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Evaluation of National Skills Academies – Year One Synthesis Report

September 2009

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ⓘ For information

The Institute for Employment Studies

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Executive Summary

Introduction

This synthesis report presents findings from Year 1 of the National Skills Academies evaluation conducted by Ipsos MORI and the Institute for Employment Studies (IES). The report brings together findings from three separate strands of research carried out during Year 1: a Preliminary Report (IES, February 2009), Stakeholder Research Report (IES, June 2009) and an Employer Survey (Ipsos MORI, July 2009). The findings from this report will provide a baseline for Year 2 of the evaluation, which will include follow-up surveys with employers and stakeholders, and additionally a survey of learners involved with NSAs and case studies of a number of academies.

The aim of the evaluation is to understand the added value generated by National Skills Academies (NSAs), across the network and individually, and to assess whether they have met the aims set out for them in the 2005 White Paper ('Skills: getting on in business, getting on at work', March 2005, DfES), the national prospectus and in individual business plans.

NSA structure and organisation

The Preliminary Report, based on nine of the ten NSAs operational by the end of September 2008, found them to be operating along broadly similar lines. Although there were variations, these tended to reflect contextual factors, such as length of time established and the needs of their particular sector, rather than more significant differences in strategic approach.

The main NSA activities undertaken at this stage included:

- improving the skills of the existing workforce within their sectors

- increasing the flow of skilled applicants into the sector (eg through developing skills passports and facilitating new entry routes)

- improving the quality of existing training provision and encouraging higher quality standards

- developing new courses or qualifications to fill identified gaps

- developing and branding training at different levels (although predominantly Levels 2 and 3)

- engaging with a wide range of employers and providers

- developing NSA structures at both national and regional levels.

The majority of stakeholders thought that, on the whole, there was a good representation of organisations from across the industry on their respective NSA Boards. In other cases, it was too early to tell, as the Boards were still in the process of being established. Some areas of potential under-representation were indicated, particularly SMEs.

There was broad agreement among stakeholders and employers that the main purpose of the NSAs was to fulfil the national policy priorities of upskilling the workforce and increasing the skills supply, in order to improve productivity and make the UK more competitive. Within this broader agenda, the key objectives of the NSA network were perceived to be to:

- help develop a more demand-led skills system

- drive up employer demand for training

- improve the quality of training provision for the benefit of both employers and learners

- establish a robust provider network committed to this agenda

- offer a brokering and consultancy service to employers.

Both stakeholders and employers felt that, although there was a close relationship between NSAs and their SSCs, there should be a clear distinction maintained between their respective roles. It was thought that SSCs should primarily play a 'strategic role' with NSAs acting as the 'delivery arm' meeting a sector's training needs. Concerns were expressed that unclear boundaries and apparent lack of communication between the two bodies was occasionally leading to confusion for many employers.

Engaging with employers

Stakeholders thought that NSAs needed to engage with employers to:

- raise their profile and give them credibility

- help them become financially sustainable (through direct employer contributions and encouraging providers to join their network)

- develop new provision in line with employers' needs.

NSAs are designed to be employer-led. This means having significant employer representation within their governance structures and ensuring employers are able to shape their activities. Employers generally felt well represented on NSA boards and steering groups, but did report concerns that SMEs were under-represented and that employers in some regions and sub-sectors were better represented than others. Employers also felt that consultative processes were in place, although some felt that NSA staff, rather than employers, were most influential in setting the NSA agenda.

Pockets of under-representation apart, most employers interviewed felt that NSAs did a good job in getting employers involved, particularly through participative meetings and workshops. A number of barriers constraining employer involvement were identified, including a lack of time, money and a good understanding of the benefits of engagement. It was felt that employer engagement could be improved if NSAs:

- had better communications

- worked more closely with other learning and skills bodies

- targeted smaller employers

- ensured employers were involved in a meaningful way, eg on steering groups.

Most interviewees (both stakeholders and employers) thought it too early to assess whether NSAs were meeting employers' needs. Two potential measures of success in this respect were identified as the extent to which employers:

- gave preference to learners from NSA accredited training providers

- supported NSA efforts to establish skills passports for employees in their sector.

Engaging with providers

Stakeholders thought that NSAs had established working arrangements with a good number of training providers, although they recognised that more needed to be recruited in some parts of the sectors. Examples of providers working together to co-ordinate delivery and/or share good practice were highlighted (despite concerns about competition between providers).

Emerging signs of impact

Generally employers felt NSAs would add value by improving the relevance and flexibility of training to a consistent, high standard.

Improving skills supply

While it was too early for most employers and stakeholders to judge the impact of NSAs on the **supply of skills** to their sector, some employers were able to point to:

■ NSAs had made steps in the right direction by highlighting the issue of training and bringing key industry members together

■ help with funding, content and provision from the NSA to pilot new qualifications set up in direct response to a particular skills shortage

■ financial support for apprenticeships.

What more could be done?

Employers felt that NSAs could further:

■ build relationships with schools to raise the positive profile of their sector as a place to work

■ improve the image of apprenticeships (and help fund their salaries)

■ encourage training providers to be more responsive to the needs of employers.

Improving skill development

The extent to which employers engaged with their NSAs to set up **skill development** training varied significantly. However, the employers interviewed were generally extremely positive about the way they were treated by NSAs and the advice that they received. For example:

■ employers were encouraged by NSAs' ability to offer **advice** on the most suitable provision and felt that it was easy to contact NSAs about any training queries, drawing on their expertise and provider contacts

■ employers using NSA-**accredited provision** generally reported improvements in the quality of the provision – most felt that the qualifications and training offered by accredited providers was more relevant and tailored to their needs

■ employers were also satisfied with the **assessment and brokering** expertise of NSA staff, eg to 'identify training gaps, needs and solutions'

- furthermore, employers were mostly positive about the ability of NSAs to identify **funding**.

What more could be done?

Employers thought NSAs could build on services they already offered by:

- clarifying the criteria for NSA accreditation to enable employers to understand the added value

- coordinating funding for employees outside England – particularly for UK-wide employers

- widening the number of accredited providers to give employers greater choice and by embracing a wider quality assurance and monitoring role.

Many stakeholders (and also some of the separate employer interviewees) described the wider benefits that being involved in an industry-wide network of employers and providers could bring. These included increased access to quality-assured training providers and clearer information about services such as Train to Gain.

The future sustainability of NSAs

Stakeholder respondents largely thought the route to financial security centred on:

- funding from NSA-endorsed provision

- membership fees

- the continued commitment and support of employers.

While some were positive about the prospects of NSAs being successful, others were more pessimistic and identified a number of risks including:

- that the initial three-year funding period was too short for NSAs to become self-sustaining

- the difficult economic climate

- NSAs 'top-slicing' the money going to providers, which was likely to discourage providers from becoming involved

- competition from other training bodies in the sector

- variability between the performance of different NSAs.

Employers were mainly not aware of the need for NSAs to become financially independent. Those who had a view differed – while some, in sectors mainly least

affected by the recession, were optimistic about the prospects of NSAs becoming self-funding, others identified barriers to financial sustainability, including:

■ their ability to raise awareness among employers

■ the perceived 'crowded market' in the provision of advice and support for learning and development to employers

■ lack of clarity about the benefits of membership – the added value

■ the costs of membership – both in terms of membership fees and time (especially if fully engaged at a strategic level)

■ confidence in the longevity of the policy agenda – which could change if the political direction changed.

Stakeholders and employers nearly all thought that NSAs needed a high profile and positive brand image not only to be financially sustainable but also to achieve their overall objectives. They also thought NSAs could do more in this regard through better marketing, including:

■ establishing a clear brand image and position relative to other learning and skills agencies, particularly SSCs

■ clarifying the message about their role

■ promoting products and services before looking for funding

■ more clearly developing a business case and what would generate value for employers.

Conclusions

Most of the stakeholders and employers interviewed felt it was too early to draw any definitive conclusions about the effect and impact of the NSA on their sector, although some clear messages have emerged from the first year of the evaluation:

■ the NSA network is clearly moving in the intended direction, with action being taken to improve the supply of skills and skill development in their sectors

■ NSAs had extensive involvement with employers and employers were strongly represented in their governance structures. However it was not clear whether this always meant that the NSAs were 'employer-led' (in that employers determined what they did) or indeed whether such an approach was universally felt to be desirable, with some employers and stakeholders preferring NSAs to be 'industry-led', ie reflecting provider interests too.

■ A number of stakeholders and employers felt NSAs would have to reach out to more employers in the future and embark on marketing activities that would raise their profile and extend their reach. To do so, it was felt that NSAs need to be clearer about their role and the benefits to businesses from engaging with NSAs.

> *It is recommended that NSAs consider conducting a major marketing campaign to raise their profile among employers in their sector. The advice from stakeholders and employers is that such a campaign should emphasise:*
>
> ■ *the National Skills Academy brand – to differentiate the NSA networks from other learning and skills agencies*
>
> ■ *the National Skills Academy offer – the added value they can provide employers (and training providers)*
>
> ■ *the business case – how employers can benefit from working with National Skills Academies*

■ NSAs were generally positive and flexible in their approach to identifying and meeting employers' skill supply and development need. However the research identified more that could be done, for instance: helping promote career paths, ensuring the quality of training providers and helping employers access funding for training

■ NSAs' ability to deliver on two policy fronts: accreditation of provision (to give employers a surety of quality) and skills passports (to provide individuals with an accepted skills record) will be a good test of their ability to meet employers' needs in the coming year.

■ Financial self-sustainability poses a number of challenges for the NSAs. There is an underlying tension between the need to charge for services (eg through employer membership schemes or provider accreditation), the services offered and the number of employers or providers involved. The recession may not help as employers find it easier to source their skills needs. Many of the stakeholders and employers interviewed were sceptical of the chances that NSAs would be financially self-sufficient in the near future.

> *It is recommended that NSAs seek every opportunity to support the development of apprenticeships by:*
>
> ■ *promoting the route to young people in education and older people seeking a career change or skill development*
>
> ■ *supporting providers and employers to ensure apprentices develop sector-relevant skills*
>
> ■ *identifying and channelling funding for employers and training providers to provide apprenticeship opportunities.*

■ The way that NSAs were responding to the recession was not a major feature of the first year of the evaluation (and will feature more strongly in Year 2).

