

MANIFESTO 2020

UK Energy and Utilities Sector Priorities for Workforce Renewal and Skills

Energy & Utility Skills is the specialist employer-led workforce body for the UK gas, power, water and waste management industries. Membership comprises the major infrastructure companies and their top tiers of delivery partners. We bring employers together to identify and address the key workforce resilience challenges the sector faces. Our work engages policy makers, regulators and the primary stakeholders to seek to develop an informed, efficient and enabling business environment.

Our members serve 66 million consumers across the UK every day, providing the environmental infrastructure and essential services that underpin the whole economy. The sector is the single largest contributor to the £0.6 trillion National Infrastructure Plan; it employs a workforce of approximately half a million people, and it will invest over £100bn into the UK in the next decade.

Comprising industries of central strategic importance to the UK's economy and security, the energy and utilities sector requires support from all the UK nation's governments to assure its workforce resilience and responsiveness, to maximise its contribution to economic productivity and growth, and to provide stability in a post-European Union membership economy. To enable this, workforce renewal and skills deficits need to be addressed and investments optimised.

These are our priority recommendations:

1 Collaborative partnership across the UK & Government departments: the increasingly devolved and fragmented efforts to address the UK's labour market and workforce resilience challenges need coherence and leadership to ensure UK's prosperity after leaving the European Union.

- › An overarching UK labour market, workforce resilience and skills strategy is required.
- › Alignment is needed between central and devolved government departments, across government departments, regulators and other relevant bodies to ensure a coherent and efficient labour market approach is deployed.
- › The UK's Industrial Strategy should require all government departments to make workforce resilience a requirement within their Strategic Policy Statements.
- › Emerging UK labour market, education and skills departmental policies should be aligned towards the aims of the Industrial Strategy and one joined-up strategic solution.
- › Workforce resilience and the value of skilled human capital should be embedded in the statutory duties and approach of UK infrastructure regulators and sponsoring government departments, to drive a coordinated policy approach and best value for customers.



2 **Investment in industries that are of strategic importance to the UK economy:** the energy and utilities sector is the largest single contributor to the National Infrastructure Delivery Plan. Ensuring a sustainable and resilient sector workforce is an essential investment for the whole of the UK.



- › UK governments do not have the resources to address every UK market skills need at the same time, so start with the sectors of core strategic value to the UK. High quality drinking water, heat, light, power, gas, sanitation and waste recycling are essential to life and underpin the UK's society and economy. The energy and utilities sector is a priority investment.
- › Skills and technical education policy reform in England misses out the UK's critical energy and utility sector. The sector's businesses are key to meeting the UK's 2050 Net Zero Carbon commitment. Explicit recognition is required to ensure the reforms address workforce resilience and skills issues.
- › As recommended by the National Audit Office and Public Accounts Committee (2019) apprenticeship policy reform should ensure that the resulting talent flows into the UK's most critical business sectors first - focusing on quality outcomes rather than quantity, prioritising sectors with critical skills shortages.

3 **A stable skills and employment policy environment:** sector employers need coherent skills policy to enable them to minimize wasted resources and commit to long-term investment in the workforce.



- › Regulatory impact assessments should be consistently deployed to help policy makers and those required to act to better understand the objectives, options and trade-offs between the costs and benefits.
- › Action is needed to address the increasing fragmentation of skills policy, which is perceived as opaque, expensive and complex for multinational employers serving customers and markets across the UK.
- › Ensure the most vital policy foundations are in place, operating and understood by employers, before moving on to the next reform. Ensuring that the skills policy implemented has adequate time to bed-in. Consistent policy and funding approaches are critical.
- › Use a 'test and adjust' approach to optimise policy implementation, working first with sectors that can add most value to the UK and wish to make the policy reforms succeed.

4 **Continuing dialogue and evaluation of policy and practice with employers:** ensuring skills and workforce policy interventions are employer-led, recognising the needs of employers in the energy and utility sector.



- › Test whether the skills policy reforms made across the UK are closely aligned with the emerging needs of the UK market it was designed to enhance, and whether they work in practice. Policy in development such as the National Retraining Scheme, T-levels, the regional skills focus and the review of Level 3-5 qualifications must have an employer focus and be employer-led, based on the needs of the economy.
- › Apprenticeships, while vital, are just one category of the wider workforce renewal and upskilling required by UK employers. Future refinement of the Apprenticeship Levy policy should enable deployment of employers' unspent funds to key areas such as reskilling and upskilling so that critical UK skills shortages are able to be addressed.

- › In England, pace the apprenticeship and technical education reforms to ensure they deliver the Government's [English Apprenticeships - Our 2020 Vision](#) and [Post-16 Skills Plan](#) commitment to being “employer-led” and solve the key workforce resilience and skills gaps.
- › In England, ensure that the apprenticeship and technical education reforms deliver the Government's [English Apprenticeships - Our 2020 Vision](#) commitment to Levy contributing employers consistently being able recover more than they have put in financially.