funding rates in England and the devolved nations is a live source of frustration and inefficiency. The differences in rates are material and are likely to distort how the apprenticeship and training market operates, as employers across all UK sectors are forced to make choices in order to recover their apprenticeship Levy. Whilst there is no suggestion of deliberate intent, the uncoordinated approach to UK skills policy is simply not working in an optimal way.

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If, in reading this, you think this viewpoint from employers might show a stubborn resistance to change, consider that this sector has achieved a constant list of ‘firsts’. It showed itself to be in the vanguard of adapting to the Trailblazer and Levy system. From achieving the first authorised Trailblazer standard to securing the first-ever apprentice end point assessment, the energy and utility sector has structured its approach across all four nations. It has powered through nearly 250 graduated apprentices, at a time when some UK business sectors still struggle to secure their first. The current confusion and avoidable ‘red tape’ is simply putting the brakes on companies delivering ever more efficient, cost effective services for their customers, now and in the future.

In addition to the levy challenges, some employers in the devolved nations face further layers of cost in training their apprentices. Through their engagement with the research process, they now feel that they have to ‘pay twice’ in order to meet their business needs. Examples include employers that want to access and use the old apprenticeship frameworks, but see that these have been or will be replaced by new English standards. These new standards - if and when they are even built - require a wholly different approach, plus navigation of layers of red tape, before employers can proceed with the actual training that is required. Meanwhile, the rest of the UK, which the employers must work within, moves on in a different direction.

The research reveals that the inconsistency of approach to the format and structure of apprenticeship programmes is creating artificial barriers to skills transfer and exchange within the UK. While new standards are being rolled out across England, the devolved nations continue to use framework programmes. Although there is not necessarily a need for – nor a realistic prospect of - all four UK nations adopting identical systems and approaches, it is essential that national policies are aligned and coordinated.

Without this alignment, the training and skills apprentices have gained will never be truly portable or universally

recognised across the UK. Employers will struggle to gauge the parity and equivalence of different programmes. The transferability of skills will be reduced and the costs incurred by employers will increase as a result. This incompatibility of systems and approaches also impacts funding and affects recruitment numbers in devolved nations. Young people could face a geographical ‘lottery’ in terms of the opportunities available to them.

Since the launch of the Workforce Renewal and Skills Strategy in February 2017, Energy & Utility Skills has investigated these issues in greater detail and worked with major employers, policy makers and wider stakeholders to understand how the current hurdles might be overcome. A number of potential solutions have emerged. The research found that National Occupational Standards (January 2015 and August 2017) (NOS), or equivalent, could provide a much needed common ‘core’, drawing together qualifications, standards and frameworks across UK nations. While NOS has been superseded by new standards in some parts of the UK, employers across all four nations still see an inherent value in retaining them.

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These standards could support the process of alignment and development of apprenticeship programmes across all four nations by providing a ‘matrix’ to underpin different systems and approaches. However, for existing occupational standards to remain functional, they must be applicable UK-wide. They would also need to be updated regularly and simplified so that they are straightforward to use and sustainable to manage in the longer term. With a determination to secure the desired outcome, it is achievable and straightforward. There would need to be UK-wide agreement on who should be responsible for the maintenance of NOS within the different industries and sectors at a UK-level, and the four nations policy makers would need to find a way to overcome their historical differences on how those NOS are referred to, to send a clear message that collaboration is possible if everyone is to get the best post-Brexit Britain.

The Workforce Renewal and Skills Strategy also set out a vision for consistent application of skills policy across the four UK nations. Subsequent research and stakeholder engagement has highlighted the potential benefits of a genuinely UK-wide apprenticeship policy, with scope for tailored or differentiated elements for each of the nations. There is a clear need for customised options to reflect

national individuality and unique social and economic characteristics. However, the prize is a coherent UK-wide approach to delivering the workforce resilience and skills our economy needs. This supports the aims of the Industrial Strategy launched late last year and should form part of a wider 'four nations' workforce resilience and skills plan to address the existing gaps.

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Through determined action, transferability and portability of training and skills across all four UK nations can be achieved. This will also support the expected introduction of qualifications into some apprenticeship programmes across the UK, which will underpin the same overarching goals.

Now is the time for a UK-wide 'call to arms' to forge a streamlined approach to ensuring a skilled, resilient and sustainable workforce post-Brexit. Skills policy has become devolved, but the vital workforce needs of the UK do not recognise these national borders. Skills policies across all four nations must be drawn together to maximise coherence and efficiency.

The Business and Skills Departments within Government are ideally placed to lead a coordinated effort, while the recently published Industrial Strategy white paper can act as the catalyst.

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At the time of this special anniversary, we would like to celebrate the engagement and commitment of employers. We wish to encourage further dialogue through increased representation of both central and devolved governments and other stakeholders, while applauding the willingness of existing participants to tackle these challenging and entrenched issues in a constructive and collaborative manner. If the interest and commitment is there, Energy & Utility Skills can help by convening a 'Four Nations Advisory Group' to progress these recommendations. The Group will seek to realise the vision of the Workforce Renewal and Skills Strategy, recognising the unique characteristics, background and heritage of each of the devolved nations, while striving for equivalence, comparability and a level playing field for UK skills. Timely action on skills policy will empower businesses across the economy to maximise their contribution to productivity and growth – growth that will be vital to our future prosperity as the UK enters a new geopolitical and economic era outside the EU.

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**Energy & Utility Skills**, the expert voice on workforce issues across the sector, has been the driving force behind the creation of the Skills Partnership. Energy & Utility Skills is the provider of choice for guidance, employer solutions, setting, registering and assessing competency standards and bespoke consultancy. It helps employers attract new talent, develop their workforces and assure a high level of competence across their businesses. For more, visit [euskills.co.uk](http://euskills.co.uk).

**The Energy & Utilities Skills Partnership** is a collective of 29 leading sector employers that are working together to secure the continual seamless delivery of the wider sector's services across the UK. For more, visit [euskills.co.uk/energy-utilities-skills-partnership](http://euskills.co.uk/energy-utilities-skills-partnership).

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