> *It is recommended that NSAs actively work with the employers and providers in their sectors to identify what part they can play in ensuring that their sector emerges as rapidly as possible from the recession. Actions could include:*
>
> ■ *working with education providers and employment services (eg Jobcentre Plus) to promote employment and skill development opportunities in their sector*
>
> ■ *identifying and promoting the funding and other forms of support available to employers to help them with skill development in the recession.*

1 Introduction

The national Learning and Skills Council (LSC) has commissioned Ipsos MORI and the Institute for Employment Studies (IES) to conduct a two-year evaluation of National Skills Academies (NSAs). The evaluation as a whole is divided into different strands, with a synthesis report at the end of each year. This is the synthesis report for Year 1 of the evaluation.

1.1 Background and objectives for the evaluation

The aim of this evaluation is to understand the added value generated by NSAs, across the network and individually, and to assess whether they have met the aims set out for them in the 2005 White Paper ('Skills: getting on in business, getting on at work', March 2005, DfES), the national prospectus and in individual business plans.

1.2 Evaluation activities over the past year – sources for this report

This synthesis report brings together findings from three separate strands of research carried out during Year 1 of the evaluation, which are briefly summarised below.

1.2.1 Preliminary Report (IES, February 2009)

This initial report set out some of the key issues for the evaluation and proposed an evaluation framework. It was based on 23 interviews with representatives from nine of the ten National Skills Academies which were operational by the end of September 2008: Construction, Financial Services, Food and Drink Manufacturing, Hospitality, Manufacturing, Nuclear, Process Industries, Retail, Sport and Active

Leisure.[1] The preliminary report was also informed by a study of relevant background documents, business plans and other material relating both to the individual academies and the network as a whole, and material gathered for the NSA Impact Assessment by the LSC.

The report included:

■ a review of the aims and objectives for the academies

■ a discussion about different models of operation among the NSAs

■ identification of some of the key issues that the evaluation would need to address

■ a proposal for an evaluation framework, showing how the aims and objectives for the network and the key evaluation issues would be addressed by the subsequent evaluation activities.

1.2.2 Year 1 Stakeholder Research Report (IES, June 2009)

This report presented findings from Year 1 of the stakeholder strand of the evaluation. It was based on semi-structured qualitative interviews undertaken with 58 NSA stakeholders from seven Round 1 and Round 2 NSAs.[2] NSA stakeholders were defined in consultation with the LSC, as follows:

■ senior-level contacts from the main employers represented on the Board

■ other funders (such as Regional Development Agencies (RDAs))

■ other members of the Board (such as representatives of the relevant Sector Skills Council (SSC) or industry bodies)

■ leading training providers most involved with the operation of the NSA

■ key national stakeholders involved in the design and implementation of the NSA policy.

Contact details of relevant stakeholders were obtained from the Round 1 and 2 NSAs and the interviews took place either in person or by telephone, between late

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[1]   Interviews were also conducted with the Creative and Cultural NSA, the results of which were not included in the preliminary report but incorporated in the findings in this synthesis report.

[2]   These were: (Round 1) Financial Services, Food and Drink, Construction, Manufacturing, and (Round 2) Nuclear, Process, Creative and Cultural Skills. The Hospitality NSA did not provide any stakeholder contact details, although we hope to include stakeholder interviews from this NSA in the next wave of the research.

February and mid-April 2009. A semi-structured topic guide was designed in consultation with the LSC, covering the following areas:

■ NSAs' relationships with employers; the extent to which employers (of all sizes) are engaged in the governance, financing and operation of NSAs; and whether NSAs are meeting employer needs.

■ NSAs' relationship with SSCs.

■ NSAs' relationship with existing learning providers and the sustainability and comprehensiveness of the network of providers involved in the NSAs.

■ NSAs' overall approach to teaching and training and the extent to which they differ from other providers; whether they offer flexible and responsive training solutions; the extent to which they have promoted innovation in delivery of training; their use of new learning technologies; and their impact on the capacity and quality of training delivery.

■ NSAs' impact on the nature and level of participation and whether they have broadened the skills supply base to the sector.

Table 1.1 presents a profile of the stakeholders interviewed for this stage of the research.

Table 1.1: Stakeholder sample profile (NSA-level and national stakeholders)

| | Type of stakeholder interviewed | | | | |
NSA	Board Member (employer)	Board member (other eg trade union, SSC)	Learning provider	Other non-Board member (eg trade association, RDA)	Total interviews
Financial Services	3	2	3	–	8
Food and Drink	3	1	1	2	7
Construction	6	–	–	–	6
Manufacturing	3	3	1	–	7
Process	1	2	–	4	7
Nuclear	3	2	–	–	5
Creative and Cultural	4	–	3	1	8
National level					10
Total interviews	**23**	**10**	**8**	**7**	**58**

Source: IES 2009

1.2.3 Employer survey (Ipsos MORI, July 2009)

The aim of the research with employers was to evaluate the experience, to date, of NSA engaged employers and to consider the extent to which NSAs are successfully meeting their objectives in relation to employer engagement. This strand of the evaluation consisted of in-depth qualitative interviews with employers by telephone, conducted between April and June 2009; a total of 50 interviews were conducted across seven Round 1 and Round 2 NSAs:

■ Construction

■ Creative and Cultural

■ Financial Services

■ Food and Drink

■ Manufacturing

■ Nuclear

■ Process.

The Round 3 NSAs – Hospitality, Sports and Leisure, and Retail were not included as they are still in the early stages of development.

The NSA employers were defined, in consultation with the LSC, as those who **are using or have used** NSA services or endorsed provisions, but **are not** national or executive board members (who were included in the stakeholder research). Where quoted employer respondents are designated either as a **Member** (where the NSA runs a general membership scheme) or **Associate** (where the employer is involved in an NSA project or programme or is a user of NSA services). Interviews were conducted with senior members of the employer organisation who had high level involvement with NSA services or endorsed provisions. These tended to fall into two categories: Managers/Directors (designated as **Managers** where quoted), and Human Resources/Learning and Development staff (referred to subsequently as **HR**).

Interviews covered the following areas:

■ general experience of the NSA – exploring their involvement with the NSA to date and their perceptions of the role and purpose of the NSA.

■ impact of the NSA on skills supply – exploring difficulties in recruitment and ways in which the NSA has worked to resolve these.

■ impact of the NSA on skills development – exploring current training schemes and ways in which the NSA has worked to improve these.

■ strategic relationship with the NSA – exploring the level of engagement between employers and the NSA, and the NSA's role in the wider context of sector support.

■ sustainability and future development of the NSA.

Table 1.2 shows the profile of employers' interviews for this stage of research, broken down by NSA and by nature of their position.

Table 1.2: Sample profile for employer interviews

NSA	Manager/Director	HR/L&D	Total
Construction	2	6	8
Creative and Cultural	2	5	7
Financial Services	0	5	5
Food and Drink	1	5	6
Manufacturing	1	7	8
Nuclear	1	8	9
Process	2	5	7
Total	**9**	**41**	**50**

Source: Ipsos/MORI, 2009

Employers within the survey varied considerably in size, ranging from small charities based in one UK location to large multinational companies.

1.3 The second year of the evaluation

The plan for the second year of the national evaluation includes:

■ a survey of NSA learners (subject to sample availability)

■ a further round of interviews with stakeholders (including re-interviews with the first wave respondents and a new set of interviews with stakeholders associated with new NSAs not included in the first round)

■ case studies (based on interviews with staff providers and employers) of NSAs

■ a further round of employer interviews.

The final evaluation report is scheduled to be written in the summer of 2010.

1.4 Structure of this report

This synthesis report is structured as follows:

- Chapter 2 provides an overview of the structure and organisation of NSAs, with a particular focus on their governance structures and engagement with key stakeholders.

- Chapter 3 focuses on the NSAs' approach to employer engagement. It considers the importance of employer involvement; the extent to which the NSAs are employer-led and currently meeting employer needs; and how employer engagement strategies could be improved.

- Chapter 4 explores the extent and nature of NSA involvement with learning providers, including the effectiveness of provider networks, the sharing of good practice and development of innovative methods of delivery.

- Chapter 5 considers the overall impact of NSAs so far, on areas such as skills supply, skills development, and the added value for both employers and providers.

- Chapter 6 assesses how NSAs are addressing their future sustainability; how effectively they are being marketed and promoted to employers; and the extent to which employers are likely to fund NSAs in the future.

- Chapter 7 presents the main conclusions which have emerged from the three research strands conducted in Year 1 and draws out their implications both for the NSA network and the next phase of the evaluation.

The report is illustrated with anonymised quotes from the employer and stakeholder surveys (although key characteristics of the respondent are indicated) and vignettes from the employer survey (in boxes).

2 NSA Structure and Organisation

This chapter presents:

■ an overview of the structure, organisation and activities of NSAs

■ stakeholders' views on NSA Boards and the extent to which these are representative of their respective sectors

■ a profile of key NSA stakeholders, their reasons for involvement in the NSAs, and their views on the NSAs' key role and objectives

■ consideration of the relationship between NSAs and their Sector Skills Councils.

2.1 How are NSAs organised and what are their main activities?

The Preliminary Report on the NSA network (based on research into the ten NSAs licensed by September 2008) considered the key features of the NSAs and whether, at this stage, it was possible to identify distinctly different models of operation. The ten NSAs were found to be operating on broadly similar lines, making it difficult to identify distinctly separate models. However, there were some differences in the extent to which academies:

■ focused on direct delivery of training programmes or worked through approved providers and therefore delivered programmes indirectly

■ sought to fund themselves – with all looking to charge fees for endorsing programmes or providers but with more variation about the extent and nature of funding from employers or individuals

■ fulfilled their objectives through developing additional products and services.

The research findings indicated that the differences between NSAs tended to reflect the context within which they were working, rather than more fundamental

differences in strategic approach or model of operating. Such contextual variations included: the shape and particular needs of their sector; how long they had been established; and the activities of the SSCs and other bodies prior to the academy being established.

The preliminary research also reviewed the main NSA activities undertaken and categorised these under the key aims and objectives of the network as follows.

