



THE PROCUREMENT 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 Procurement 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 Procurement 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 Procurement 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 Procurement 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

The Procurement 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 Accord applies to technical and operational training in the energy and utilities sector.

- 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 Accord through the Supply Chain.**
Encourage suppliers to become signatories.
- 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.

Eligible Training

- For technical, design or operational roles related to work on or associated with the asset.
- A significant training intervention(s) (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 completing the following:

- **Quantitative Assessment** - Measuring training activity contributing to the sector target.
- **Compliance Questionnaire** - to demonstrate compliance against commitments.

A small number of companies will be randomly selected to take part in our Deep Dive process.

Next Steps

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

<https://www.euskills.co.uk/about/energy-utilities-skills-partnership/skills-accord/>

Procurement Skills Accord lead companies



BENEFITS

The Procurement 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:

Benefits include:

- Collaboration and sharing best practice methods for embedding skills development into procurement processes within the energy and utilities sector.
- Exclusive access to regular webinars held throughout the year, designed to support signatories.
- Invite to attend our Annual Review and Best Practice Workshops (1-2 spaces per company).
- Participation in a sector wide Annual Review exercise, resulting in an Individual Company Report.
- Receive a copy of the Annual Sector Report produced towards the end of each year.
- Be presented the Procurement Skills Accord Award (for companies who meet the relevant Commitments Criteria) and use the Award logo.
- Company recognition of being part of the Accord on the dedicated Energy & Utility Skills webpage.
- Industry wide PR associated with the Annual Sector Report and Awards event.

HOW MUCH IS IT TO JOIN?

We offer 2 routes to registering to the Accord:

- Full Signatory, £1500 per annum – organisations who have a relevant supply chain to encourage to join the Procurement Skills Accord. Companies who sign up via this route will need to commit against all 5 Commitments.
- Signatory (no relevant supply chain), £995 per annum – organisations who can evidence that they have no relevant supply chain. Companies who sign up via this route will commit to Commitments 1, 4 and 5 ONLY.

* no relevant supply chain is defined as suppliers who (1) do not work in the energy and utility sector and (2) do not have UK based employees involved in operational and technical activities.

The year in which companies sign up runs from 1st April – 31st March.

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.