

SKILLS STRATEGY:

Nick Ellins says the Workforce Renewal & Skills Strategy has put in a solid performance in its first year, and sets his sights on greater government influence and unifying devolved skills policy in the year ahead.

YEAR ONE

The Workforce Renewal & Skills Strategy celebrated its first anniversary last month, as well as an inaugural year of achievement which Energy & Utility Skills said included influencing UK workforce resilience and skills policy, increasing investment in training and taking targeted action to address competence needs and skills shortages.

Published on 9 February 2017, the Skills Strategy was hugely ambitious and documented how the energy and utilities sector would support UK infrastructure by developing a resilient and sustainable workforce. Energy & Utility Skills chief executive Nick Ellins explains it marked a concerted attempt to address “skills cliff edge fatigue” – growing stakeholder ennui with repeated warnings that the sector would not be able to cope with looming skills shortages – and instead rallied the sector to proactively take control of its future. Twenty nine leading sector employers, collectively known as the Energy & Utilities Skills Partnership, led the charge. “It was the first time UK utilities had owned such a strategy,” Ellins continues.

The success of the work is of national importance, given the sector combined accounts for 43% (£104.8bn) of the government’s National Infrastructure Pipeline to 2021. So how does Ellins rate the first year? “It’s been a year of big achievement,” he says. “We had to make an impact early on. We wanted people to get behind the strategy and to get on with it. And we needed everyone to play a part – policymakers, regulators, companies and the supply chain.”

Influence and reach

Ellins is rightfully proud of the broad stakeholder support the Skills Strategy has achieved in year one. As well as individual companies, it lists among the organisations that have backed it to date:

- Regulators Ofwat, the Drinking Water Inspectorate, Ofgem and the Health and Safety Executive.
- Unions GMB, Prospect, Unison and Unite.
- Trade bodies Water UK, British Water, Future Water, Energy UK and the Energy Networks Association.
- Professional institutes the Institute of Water, IGEM and the Chartered Institute of Waste Management.

Energy & Utility Skills points to the importance of the support of such key sector stakeholders. For instance, after the Water

UK board and council backed the work, many industry leaders joined the CEO council that sets strategic direction.

In terms of influencing policy, Ellins points to a number of crucial regulatory and government publications in 2017 that bear witness to the fact that the Skills Strategy’s messages are getting through.

Ofwat’s *Resilience in the round* report of September 2017 recognises that the workforce capacity and critical skills an organisation needs to run its infrastructure are a vital part of operational resilience.

This was followed up in December by Ofwat’s PR19 final methodology, which reiterated the workforce resilience message. One reference, for example, is: “In order to be corporately resilient, companies must ensure that they have the capability within their workforce to provide the services their customers expect not only today but over the long term, in the face of potentially significant changes in how they do this and in the wider employment landscape. A focus on long-term resilience should therefore also include companies identifying and addressing possible skills gaps in the future.”

The UK government’s Industrial Strategy heeds the issues raised by the Skills Strategy. Two of the five “foundations of productivity” it will now focus on are ‘infrastructure’ and ‘people’, with skills explicit in the ‘people’ foundation.

However, Ellins is honest in admitting there are gaps in this influence, particularly at government level. “Water, power, waste, gas and environmental infrastructure need a voice in government,” he says. “There, I have not made the progress I want.” He considers that HM Treasury have yet to show enough stewardship of infrastructure companies and DEFRA “does not yet have a voice on the importance of human capital” citing in particular that Energy & Utility Skills pointed out the gap in its response to the department’s Strategic Policy Statement consultation, but to no avail. He appreciates the DEFRA team is small and stretched, but argues they “do not need to do the doing, but they can set the labour market resilience expectation”.

Meanwhile the Department for Education’s 15 guiding professional education routes do not recognise infrastructure or utilities as a standalone sector; at present sector companies have to squeeze in to either the housing-based ‘construction’ or ‘advanced manufacturing and engineering’ camps. Neither has an understanding of sector needs.