2.1.1 Improving skills supply

All the academies, in this stage of the research, were working to improve the skills of the existing workforce in their sectors. Additionally, some were trying to increase the flow of applicants to the sector, by improving its image as a place to work or generating interest in the sector. Examples of the actions academies were taking to generate a higher volume of relevantly skilled applicants to jobs in their sectors included:

■ **developing skills passports** – ie records of an individual's learning (that can also provide assurance that they are competent to work safely and securely). Passports were being developed in the Construction, Nuclear and Process sectors.

■ **facilitating new entry routes** – for example, the Financial Services NSA had developed a new Introductory Diploma in Financial Services to offer non-traditional recruits a way into the sector.

One academy said that in the light of the recession and changing labour market circumstances they were thinking of placing less emphasis on new talent and more on upskilling the existing workforce.

2.1.2 Improving provision

All the academies visited in this phase of the research were working towards the key objective of improving the quality of existing training provision in their sector, by encouraging higher standards and by developing new courses, materials and modes of delivery. The majority of NSAs were not directly involved in training learners themselves and this meant that learners generally did not have direct involvement with an academy, unless they took up a skills passport.

Other activities directed towards improving current training provision, and making it more relevant to employers, included:

■ **establishing standards of excellence** – All the academies were working, or planning to work, with providers to set high quality standards and endorse some or all of their provision. While some academies endorsed particular

courses, most were focusing on endorsing providers. One NSA had developed a set of endorsement criteria for providers that included examining success rates, the extent of continuous improvement, equality issues, membership of other quality frameworks and their experience of delivering training to financial or other professional business organisations. Another academy was supporting providers to achieve a recognised quality standard (TQS) and provided ongoing support in the form of continual professional development.

■ **developing new courses or qualifications** – All the academies pointed to examples of where they were providing new courses or qualifications in order to fill identified gaps in provision. Some examples given included:

    □ new qualifications to meet particular skills needs within the industry (eg in the Food and Drink and Financial Services sectors)

    □ accredited workplace training (eg Process)

    □ continual professional development for trainers and assessors (eg Nuclear)

    □ development of foundation degrees (eg Manufacturing)

    □ new models of delivery, such as e-learning products (eg Food and Drink).

2.1.3 Reach of the NSAs

The research examined the extent to which academies were engaging with employers, providers and learners within their sectors, particularly in relation to:

■ **levels of learning** – Most of the training branded by academies appeared to be at Level 2 and Level 3 and a number were involved in promoting the delivery and development of apprenticeships. Below Level 2 some academies were developing 'bite-sized' training packages to meet particular needs. Above intermediate level, academies appeared to be more active. For example, one NSA was aiming to develop an 'Academy Apprenticeship' which would be a management-level apprenticeship for supervisors and team leaders to build progression routes from supervisory to management level and to attract a whole new range of employers and learners into the apprenticeship stream. Most of the academies had been working to develop foundation degrees and other courses at Level 4 and above. Other academies were involved in developing management and leadership courses in partnership with employers.

■ **working with a range of providers** – All the NSAs were working with colleges and independent providers who offered Level 2 and Level 3 courses. The majority also gave examples of where they had been working with Higher Education Institutions (HEIs) on developing foundation degrees and other higher-level courses. However, their involvement with higher education did

not seem extensive so far. Fewer NSAs were able to give examples of where they had been working with schools. Generally, involvement with providers outside the 'learning and skills sector' seemed largely ad hoc and informal.

- **operating at national or regional levels** – All academies visited in the initial stages of the research existed at a national level and most operated or were intending to operate a regional structure, although the structures did not necessarily cover all the English regions or Scotland and Wales. Some of the older established academies did have Scottish and Welsh operations. Some of the academies were looking to develop a more sectoral structure, on the basis that geography was often not a key parameter for their employers. In some cases the sectoral 'footprint' of the academy was not clear and an example was given of one employer who had been contacted by at least two academies asking for support within a short space of time.

Other key NSA activities, such as employer engagement and steps taken to secure future financial sustainability, are covered in more depth in other chapters of this report.

2.2 Governance structures and representation

As part of the stakeholder research, respondents were asked for their views about the governance of NSAs, the setting up of the Boards and the extent to which they were representative of their sectors. The majority of stakeholders thought that, on the whole, there was a good representation of organisations from across the industry on their respective NSA Boards, at both national and regional levels. It was generally believed that a wide range of stakeholders should be represented in order for the NSAs to achieve strategic impact, but it was also recognised that it would be difficult for individual Boards to reflect the entirety of training needs within a diverse sector.

Some stakeholders considered that it was still too early to tell how representative the Boards were likely to be, as they were still in the process of being established. However, some significant areas of under-representation were highlighted, for example, some stakeholders commented that there was a predominance of large companies on their Boards and that SMEs were less well-represented. There was recognition that SMEs tended to be more difficult to engage and that many lacked the capacity to participate in NSAs at this level. As a result, the training needs of smaller employers could be overlooked:

'SMEs are under-represented … SMEs are always difficult. In terms of number of organisations they are the biggest part, but in terms of employment they are not always the biggest. SMEs also find it hard to find people who are willing to actually engage and give up time, because they just do not have the capacity.'

NSA-level stakeholder, Board-employer, Round 2

Some respondents felt quite strongly that NSA Boards were too dominated by employers and that, so far, there was insufficient involvement from training providers. According to one provider, this under-representation could lead to a lack of understanding of education and training issues at Board level.

There were some differing views over which person in an organisation should sit on the academy Boards and drive their development. One stakeholder felt that by having senior executives on the Board, the NSAs were in danger of *'prioritising [their] public image at the expense of genuine engagement'*. He commented that training managers and HR professionals were better placed to be involved in developing provision, since they were familiar with the needs of their workforce and dealt with providers daily. However, another argued that public image was central to encouraging employer engagement across the industry and that the participation of senior executives from well-known firms was an effective way of achieving credibility.

2.3 Who are their key stakeholders and how do NSAs engage with them?

Through the stakeholder and employer research, interviews were conducted with a total of 108 individuals who were involved in some way with the NSA network, whether in their capacity as employers, providers, or representatives of organisations such as SSCs, RDAs or trade associations. The research sample included both Board and non-Board members and those engaged with NSAs at both national and regional levels.

The majority of individuals interviewed in the stakeholder research were NSA Board members, who saw their role primarily as helping to drive forward the strategic aims of the academies at either the national or regional level. Some of the training providers interviewed were not Board members but were included in the research in their role as NSA-accredited providers.

Many of the Board members had been involved with their NSA from the early stages, either as initiators of the original proposal or experts who had been approached to help design the plans. A number of employers (in the stakeholder research) reported that they had been asked to join the Board due to their influence in the industry and the contacts they would be able to bring.

All the employers who participated in the employer survey had engaged in some form of NSA service, although not all had accessed NSA-endorsed provision. NSA services which employers had accessed included:

■ using the NSA as a consultancy service, for example, to help identify training needs, establish their own apprenticeship schemes, or identify relevant funding

■ developing and piloting a new qualification in coordination with an NSA

■ receiving accredited project status (in the case of one employer).[1]

Many employers also had some form of strategic relationship with an NSA, often as a member of a regional group or steering committee, though some organisations were represented on the national Board of the NSA.[2] Employer representatives had mixed levels of understanding of the NSAs, which often reflected the extent to which their organisation was engaged in NSA services.

It should be noted that not all employers in the employer survey were members of the NSA and reasons for non-membership included: waiting to see how initiatives developed; being unable to justify the membership fee in the current economic climate; and not being able to measure the benefit of the investment.

2.3.1 Reasons for involvement with the NSAs

Many stakeholders said that their involvement with the NSA network was motivated by a concern about their industry's future skills needs, in particular a need to attract in young talented people and train them to the standards required by the industry. Some saw the potential value of NSAs as a 'one stop shop' for skills in the industry, which would align provision more closely with employers' needs and make the skills system easier for employers – particularly SMEs – to navigate. This point was echoed by respondents in the employer survey, who viewed the network as a way of simplifying access to advice and support on training and development:

> *'… a sort of one stop shop for people to access the sort of training programmes, the help and support, the funding that they need to address the skills shortages … I*

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[1] Accredited Project Status refers to large construction sites which have been given accreditation by the Construction NSA to run on site training.

[2] The original aim was to not include Board members within this research strand. However, the nature of the sample meant that many of these employers had been engaged in NSAs at a relatively early stage in their development and had often been invited to become founder members.

think the idea of being a single point of contact that's very well linked with
everybody else involved with the skills agenda in a region is a very helpful one.'

Employer, Manager, NSA member, Round 2

NSA Member, Round 2

This employer became involved in the NSA because they wanted to expand work-based training provision. They feel that the NSA's role is to provide people who want to work in the sector with the right practical training rather than focusing predominantly on theoretical learning. They believe that the NSA does have a clear role but that few employers know or understand what it is aiming to achieve. They would like the NSA to have a future role in providing quality kite-marks for training across the sector as a whole.

Many respondents from the employer survey were motivated to improve the training and development programmes they already had in place and to ensure that their schemes were in line with the needs of industry:

'What we wanted to do was to ensure that we were, shall we say, providing the right type of learning within the Nuclear industry. So to do that there was a decision taken by the Business Management Group after my suggestion to join the National Skills Academy for Nuclear to ensure that we were doing things consistently with what the industry wanted.'

Employer, HR, NSA member, Round 1

The involvement of many employers with the NSA network was a natural continuation of their previous involvement with training bodies prior to the NSA, and for others, engaging with the NSA was a natural step to build on and formalise pre-existing practices.

As for *how* they got involved with NSAs, some employers had been approached and encouraged by their Sector Skills Council, while others had been approached directly by the NSA due to their involvement with other (past and present) trade bodies. The remaining few employers had come across the NSA website when researching training or had read about them in the trade press.

2.3.2 Perceived role and purpose of NSAs

There was broad agreement among stakeholders and employers alike that the main purpose of the NSAs was to fulfil the national policy priorities of upskilling the workforce and increasing the supply of skills in order to improve productivity and make the UK more competitive:

'The purpose is to be a conduit between business and the future, if you like, so [they're] there to support business improvement activities, to make sure that the

Manufacturing sector is healthy and has the support, advice and guidance that it needs in order to improve its competitive advantage.'

Employer, HR, NSA associate, Round 1

There was often a difference of emphasis among stakeholders and employers about what the key objectives of the NSA network should be, within this broader agenda. However, a number of common themes emerged from the two research strands, indicating that the main NSA role should be to:

- **help develop a more demand-led skills system and drive up employer demand for training**, by providing opportunities for employers to articulate their own skills needs and to influence the skills agenda more broadly. NSAs should become the user-friendly face of the skills system, making it easier for employers, particularly SMEs, to navigate funding. In addition, many stakeholders felt that NSAs should play a role in promoting apprenticeships and NVQs.

- **improve the quality of training provision for the benefit of both employers and learners.** There was agreement that NSAs should ensure that providers involved in the network were of the right calibre for the industry. This would be achieved by agreeing a consistent and transparent set of quality standards and criteria across the country, with a view to giving employers confidence in assessing which qualifications and providers to use. The creation of industry-wide qualifications frameworks (including 'skills passports' in some sectors) would also help to establish clear progression pathways for employees, attracting individuals to the industry and making it easier for the existing workforce to progress.

> **NSA Associate Round 1**
>
> This company employs 3,500 in the UK, rising to 20,000 worldwide. They became involved in the NSA when they were looking into developing a new qualification. They believe that the role of the NSA is to act as a bridge between the industry and training providers to ensure that the needs of industry are met. However, they feel that the role of the NSA is currently unclear even to engaged employers though they acknowledge that the NSA is aware of this and is taking actions to address it.

- **establish a network.** Both stakeholders and employers saw a central role for NSAs in building up a strong provider network which would perform two key functions. Firstly, it would enable employers to source suitable provision and secondly, it would promote the sharing of best practice in training and development among both providers and employers. Most stakeholders considered partnership working to be an integral part of the NSAs' development and on the whole thought that they had been responsive to

partnership working and stakeholder engagement (although, in the stakeholder research, employers were more positive in their views about this than providers).

- **offer a brokering and consultancy service to employers,** which would help them to identify their training and development needs. They should also be involved in supporting employers to identify the specific courses and providers that could best meet their training needs.

Many stakeholders and employers observed that the role of the NSA network was still in the process of evolving and had some way to go to fully meet its objectives. There was recognition among employers that many NSAs (particularly from Round 2) were still trying to establish themselves, in terms of both ensuring they had engaged the right representation from industry and identifying the training gaps and needs:

> *'I still think it's quite young, it's very embryonic.'*
>
> Employer, HR, NSA associate, Round 2

However, some employers vented their frustration with the length of time it was taking to move to the 'doing' rather than the 'scoping' phase of NSA activity. Within the stakeholder research too, there were some views expressed that the NSAs were too sparsely resourced to make any great progress and that they needed more staff on the ground, dedicated to building links with industry, in order to translate *'awareness and responsiveness into capacity to respond'*.

2.3.3 The perceived relationship between NSAs and their SSCs

Both the employer and stakeholder surveys asked respondents for their views about the relationship between NSAs and their respective Sector Skills Councils (SSCs).

The majority of stakeholders felt that the relationships between the two bodies were close and that, as the NSAs were wholly-owned subsidiaries of the SSCs, this was inevitable. This was seen mainly as a positive, insofar as the organisations were able to share ideas and support one another. However, many indicated that the relationship was likely to evolve as the academies gained momentum.

In terms of remit, most understood the role of the SSC as a strategic one concerned with identifying the needs of the sector and developing qualifications frameworks, while the NSA was effectively its 'delivery arm', responsible for developing provision and assessing the quality of providers. However, a number felt that this distinction was not strictly adhered to by the two bodies, and that there were examples of mission drift, whereby academies were often duplicating work technically within the remit of the SSC, such as identifying the skills required by

employers. In these cases, stakeholders were concerned that duplication might pose problems in the future, particularly as such unclear boundaries would lead to confusion for employers:

> *'It is important that employers see the difference, and this is not always the case. If they receive two membership bills, they are going to wonder why.'*
>
> NSA-level stakeholder, Board-employer, Round 2

This point was reinforced by the employer survey where, again, many concerns were expressed about the lack of clear distinction between the respective roles of NSAs and SSCs. It was felt that this confusion was exacerbated by a lack of distinct NSA branding, for example, through the sharing of offices, email domain names and business cards. Such confusion led many employers to call for NSAs to put in place clearer marketing strategies (this is discussed in more detail in section 6.3).

In addition, several employers were also concerned about the lack of political clarity surrounding NSAs, with the potential for the skills agenda to shift under a change of government. This was seen to be a potential barrier to employer engagement among those who felt that their resources, both in terms of time and effort, could go to waste:

> *'I think the difficulty that you have in the back of your mind is that the government will change, the funding that's available for different qualification changes on an annual basis … and therefore you think, well actually no one government sticks with these things long enough to have it come through ….'*
>
> Employer, HR, NSA member, Round 1

As a result of this potential confusion over their future role and remit, some employers were hesitant to fully support NSAs before seeing in which direction they developed.

However, for other employers, NSAs were seen to complement the skills agenda well and provide a new service to employers that they were unable to source elsewhere. Overall, employers felt that time should be given to NSAs to establish their role, remit and purpose. Although many found the initial ambiguity undesirable, there was a general understanding that NSAs needed time to build relationships with employers, establish their structure, scope and what they needed to achieve. For some Round 1 employers, this was certainly now the case; where the NSA and SSC delivery programmes had initially appeared confusing, employers now reported greater clarity.

3 Employer Engagement

National Skills Academies are designed to be employer-led organisations, engaging with employers and responding to their needs. In this section we review the evidence collected over the first year of the evaluation on why employer engagement is so important to the NSA movement, whether in fact they are employer led, what could be done to get even more employers involved and the extent to which NSAs are meeting employers' needs.

3.1 How important is employer involvement and why?

Employer engagement was considered by stakeholders to be critical to the success of the NSA network, for three main reasons:

- **Profile** – the presence of well-known and respected individuals from large organisations on the NSA Board was expected to raise the profile of the academies and help give them more credibility.

- **Financial sustainability** – it was felt that this could only be achieved through effective employer engagement (whether or not employers made a direct funding contribution) because providers would only have sufficient confidence in the NSA network to join up if they felt that employers were behind the initiative.

- **Developing new types of training provision** that more closely matched the needs of industry would be enhanced by employer involvement, otherwise, neither employers nor providers would buy into the concept:

  *'[Employer input] **must** have a huge impact. The NSA needs to quality assure products, that is how they are going to make their money, and if they are not employer driven, then they have no credibility.'*

  NSA-level stakeholder, Round 2

By working in partnership with employers, it was thought that training providers would be encouraged to adopt a more flexible approach, in terms of both content and format of delivery, for example through the increased prevalence of e-learning, on-site courses and 'bite-size' training packages.

Employers also thought that an NSA's ability to engage with employers across the sector was a key route to success. While many said that NSAs had made significant progress in this respect, employers generally also argued that gaining full employer representation requires time.

NSA member, Round 1

This employer attends regional meetings and their organisation has representation at the national level. They believe that the NSA is very passionate about being employer-led and wants to listen to and act on what employers say. However, at present they feel that there is poor coordination within the NSA at the local and national levels as well as between the NSA and the Sector Skills Council. Consequently, there is duplication in terms of the relationships these organisations have with employers. This employer would like the NSA to make greater efforts in engaging with SMEs – they feel that smaller employers cannot afford the time to engage fully with the NSA.

3.2 Are NSAs employer-led?

Being employer-led not only implies that employers have significant representation within the governance structures of the NSA but also that through this representation and wider consultative processes, employers are able to shape the agenda and activities of the NSAs.

Stakeholders thought that employer representation on national and regional boards was strong evidence that NSAs were employer-led, although there were some concerns expressed that NSAs simply paid lip service to employer engagement through setting up an employer Board, and that there had not been sufficient efforts to connect with employers on the ground and foster closer relationships between employers and training providers.

> *'They have a lot of employers sitting on the Board and it looks impressive, but the danger is that they are [not] working with employers on the ground. The real test is the number of employers that are signed up to the NSA and using accessible work-friendly training programmes, and this is certainly not happening across the Board, although it is for some of the larger companies.'*
>
> NSA-level stakeholder, Board-employer, Round 1

In general, employers too felt they had a voice in running NSAs through national and regional boards and steering groups but also expressed some doubts about

the extent to which NSAs were fully representative of their industry sector. In particular, some employers were concerned that:

■ There was an under-representation of **small and medium-sized enterprises** (SMEs). This was of particular concern to those in the Creative and Cultural sector where the majority of businesses are small.

■ There were often **regional imbalances,** for example, representation of Nuclear sector employers from the North East in comparison to the myriad of those in the North West.

■ Specifically within the Construction sector, there was too much emphasis on builders and not enough on **civil engineers.**

■ Again within Construction, there was inadequate **representation of the primary clients** (ie the commissioners of the work) compared with contractors (who undertook the work), as the former can determine the skills agenda for the latter.

Some employers also suggested that although the process for hearing and responding to the views of employers was very much in place, it was the NSA or SSC staff who ultimately made the decisions. The least sceptical of these employers acknowledged that it was inevitable for NSA staff to be making decisions and leading the NSA agenda because they were ultimately responsible for delivery.

> *'Certainly the core administration and organisation is very much linked and falls out from [the SSC] as opposed to the employer ... I don't think that it is necessarily employer-led.'*
>
> Employer, HR, NSA associate, Round 1

Other employers were not as accepting, and felt that there was the potential for NSAs to be selective in what they take forward.

> *'I would say they, they certainly listen and the feedback is there. I think it's a little more difficult to know if, how much, that feeds up … their decisions are really driven by trying to ensure they've still got the budget which allows them to do what they're going to do and everything else that's about it, so I think in truth that will always be their biggest driver.'*
>
> Employer, HR, NSA associate, Round 1

A number of employers cited examples of NSAs proactively seeking to shape decisions against or without the support of employers for other reasons (eg several Nuclear employers felt that this was the case with skills passports where the NSA had attempted to push forward something that was reported not to be universally supported by employers).

3.2.1 Is employer leadership a good thing?

However, not all stakeholders agreed with the emphasis on employer leadership and one respondent thought that it was unrealistic to expect a board of employers to *'lead an organisation within an incredibly complicated skills system'* according to this view, employers should have more of an advisory role, while allowing policy-makers to develop the NSAs strategically. Some employers too felt that NSAs should (and indeed did) act as a bridge between employers and the education and training sectors, and therefore needed to play more of a partnerships role acting on behalf of the whole sector not just employers.