One exception is the Scottish Government, which invited the Skills Partnership to offer external support and challenge to its STEM Strategy for Education and Training. But that in itself sheds light on another challenging aspect of influencing policy. Ellins advises that skills policy is increasingly being devolved to nations, cities and local areas, with policies typically operating in opposing directions. Responsibilities for skills and infrastructure are also split between departments (BEIS, DEFRA, DWP, Treasury, Education) and it all makes for a very disjointed picture. “It’s like doing a jigsaw, but without having the picture on the box,” he illustrates.

Taking the initiative

There is brighter news on the initiatives the Skills Strategy has pushed this year. These include:

■ The Energy & Utilities Independent Assessment Service (EUIAS), which graduates sector apprentices and requires them to demonstrate competence to work in safety-critical industries. Over 2,000 apprentices are currently undertaking an apprenticeship within energy and utilities organisations. A further 244 have already passed through the EUIAS end-point assessment service and taken up employment in the sector. Another milestone was passed last month when four Severn Trent Water apprentices became the first water graduates under the new English Trailblazer system and the first to qualify under the Level 3 Water Process Technician Standard.

■ The Skills Accord initiative, which promotes structured and sustained investment in the technical and operational skills the sector needs most, through commitments in procurement practices. This is now entering a business as usual phase, and being rolled out more widely, following a successful year-long pilot. The 26 companies that originally pledged to Skills Accord commitments in the pilot year has now grown to 47. Ellins comments the arrangement has “pushed companies to work in a different way; to change the way they have procured for decades.”

■ Through Talent Source Network, 20 of the Skills Partnership employers (a collaboration of 29 leading sector employers which formed in summer 2016) are offering hundreds of vacancies, including apprenticeships, on a shared online platform. Ellins reports the initiative has reached nearly 900,000 people so far, and over 3,700 of these are now seeking jobs in the utilities sector. The aim is to attract people from all walks of life with the skills to offer the sector a rapid response to market developments. For example, Ellins says that within two days of the Carillion collapse, utilities had posted 800 jobs on the network, 15 graduates were placed and 59 ex-Carillion staff registered to look for work. Leveraging social media and targeted campaigns, Talent Source Network is also engaging more diverse audiences and showing achievable routes to progress from entry level roles all the way up to senior management. The nearly 4,000 candidates registered include a higher proportion of women (33%) than the current utilities workforce (20%). In the last month, 51% of enquiries to the site were from women.

■ The Competency Accord, which promotes skills passporting company to company, is in full trial in the power sector. Ellins explains the principle is “accepting someone else’s training is as good as yours” which would mean “about 80% of appropriate training could be signed off in advance, saving a fortune”.

Year two and beyond

Despite the solid year one achievements, the underlying issues Energy & Utility Skills is there to address have not gone away. Some key statistics are: 36% of all vacancies in utilities are due to skills shortages compared to a national average of 23%; there are 221,000 roles to fill by 2027 on the back of 100,000 retirements, 90,000 moves out of sector and 31,000 to-be-created roles; and diversity is lacking (73% of the water workforce is male and just 5% come from minority ethnic groups).

Ellins has on his immediate agenda driving more collaborative working and “getting the sector heard” by both government and the market more widely. He comments: “We are proud of the progress that the Skills Partnership has made within the first year, but we are not content to rest on our laurels. More political and policy focus should be given to sectors like ours that contribute most to the UK’s productivity and economy.”



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A final key policy focus is pushing for a truly nationwide skills policy. In a White Paper published earlier this month, *Transnational research white paper: unified skills policy for a truly United Kingdom*, leading employers from the water, energy and waste management industries argued a joined up policy across our four nations would cut costs and red tape, and better position the sectors to address existing skills challenges.

Among the recommendations in the paper (a collaboration between Energy & Utility Skills and the EUIAS), are alignment and compatibility of processes governing UK apprenticeships and using National Occupational Standards (or equivalent) to ensure parity between qualifications and training programmes. It builds on recommendations in the Skills Strategy and sets out the findings of research into the challenges transnational employers face.

Ellins concludes: “Businesses in our sector and their delivery partners increasingly operate for domestic and retail customers across the UK. Brexit will exacerbate existing tensions within a tightening UK labour market, increasing pressure on the domestic workforce and potentially leading to delayed energy and utility projects and increased costs. It is all the more important that skills policy is aligned across all four UK nations to achieve UK-wide workforce agility and resilience.” **TWR**