> **NSA member, Round 1**
>
> This employer has gained accredited project status for its on-site training and receives funding from the NSA. However, they do not feel that employers are sufficiently encouraged by the NSA to develop in-house training capacity. Furthermore, they do not think that the NSA is employer-led although they believe that this shouldn't necessarily be the goal as employers cannot be expected to always act in the best interests of the industry sector. The role of the NSA, therefore, is to be industry-led rather than employer-led.

3.3 How to get more employers involved

Most employers also felt that NSAs were doing a good job in getting employers involved, and that engagement with employers was ever increasing as NSAs continue to develop and become more established within their sectors.

An interactive approach, eg through workshops and seminars, was seen as a particularly effective channel for engaging with employers. Most employers had been to some form of NSA event and were pleased with the opportunities presented to engage with the process and take part in meaningful discussion about the direction and development of NSAs.

> *'We're encouraged to attend forums, and I've been to one of those, which I found very useful, and, at the forum, we're encouraged to talk to our peers to see what we can gain from other people running similar sorts of projects, or perhaps projects that are nothing like what we're involved in.'*
>
> Employer, HR, NSA associate, Round 1

3.3.1 What are the barriers to engagement?

Despite enthusiasm for the level and nature of employer engagement, employers were aware of the potential barriers to engagement with NSAs, both strategically and as an end-user, including:

- **lack of time** to digest the numerous skills-related marketing materials and invitations that they receive in order to decide which they should get involved in. Events tended to be a full day affair and they felt that this deters many employers from attending.

- **money** such as membership fees and costs associated with providing work-based training.

- **lack of understanding** about the benefits of engaging with the NSA.

However, they also acknowledged that, in the current economic climate, employers are likely to put their personal needs above those of the industry.

3.3.2 What can NSAs do to better engage with employers?

Employers suggested four ways in which NSAs could improve their engagement with employers:

- **develop a better strategy for communications** to overcome the lack of understanding among employers generally about the NSA 'offer' and to 'sell' the benefits of involvement. If sold correctly, employers felt that even those with tight budgets and little time would be more likely to be involved because it was worth having. However, employers noted the limited resources available to NSAs and felt that it would be difficult to engage personally with all employers.

- **improve coordination** between other bodies, especially SSCs: this was also seen to be important. Employers were frustrated that they were often asked similar information by regional, national NSA and SSC staff. This, in turn, affected their perceptions of NSAs' effectiveness and led them to question their involvement with NSAs.

  'So, you give feedback and then two months later you're invited to another session to get feedback, and you find you're answering the same questions again. And then low and behold I went to another event, run by the Skills Council, and they've paid, which was really annoying, an external company to send a chief and a secretary down to run this session with PowerPoint videos etc, asking the very same questions. Frankly are they talking to each other? That is frustrating.'

  Employer, HR, NSA member, Round 1

- **ensure that NSAs engage with smaller employers** for whom the barriers to engagement were exacerbated by their limited resources.

'This is an industry [in] which over 80 per cent of employers employ less than five people. So, if you're going to involve people from a Creative sector it's making sure you can address all those barriers around the cost.'

<div align="right">Employer, manager, NSA member, Round 2</div>

■ **devote more resources to steering groups.** For some employers, steering groups were more likely to secure a positive response from disengaged employers because employers were being approached to take part in the skills agenda by fellow employers rather than the NSA or SSC.

3.4 Are NSAs meeting employers' needs?

The majority of stakeholders and employers felt that it was too early to assess whether the academies were meeting employer needs, but that they were moving in the right direction. Although many examples were given of organisations which had benefited as a result of engagement with an NSA, the general view was that their success could not be fully gauged until elements such as new qualifications frameworks and skills passports had been set up, and a greater number of employers across the industry had signed up. Employers pointed to both issues as key markers for success in the future for the NSA community.

Employers from both Rounds 1 and 2 generally felt that it was too early to evaluate whether NSAs meet the needs of employers. Early indications, however, were mixed.

Several employers felt that NSAs had been responsive to the needs of employers. For example, NSAs had taken specific care to ensure they took account of regional differences when establishing local Boards, or had changed the format of regional meetings at the request of employers to ensure they were better engaged. One employer also mentioned that the NSA had successfully challenged funding criteria on their behalf so that they were able to open their apprenticeship scheme to those making a second career change.

However, employers also noted instances where they felt NSAs had either overlooked their opinion or were unable to meet their needs. In particular, some were frustrated at the lack of coordination between funding inside and outside England, and others felt that compulsory management courses had been introduced without the full consultation of employers.

3.4.1 Two tests

Two potentially useful measures of whether employers perceive NSAs to be meeting their needs emerged from the interviews, which could be applied over the coming year. The measures are the extent to which employers:

- give preference (eg in recruitment or wage settings) to learners from NSA accredited training providers

- support NSA efforts to establish skills passports.

Accreditation of provision

One of the main aims of the NSA network is to develop quality provision which is tailored to the needs of employers. Although several NSAs have already begun accrediting providers and developing qualifications, employers' views of NSA-endorsed provisions were mixed.

Several employers said that they would make a positive distinction in favour of candidates who had undertaken NSA-endorsed or accredited provisions because it conveyed that the training was relevant to the industry. Others said that it would not be the deciding factor for them. Instead, they would be more focused on the applicants' work experience. Most employers, however, felt that they would need to wait to see if the quality of applicants was any higher, or if accredited provision was widespread enough, to be able to discriminate against someone who did not take the course.

Skills passports

Several NSAs have been involved in the development of skills passports which aim to provide employees with a transferable record of their qualifications and experience, and which can be easily assessed by future employers. Although some of the employers interviewed fully supported the idea and believed that their development was achieving this goal, others questioned the extent to which skills passports were actually appropriate or needed by the sector:

> 'I don't think it would be easy to sell to people. I wouldn't have thought 99 per cent of people who are in the trades doing the work would be in the slightest bit interested, I would guess … I think the CSCS card is probably sufficient because it says that this person's competent. I think, first of all, the CSCS card hasn't really established itself fully, there's still a lot more work to be done there. So why is someone going around trying the next stage when they haven't even got the first stage sorted properly?'

> Employer, HR, NSA associate, Round 1

Furthermore, some employers questioned the motives behind the introduction of skills passports, suggesting that employers' needs were not at the forefront of the NSA agenda:

> 'I'm not convinced they've thought it through. I think what they've done is done something that I think was appropriate to the industry a couple of years ago and

how it's actually going to work is going to be interesting … I don't think there is anyone actually asking for it, certainly not … I think really what's driving the skills passports is they're just looking at quick ways to make some money.'

<div align="right">Employer, HR, NSA associate, Round 1</div>

3.4.2 Meeting the needs of employers during the economic downturn

The extent to which the current economic climate affected employers varied. Only a few employers commented that they were struggling and most felt that they were now able to benefit from more choice in their recruitment decisions as a result of the slack in the labour market. However, there was agreement that not all employers were as fortunate, particularly employers in manufacturing.

With this in mind, employers generally felt that there was little NSAs could do to help them through the recession. However, importantly, NSAs were seen by employers to be forward planning to ensure that they are well-prepared to assist employers within their sector as it comes out of recession.

4 Provider Engagement

This chapter presents evidence from the stakeholder research of how NSAs are working with providers. In particular, it explores stakeholders' perceptions about the range of providers involved with the NSAs, the role of the NSAs in facilitating the sharing of good practice between providers, and the perceived and actual added value that providers get from being involved with the NSAs.

4.1 What is the extent and nature of NSA involvement with providers?

Most stakeholders thought that there were a sufficient number and range of learning providers involved for the early stages of the NSAs, although there was recognition of the work which still needs to be done to recruit more providers in many of the sectors in the future. A small but significant number of stakeholders, particularly from Round 2, considered it too early to tell if the number and range of providers was sufficient. The number of providers reported to be involved with the NSAs varied and tended to depend on the breadth of coverage of provision within that sector. Whereas some NSAs only had access to a limited number of providers who delivered training for their sector, other stakeholders referred to high targets for provider involvement – up to 30 providers in some cases.

Some stakeholders were keen to emphasise that the quality of providers should not be sacrificed for quantity, and this was consistent with the general consensus that the NSA brand should become a symbol of high quality provision. In this respect, there was reference to the standards that providers were required to meet and the rigorous process they had to undertake to become champions or members of the network.

Some concerns were raised about the fees and subscriptions providers were required to pay to become NSA members or 'champions' and the consequent potential impact on quality. Some stakeholders felt that this approach was placing

less emphasis on quality and more on the ability of providers to pay. One provider, whose organisation had paid to become a 'champion', commented:

> *'What I originally thought that the NSA was going to be about was taking the better practice people forward, but of course their membership is widening all the time … now because of the payments system that's taking place, anybody can join …'*

<div align="right">NSA-level stakeholder, provider, Round 2</div>

It was pointed out that fees for being 'champion' providers were much steeper than for becoming an ordinary provider member, and it was thought that this could act as a disincentive for smaller providers, who may in fact have the highest quality training to offer. This in turn could have a damaging effect on the branding of the NSA as the place to go for top class training. According to this view, more work needs to be done on the NSA brand as a whole, so that it will represent a mark of quality which relies on rigorous selection criteria rather than ability to pay.

Some providers who offered training across different sectors had an issue with paying membership fees to a number of NSAs, particularly FE colleges who were accountable for how they made use of public money. Concerns were raised by a significant minority of such providers that at some point they would be asked to justify their expenditure on membership of various different NSAs:

> *'We're in early days where we haven't seen a return yet and I should think that within a few years that question would be raised, as to what that money has actually been able to do for us.'*

<div align="right">NSA-level stakeholder, provider, Round 2</div>

4.2 Are NSAs facilitating the sharing of good practice between providers?

Some stakeholders thought that the NSAs were encouraging the sharing of good practice between providers involved in their networks, though many thought that it was still too early to tell. There appeared to be inconsistency of performance across the network: some examples were given of effective sharing of good practice, but there were also reports of it not taking place at all, for example where NSAs were focusing more on developing their provider network and capacity-building first.

There were some differences between different types of stakeholder in terms of their awareness of strategies for sharing good practice. For example, employer stakeholders were often unaware of how sharing good practice was happening, if

at all. Provider stakeholders, on the other hand, spoke more about sharing of good practice as being part of their own remit, especially as 'champions'. The expectation was that as NSA 'champions' they would have to be willing to share good practice, help develop provision and not compete with other NSA providers.

Examples of how the NSAs were working with providers to share good practice included the following:

■ A 'hub and spoke' model of NSA was felt by some stakeholders to facilitate better communication of good practice between the central 'hub' and its provider 'spokes'.

■ Some NSAs have held events and workshops for providers to facilitate the sharing of good practice.

■ Some providers have worked together on coordinating training delivery and developing agreed standards for particular qualifications.

■ Some NSAs have recruited specialist staff, such as skills coordinators, to promote the sharing of good practice and liaise with both providers and employers.

There was also some evidence from stakeholders that the sharing of good practice was taking place across the NSA network as a whole. For example, the CEOs of the NSAs have a group which meets to try and learn from others and share good practice. However, a few national stakeholders felt there should also be more networking between NSAs at the operational level.

There was some discussion during interviews about the potential for tension between competition and collaboration among providers who have traditionally operated in competition with other providers. One stakeholder suggested that providers would be more likely to share good practice with providers from different sub-sectors within their NSA, rather than from within their own industry whom they may see as direct competitors. However, one organisation had formed its own 'mini skills academy' to share good practice within their industry. They stated that they had seen benefits from this that they had not yet seen from being a member of the NSA:

> *'We're actually seeing real benefits from getting together and collectively working on things, and sharing our products, in many ways, our intellectual capital. It's proved a real boon, but to be honest, we could have done that whether there's a National Skills Academy network or not.'*

> NSA-level stakeholder, other, Round 2

The main point which many stakeholders wanted to articulate was that it was still early days to understand how effectively good practice was being shared. NSAs and providers were only just starting to roll out provision and, as discussed earlier, some were still in the process of recruiting providers.

5 Evidence of Impact

In this chapter we review the early evidence from our interviewees on the impact of NSAs on skills supply and skill development and the added value they have generated for training providers and employers.

5.1 What has been the impact of NSAs on skills supply?

Although the employers we interviewed felt that they had more choice in recruitment due to the current economic climate, most had experienced some sort of difficulties in recruiting the right type of people over the last 12 months. Some of the difficulties were generic, affecting nearly all the sectors covered, for example:

■ **lack of readiness for work** – eg employers felt that young applicants often had a lack of understanding of what is expected from them in the workplace.

■ **lack of management skills** – employers felt that there was a general lack of good quality middle managers, as well as a lack of employees with the skills required to progress into management roles.

■ **lack of practical/applied skills** – employers were concerned that applicants' knowledge was predominantly theory-based and contained limited applied understanding.

Others were more specific to particular sectors, for example employers in the Creative and Cultural sector reported difficulties recruiting people into technical, administrative and other support roles. They felt that this was due to a perception among young people that the sector is undesirable and poorly paid for non-creative jobs. Also Creative and Cultural employers in non-major cities felt they had difficulty attracting the right employees both locally and beyond.

Others still had more general concerns; for example several employers felt that their sector was not seen as an attractive career path to young people. This was

particularly the case in sectors that use factory-based methods which employers felt were seen as boring, or in the Nuclear sector where employers believed there was a 'fear factor'.

Few employers felt that their recruitment decisions and the supply of skills had been particularly hit by the economic downturn, although most commented that they could afford to be 'more picky' in their recruitment decisions. However, concern was raised among those who relied on apprenticeships – these employers felt that it was now more difficult to fund apprenticeship places.

Many of the employers interviewed suggested that it was too soon to assess the impact of NSAs on skills supply. Employers felt that it would generally take several years before they would begin to see real change in the quality of applicants.

> *'I'll actually only be able to really judge that perhaps in another 18 months to two years' time when I see those individuals really applying that learning.'*

> Employer, HR, NSA associate, Round 1

Employers were hesitant to comment on the quality of applicants who had undergone NSA-endorsed provision over others. They felt that, ultimately, it would depend on how endorsed provision developed in the coming years.

> *'It depends on what guarantees there were and what that approval was. If it wasn't really worth the paper it was written on then it might be a disincentive, to be honest. There are so many things flying around, so many different accreditations that actually I'd have to really be convinced that it was a worthwhile accreditation'.*

> Employer, HR, NSA member, Round 2

Nevertheless, employers were keen to point out that they felt NSAs were moving in the right direction in terms of resolving some of the recruitment difficulties outlined above.

■ At the broadest level, even if employers felt little specific action had been taken to-date, by bringing the issue of training to the forefront and bringing the key members of the industry together, NSAs were making the invaluable first step towards having a positive impact on skills supply.

■ More specifically, a couple of employers in the Food and Drink and Financial Services sectors were positive about the help with funding, content and provision that they had received from the NSA in piloting new qualifications which had each been set up in direct response to a particular skills shortage.

■ Several employers within the Nuclear sector also noted the work that was being done by the NSA to support the establishment of apprenticeships, especially in relation to financial support in the current economic climate.

5.1.1 What else can NSAs do?

In spite of these early signs of positive impact, employers believed that there was more NSAs could do to help develop the supply of skills to their industries.

Most of those employers having difficulties with promoting the image of the industry felt that NSAs should have a stronger role in improving the image and appeal of the industry to potential new recruits, eg through:

■ better engagement with schools and other educational establishments to dispel some of the myths about the sector and encourage young people into the industry.

■ ensuring that apprenticeships are as desirable and accessible to employers as possible. Some employers suggested that NSAs should help source funding for apprentices' salaries.

■ encouraging training providers to be more responsive to the needs of employers. A few employers were concerned that providers were driven by their business needs and did not share the same ambition as employers in relation to quality of provision, moreover being concerned with 'bums on seats'. It was felt that it would be too exhaustive for employers to keep checks on providers and that NSAs could embrace a wider monitoring role.

5.2 What has been the impact of NSAs on skill development?

It was easier for some employers to make *tentative* assessments on the short-term impact of NSAs on the development of their employees.

NSA Associate, Round 1

This employer has struggled to find applicants with good sales and general management skills. The NSA initiated an internal skills assessment for their organisation and subsequently sourced the relevant training and provider on their behalf. The employer was extremely positive about the NSA and felt that the NSA went beyond the brief in the support they have given to them.

The employers we interviewed conducted a wide variety of training, ranging from on-the-job technical to NVQs, City and Guilds and HNDs. Employers often used a combination of formal and ad hoc training, the latter being more prevalent in

smaller organisations where training schedules were based on individual appraisals. While use of off-the-job provision varied by size of employer, almost all employers offered a combination of both in-house and external training with some arranging for external trainers to conduct the training on-site.

Not all of those who used external provision chose to use NSA-endorsed provision – indeed a few employers were unaware that such courses existed. Some employers proactively sought out NSA-endorsed provision, several reported that their training provider had recently gained accreditation, whilst others preferred to use non-accredited providers though stressed this was not a negative reflection of NSAs. Rather, employers tended to base decisions relating to training provision on:

- past experience/history – employers were often keen to remain with providers with whom they had built up a good working relationship.

- recommendation – often from other employers.

- location – some employers also cited a preference to support their local training providers.

- value for money – often relating to the extent to which the employer is able to secure funding.

- course content – the relevance of the course to their business.

Amidst all the different training on offer, employers often felt that they struggled to make the right choices and looked to NSAs to help them identify the most appropriate provision for them.

> 'Yes, I actually think that this is going to help industry to spot horses for courses …
> I want to support the National Skills Academy in being able to filter out or
> differentiate, understand the differentiation of different training providers, because I
> do get a bit concerned that they're almost a bit like double glazing people: they all
> want to sell, they all say they've got exactly the same set of training services.'

<div align="right">Employer, HR, NSA associate, Round 2</div>

5.2.1 What impact have NSAs had on employer training?

The extent to which employers engaged with the NSA in setting up skills development training varied significantly. However, the employers interviewed were generally extremely positive about the way they were treated by NSAs and the advice that they received.

At the simplest level, employers were encouraged by NSAs' ability to offer **advice** on the most suitable provision through the establishment of an employer-provider

network. Employers felt that it was easy to contact NSAs about any training queries, drawing on their expertise and provider contacts.

NSA Associate Round 1

This employer has experienced difficulty in recruiting for technical roles which require specific scientific knowledge. Subsequently, they decided to develop a new qualification with the support of the NSA. They feel that the NSA has been very helpful in designing and sourcing funding for the qualification although they remain unclear about the criteria for gaining NSA-accredited status. They are happy with their current external training provider and would base future decisions on value for money rather than NSA branding.

Employers who have used NSA-**accredited provision** generally reported improvements in the quality of the provision – most felt that the qualifications and training offered by accredited providers were more relevant and tailored to their needs.

> *'The quality of the delivery is very good. The content of the courses, we actually insisted that the provider that we used actually used NSAM material because I've used a lot of the manufacturing material previously and the stuff that's been developed through NSAM is absolutely for me industry best practice, so we've gone through that and that's been accepted by the third party provider and it's working very well.'*

> Employer, HR, NSA associate, Round 1

Employers whose providers had recently gained accreditation said they had not detected any change in the quality of provision, though they admitted that this may be because the provision was already of a high quality.

Employers were also satisfied with the **assessment and brokering** expertise of NSA staff. Several had used NSAs to facilitate internal discussions to identify training gaps, needs and solutions. On the whole, these employers were extremely positive about the help they received from NSAs during this process.

> *'The NSAM team has done a fantastic amount of work for us in terms of helping us with looking at training providers, making sure that the right partnerships are in place, actually relationship managing and actually going beyond the brief as far as I'm concerned in terms of making sure that we absolutely are partnered with the right people and that they're managed appropriately.'*

> Employer, HR, NSA member, Round 1

Furthermore, employers were mostly positive about the ability of NSA to identify **funding**. Employers felt that using NSAs simplified a usually complex process

and, on a number of occasions, this had made the difference between a course going ahead or not.

5.2.2 What else could NSAs do?

Although employers were positive about the initial impact of NSAs on skills development, they also felt that there was room for improvement. These suggestions build on services already offered by NSAs; in particular employers mentioned that:

■ there should be greater clarity on the criteria for NSA accreditation to enable employers to understand the added value

■ NSAs should help to coordinate funding for employees outside England. This was particularly the case for large employers based across the UK

■ NSAs should work to widen the number of accredited providers to give employers greater choice. Linked to this, they should embrace a wider quality assurance and monitoring role.

5.3 What added value do employers get from their NSA?

The most important source for added value for the majority of stakeholders was increased relevance and flexibility of provision.

The qualifications frameworks being developed by NSAs were also expected to help in several ways, for example providing standardised training would avoid the repetition of training, saving resources.

The development of skills passports was expected to ensure continuity of the labour force, and to help employers assess the skills of new recruits and manage training needs for particular roles.

Stakeholders also anticipated that NSA membership would help raise employers' profiles. Once the badge was better known, it would be understood by industry as a symbol that employers bearing it were of high calibre and dedicated to developing their workforce.

5.3.1 Wider benefits

Many stakeholders (and also some of the separate employer interviewees) described the wider benefits that being involved in an industry-wide network of employers and providers could bring. These included increased access to quality-assured training providers and clearer information about services such as Train to Gain, helping organisations to understand what they are eligible for. Furthermore,

stakeholders felt that SMEs that had not been part of such a network before may be better able to situate their business in relation to other organisations in the sector, helping to develop training plans and benchmark their training activities against an industry standard.

Large organisations, stakeholders felt, would be better able to make their views heard and to influence the skills policy of the industry as a whole.

A few stakeholders commented that, while employers might be able to find each of the above benefits elsewhere, the real added value of the NSA should be a 'package' that amounted to more than the sum of its parts:

> *'[Employers] get people who can talk to them intelligently about skills at senior level. They get a stamp of quality. They get a high degree of flexibility – they can talk to the [National] Skills Academy, say what it is they want, and the NSA will develop provision with a training provider. So it's a more streamlined service for the employer.'*

<div align="right">NSA-level stakeholder, provider, Round 1</div>

Employers pointed to some of the longer-term benefits of a higher quality supply of skills and improved skill development in their sector, including:

■ improved productivity – eg from staff becoming fully productive quicker

■ better safety records and quality of outputs

■ improved employee retention and progress – as employees' skills develop.

5.4 What added value do providers get from NSA involvement?

Many of the stakeholders had clear opinions about what added value providers should get from being involved with the NSA network. It was thought that some of these developments were starting to happen but that they would take time to become embedded. The main benefits of NSA involvement included:

■ **a badge of quality**. Stakeholders felt that membership of an NSA should signify that the provider is a centre of excellence, offering high quality training provision. The NSA 'badge' should also signify to employers that the training has been designed to meet employer needs and to be as up-to-date and industry-relevant as possible.

■ **enhanced publicity/profile**. By tapping into the wider brand of the NSA network, providers could gain extra, positive publicity. They could also tap into the marketing and communications arm of the NSA. This was viewed as

something that would reap more benefits as the brand awareness of the NSA network increased.

■ **better provision**. By becoming involved with the NSA network, providers were demonstrating their commitment to responding to employers' skills needs. They should develop curricula which would meet the needs of employers and this would result in provision which was more relevant or fit-for-purpose.

■ **increased student numbers**. Stakeholders felt that the badge of quality, increased publicity and better provision should all lead to increased business for providers, ie more companies buying their provision, and more people undertaking their courses. By offering provision that had been developed in response to employers' needs, they would have more students getting work in their industry, a key measure of success for many providers. By becoming part of the national NSA organisation, local providers could grow new markets, outside of their locality, and work with employers who would not have used them previously. However, none of the provider stakeholders reported this as a benefit they had experienced yet.

■ **learning from others and sharing good practice**. By becoming part of the NSA, stakeholders felt that providers would be able to work collaboratively to identify new training opportunities and could draw upon a wider pool of expertise. Some stakeholders thought that by being part of the NSA network, providers would have more 'muscle' to commission new developments, and would be more likely to succeed in bids if they had the collective weight of the NSA behind them.

Despite these anticipated advantages of NSA involvement, very few of the provider stakeholders reported having experienced any real benefits as yet. Providers made it clear that they needed to see concrete benefits in order for them to continue to invest and to ensure that new 'investors' saw the value of buying into the network:

'There's a lot of potential added value … at the moment I think we're all standing there, waiting to see what the long-term benefit of the academy membership would be.'

NSA-level stakeholder, other, Round 2

6 The Future Sustainability of NSAs

In this chapter we consider the views of our interviewees (stakeholder and employer) on whether NSAs could be self-sustainable and where their future funding could come from. We also look at the effectiveness of current NSA marketing and identify what our respondents thought should be the key features of any future NSA campaign.

6.1 Are NSAs financially sustainable?

There were differing views among stakeholders as to whether the NSAs were likely to achieve financial sustainability after the first three years and survive without pump-priming funding. Many stakeholders (from Round 2 NSAs in particular) thought it was too early to tell, as business plans were still being developed and had not had a chance yet to be tested in the marketplace. Some other stakeholders were pessimistic about NSAs becoming self-sustaining within this timeframe and identified a number of potentially significant risks to the NSA funding model. These included:

■ a perception that three years was not long enough for NSAs to become self-sustaining and that the funding period should be extended

■ the difficult economic climate and the impact this was having on employers in many sectors

■ the reliance of some NSAs on 'top-slicing' the money going to providers, which was placing a constraint on growth and was likely to discourage providers from becoming involved

■ the risk of competition from other training bodies in the sector, especially since many NSAs would need time to become more visible

■ variability between the performance of different NSAs, which posed a risk to the credibility of the network as a whole.

Employers identified a number of barriers to financial sustainability for NSAs:

■ their ability to raise awareness among employers

■ the perceived 'crowded market' in the provision of advice and support for learning and development to employers

'There's just too many organisations and I find it confusing. I'm sure a lot of small manufacturing companies, SMEs and below, find it very confusing as to who to go to. The National Skills Academy was set up to advise companies on training and who to get, and which providers to do it, that's their main reason for living.'

Employer, HR, NSA member, Round 1

■ lack of clarity about the benefits of membership – the added value

■ the costs of membership – both in terms of membership fees and time (especially if fully engaged at a strategic level)

■ confidence in the longevity of the policy agenda – which could change if the political direction changed.

6.2 Who will fund NSAs in the future?

Stakeholder respondents proposed different solutions to the question of how NSAs could achieve financial sustainability in the longer term, although the majority of views tended to converge around three main sources:

■ funding from NSA-endorsed provision

■ membership fees

■ the continued commitment and support of employers.

Most employers (in the stakeholder research) did not make a direct financial contribution to their NSAs as yet, but thought they might do so in future. However, many pointed out that they made in-kind contributions, such as: representation on NSA national or regional Boards; staff time to attend other meetings; shared office space and administrative services; free meeting space; free consultancy or technical expertise; training for assessors; or donations of free equipment and resources.

Among the employers interviewed, there was a general lack of awareness that NSAs needed to be financially self-sustaining. One employer even thought that NSAs were only intended to exist for a finite period. Although those with a strategic involvement in NSAs had a slightly better understanding, they were not immune from misunderstanding the need to become fully self-financing within a couple of years.

> **NSA Associate, Round 1**
>
> For this employer, the NSA is a fantastic concept but they feel that the NSA will struggle to be self-sufficient, mainly due to a lack of resources. They feel that, as it currently stands, the NSA is 'set up to fail' – it needs a large amount of employer investment, both in terms of time and money – in order to succeed and it has not achieved this. There needs to be greater awareness-raising among employers and clearer messages on the benefits of the NSA to employers.

With this in mind, only a small proportion of those employers interviewed were able to directly discuss the nature of and barriers to sustainability. While most were confident financial security could be reached if NSAs could obtain enough employer members, they also felt that the NSAs would struggle to achieve this within the current economic climate. Some employers were quite pessimistic about the future of NSAs, fearing that their companies no longer have the resources to engage in NSA-related activities.

> *'I think industry has welcomed [the NSA] as being a platform for it to operate within but I think in the current climate, there is a risk that it's going to stall because now's not the right time … Well, everybody's locked the hatches down, now people are about survival at the moment, not about development for the future. Not many companies have the luxury of being able to say, "Yes we're building for the future".'*
>
> Employer, HR, NSA associate, Round 2

However, other employers appeared more confident and felt that the steady increase in the number of employers joining the NSA demonstrated that it would be able to sustain itself. Employers in sectors least affected by the economic downturn were the most positive.

> *'Well, certainly with the number of companies that we have in our North East/ North West group, it certainly looks sustainable, it looks buoyant and I think, as I say, I think it's growing. Most companies that go there do so to take part and to hopefully improve the opportunities and the end game, so I think most people have bought into what they need to do. I don't see anybody who's voiced an opinion against the direction we're going, so I feel as though we're currently discussing and developing the right topics.'*
>
> Employer, HR, NSA member, Round 1

One approach suggested by some employers was for NSAs to more closely align themselves with other related bodies (eg employer or employee sector bodies) who are interested in promoting learning and development.

6.3 How effectively are NSAs being marketed?

An overwhelming majority of stakeholders thought that the profile and branding of the NSAs was either important or very important. NSAs need to establish themselves with both employers and learners as centres for excellence and 'the gold standard' for training within their sectors. They should also focus on becoming more visible to employers and distinguish themselves from the proliferation of other organisations involved in employer engagement or offering similar services.

NSA member Round 2

This employer feels that it is now 'do or die' time for the NSA. They are positive about the ambition of the NSA but are concerned that it is at risk of stalling because it is difficult to engage employers in the current economic climate. They feel that the NSA is not doing enough to 'sell' itself at the moment – this can be achieved by ensuring that employers have a clear understanding of value for money and outcomes from engaging with the NSA. Within the constraint on resources, the NSA needs to focus on activities that 'dip in and out' of employers' time and avoid those that require intensive time commitments from employers.

There was also a strong consensus around the view that NSAs in general had not built up a strong enough brand at present and that addressing this should be a priority for action, especially as it would take time to become embedded within the different employment sectors. Some felt that not enough attention had been paid so far to marketing and awareness-raising activities:

> *'The NSA brand values need to be clear and there is still work to do here … we know what the brand values are, in terms of the aims and objectives of the NSA, but we need to communicate these. If we did this, employers would be more confident about engaging with the overall NSA … no NSA has been tenacious about getting their brand out there … it is a general need for any sector.'*
>
> NSA-level stakeholder, other, Round 3

Many stakeholders suggested that it would take time to build up the profile of NSAs as a distinctive brand and that marketing and awareness-raising activities should be regarded as a priority both for individual NSAs and for the network as a whole.

The employers we interviewed felt that the best way NSAs could improve the awareness of its brand and purpose among employers in their sectors was through face-to-face contact. While understanding the resource constraints that NSAs were under, meeting employers in person was thought to be the best way that NSAs could get their message across, supplemented by a website.

6.3.1 How to market NSAs to employers

Employers suggested four key points that should underpin any marketing campaign:

- **Establish the brand** – this was particularly important for NSAs which work closely with SSCs. Employers were often surprised that there had not been more of a branding drive by NSAs.

  'I haven't yet seen that clear brand. The brand that I see shining through from the NSA is XXX Skills as opposed to the NSA brand. Since we had gained our approval to become a national skills academy, there has not been any aggressive brand follow up. We thought that we were going to start using the logo, that the boards were up round the training centre, that we had a flag to fly and all that sort of stuff. And I think, in branding terms, that's very important.'

  Employer, HR, NSA associate, Round 1

- **Clarify the message** on the role of NSAs.

  'I think that clarity of message needs to be really important. I'm one of the ones who feels they're in the know, but even I don't know everything and feel a little bit hazy at times about what the plans are and what the timescales are and that sort of stuff.'

  Employer, HR, NSA member, Round 2

- **Don't reach straight for the money** – employers felt that NSAs should focus first and foremost on their products and benefits to employers rather than financial commitments of members.

  'I know one of the issues the [National] Skills Academy has is it has to become self-financing over a period of time. So they are looking for generating income and membership fees and that puts a lot of people off. If the first thing you say to somebody is, "We're a new organisation and we want you to join and this is what the membership fee will be", you're on the back foot already. You need to be offering something. People need to understand why they would want to join you before you're asking for money really.'

  Employer, HR, NSA member, Round 2

- **Understand the business case and value for money** – to be able to 'sell' themselves, employers felt that NSAs need to have a better understanding of what generates value for money, and include beneficial outcomes in measures of value.

  'I think it's about understanding what the value for money's going to be … not just monetary payback, it's how, and whether it's reduction in or improvement in efficiency, reduction in industrial injuries, all of those sort of things that actually

are the benefits of training … It's about what's in it for me, because I don't think any company wants to just have a nice, pretty initiative that pays everybody to get a certificate to put on the wall and the company itself doesn't gain from it.'

<div align="right">Employer, manager, NSA member, Round 2</div>

NSA marketing should also present employers with business cases that detail the net benefit from any contribution made by employers.

'I would have to say to the business, right I think we should sponsor them for, say £5,000 a year, and I'm going to get back £10,000 for doing so, because what I'm going to do, that sponsorship will give me an extra 20 per cent discount off these courses, I'm going to put ten people through that course which costs me this, and I save that. I put der, der, der, der, der, these are all absolute training needs that I have, these are the most cost effective ways of me delivering it, and by paying say, £5,000 up front, overall I save £10,000.'

<div align="right">Employer, HR, NSA member, Round 1</div>

7 Conclusions

In this final section of the report we draw out the main conclusions that have emerged from the first year of the evaluation of the National Skills Academies.

7.1 Early days

Most of the stakeholders and employers (and indeed many of the representatives from the academies themselves) we have interviewed felt it was too early to draw any definitive conclusions about the effect and impact of the NSA on their sector. Even those associated with the Round 1 NSAs, some of which have been in existence for over three years, were reluctant to be conclusive and argued that the key tasks set for the academies (improving skills supply, making training provision more employer relevant etc.) took time to achieve measurable progress. However that does not mean that some messages have not emerged from the evaluation, although their permanence still remains to be seen.

7.2 Friends and family

In drawing out early messages it is important to recognise that the evaluation has so far focused on those close to the NSAs. Stakeholders were by definition closely associated with the NSA. Although the employers interviewed were diverse in terms of their size, they were atypical in terms of their high level of pre-existing engagement with training and staff development. Many had become involved with the NSA through pre-existing contacts with other organisations such as SSCs or were approached directly by the NSAs. The evidence in this report therefore has the advantage of coming from those who know the subject, the NSA, but may also have an interest in its success, although were still able to take an objective stance. The evaluation has not so far collected data from employers or providers not connected with the NSA but they could be expected to be involved at some point (ie their potential market).

7.3 Moving in the right direction

The evidence from the first year of the evaluation clearly indicates that the NSA network is moving in the intended direction:

- key employers and training providers are heavily involved in the way academies are run

- NSAs were starting to positively influence the supply of skills to their sector, eg by developing new qualifications to meet particular needs

- NSAs were also taking significant steps towards helping employers in their sector develop the skills of new and established employees, eg by improving the quality of training provision

- NSAs were actively developing ways to secure their future financial security.

7.4 Engaging with employers

All the NSAs involved in the main stages of the Year 1 evaluation had extensive involvement with employers who were strongly represented and participating in their governance structures. While this gave employers a strong voice in determining the direction the academy took, it was not clear whether this always meant that the NSAs were 'employer-led' (in that employers determined what they did). Indeed some (but not most) employers and stakeholders questioned whether such as approach was desirable, preferring NSAs to be 'industry-led' rather than just employer led, ie reflecting provider interests too.

Although heavily engaged with employers, the employers involved tended to be small in number, although influential in nature. A number of stakeholders and employers felt NSAs would have to reach out further in the future to fulfil their objectives. Most NSAs have yet to embark on marketing activities that would raise their profile across the sector as a whole and extend their reach to a diverse range of employers at large, although this is likely to prove essential if they are to achieve an increase in membership volume and, ultimately, financial self-sufficiency.

7.5 Clarifying the role

In order to reach a wider range of employers, NSAs need to be clearer about the benefits to businesses from engaging with NSAs. A number of the employers interviewed were unclear about the NSAs' role and remit, including some who were involved strategically with the NSAs. Linked to this, employers felt that the market for employer advice and support services was increasingly crowded and that NSAs needed to differentiate themselves to SSCs, trade bodies and other

organisations that offer similar services for *free*. However, there was some recognition that NSAs are still in the early stages of development; indeed, some employers in the Round 1 NSAs reported greater clarity in the NSAs' role over time.

> *It is recommended that NSAs consider conducting a major marketing campaign to raise their profile among employers in their sector. The advice from stakeholders and employers is that such a campaign should emphasise:*
>
> ■ *The National Skills Academy brand - to differentiate the NSA networks from other learning and skills agencies*
>
> ■ *the National Skills Academy offer - the added value they can provide employers (and training providers)*
>
> ■ *the business case - how employers can benefit from working with National Skills Academies*

7.6 Responding to needs

Interviewees from all quarters felt that NSAs were generally positive and flexible in their approach to identifying and meeting employers' skill supply and development needs, although a few felt it had taken too long for their NSA to move from the 'scoping' phase to the 'doing' phase.

A number of examples were cited where the NSA had provided help for particular employers, which was much appreciated, including developing new qualifications in the Food and Drink sector and helping establish apprenticeships in the Nuclear industry. However the research identified more that could be done, for instance:

■ helping promote the career paths to their respective sector, eg by working with schools and helping promote and develop apprenticeships

■ widen the number and ensure the quality of sector training providers

■ help co-ordinate and channel opportunities for help with funding for training to employers throughout the UK.

7.7 How financially self-sustaining are the Academies?

Financial self-sustainability poses a number of challenges for the NSAs. There is an underlying tension between the need to charge for services (eg through employer membership schemes or provider accreditation), the services offered and the number of employers or providers involved. Most NSAs have a close engagement with relatively few employers and providers, who value the access and exclusivity. Moving to more mass membership or network schemes would

significantly alter the model and potentially diminish the value provided. NSAs would have to demonstrate that they were providing value on a wider scale which could take considerable time, for instance for their brand to become established. The recession may not help as employers find it easier to source their skills needs from a growing pool of unemployed or under-employed labour. Providers too have less need to differentiate themselves as demand for education and training threatens to outstrip capacity to deliver. It was not surprising, therefore, that few of the stakeholders interviewed and those employers who had a view, were optimistic about the chances that NSAs would be financially self-sufficient in the near future.

7.8 Looking ahead

A number of NSAs were pushing forward on two policy fronts:

■ accreditation of provision (to give employers a surety of quality) and

■ skills passports (to provide individuals with an accepted skills record).

The NSAs' ability to deliver on both fronts will be a test of their ability to meet employers' needs, not least because not all the employers interviewed agreed that these were policies worth pursuing. We propose to focus on these two success measures (among other indicators) in the second year of the evaluation.

Additionally, apprenticeships are likely to figure strongly in any future skills strategy over the coming years. It is clear that NSAs can play an important role in developing apprenticeships by supporting employers to offer apprenticeship opportunities, ensuring the quality of the learning provided and promoting those opportunities to potential apprentices.

It is therefore recommended that NSAs seek every opportunity to support the development of apprenticeships by:

■ *promoting the route to young people in education and older people seeking a career change or skill development*

■ *supporting providers and employers to ensure apprentices develop sector-relevant skills*

■ *identifying and channelling funding for employers and training providers to provide apprenticeship opportunities.*

7.9 Coping with the recession

The way that NSAs were responding to the recession was not a major feature of the first year of the evaluation (and will feature more strongly in Year 2). Indeed

the extent to which the current economic climate affected the employers interviewed varied and relatively few were struggling. Nevertheless, the difficult economic climate did make employers wary of entering new commitments (financial or otherwise) without seeing a clear return, which further emphasises the need for NSAs to develop and articulate the business case for employer involvement.

From the evidence gathered, the recession had eased skills supply constraints and employers generally felt that there was little NSAs could do to help them through the recession. However, they did think that their NSA would have an important role to play to prevent skills bottlenecks and constraints re-emerging as the economy recovered.

It is recommended that NSAs actively work with the employers and providers in their sectors to identify what part they can play in ensuring that their sector emerges as rapidly as possible from the recession. Actions could include:

- *working with education providers and employment services (eg Jobcentre Plus) to promote employment and skill development opportunities in their sector*

- *identifying and promoting the funding and other forms of support available to employers to help them with skill development in the recession.*