EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

RESEARCH REPORT 2

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EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

Research Report
prepared for

Sector Skills Development Agency

by

GHK Consulting
June 2003

< previous   contents   next >

SECTOR SKILLS DEVELOPMENT AGENCY

RESEARCH SERIES

FOREWORD

In October 2002 the Department for Education and Skills formally launched Skills for Business (SfB), a new UK-wide network of employer-led Sector Skills Councils (SSCs), supported and directed by the Sector Skills Development Agency (SSDA). The purpose of SfB is to bring employers more centre stage in articulating their skill needs and delivering skills-based productivity improvements that can enhance UK competitiveness and the effectiveness of public services. The remit of the SSDA includes establishing and progressing the network of SSCs, supporting the SSCs in the development of their own capacity and providing a range of core services. Additionally the SSDA has responsibility for representing sectors not covered by an SSC and co-ordinating action on cross cutting and generic skills issues.

Research, and developing a sound evidence base, are central to the SSDA and to SfB as a whole. It is crucial in: analysing productivity and skill needs; identifying priorities for action; and improving the evolving policy and skills agenda. It is vital that the SSDA research team works closely with partners already involved in skills and related research to generally drive up the quality of sectoral labour market analysis in the UK and to develop a more shared understanding of UK-wide sector priorities.

The SSDA is undertaking a variety of activities to develop the analytical capacity of the Network and enhance its evidence base. This involves: developing a substantial programme of new research and evaluation, including international research; synthesizing existing research; developing a common skills and labour market intelligence framework; taking part in partnership research projects across the UK; and setting up an academic network drawing on the expertise of leading academics and researchers in the field of labour market studies. Members of this group will feed into specific research projects and peer review the outputs; be invited to participate in seminars and consultation events on specific research and policy issues; and will be asked to contribute to an annual research conference.

The SSDA intends to take the dissemination of research findings seriously. All research sponsored by the SSDA will be published in a dedicated research series and made available in both hard copy and electronically on the SSDA website. This report forms the first one of the SSDA research series.

Lesley Giles
Head of Research

< previous   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

TABLE OF CONTENTS

< previous   contents   next >

4

GLOSSARY

BRC	British Retail Consortium
CAPITB Trust	The National Training Organisation for the British Clothing Industry
CEO	Chief Executive Officer
CMPNTO	Chemicals Manufacturing and Processing NTO
DCMS	Department for Culture, Media and Sport
DEFRA	Department for Environment, Food and Rural Affairs
DELNI	Department for Employment and Learning Northern Ireland
DfES	Department for Education and Skills
DTI	Department of Trade and Industry
DTLR	Department for Transport, Local Government and the Regions
ELWa	Education and Learning Wales
FLNTO	The National Training Organisation for the Footwear, Leather Production, Leather Goods and Shoe Repair Industries
FRESA	Framework for Regional Employment and Skills Action
IG	Industry Groups
LSC	Learning and Skills Council
LLSC	Local Learning and Skills Council
LMI	Labour Market Information
NDPB	Non-Departmental Public Body
NTO	National Training Organisation
NTTO	National Training Textile Organisation
OPIT	Oil and Gas Extraction NTO
PINTO	Petroleum Industry NTO
RDA	Regional Development Agency
SME	Small/Medium sized enterprise
SSC	Sector Skills Council
SSDA	Sector Skills Development Agency
STC	Sector Training Council
Ufl	University for Industry
QCA	Qualifications and Curriculum Authority

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

EXECUTIVE SUMMARY

INTRODUCTION

The Sector Skills Development Agency (SSDA) commissioned GHK in October 2002 to undertake an evaluation of the Trailblazer Phase of the Sector Skills Council (SSC) network. The aims were:

- To review progress made by the Trailblazers and inform and foster best practice in the emerging network;
- To make recommendations on short-term improvements in the way the network is developed;
- To provide a basis for on-going and cyclical evaluation of the network.

The evaluation was based on in-depth research into the Trailblazer process and triangulation of stakeholders' views. Some 87 interviews were undertaken during November to December 2002 with Trailblazer staff, national stakeholder organisations, Board members including employers, and other employers and stakeholders involved with individual Trailblazers but not on the Boards.

THE TRAILBLAZERS

The five Trailblazer organisations are:

      Cogent – oil and gas extraction, refining and chemical infrastructure sectors;
      Skillset – audio-visual industries;
      Skillfast UK – apparel, footwear and textile sectors;
      Lantra – environmental and land-based industries;
      Skillsmart – retail sector.

THE TRAILBLAZER PROCESS

The choice of Trailblazers, in addition to meeting the criteria for selection, were considered to offer the best prospects for learning from the process, and provided a range of models and various sector conditions with which to share lessons with other potential SSCs.

The Trailblazer selection process benefited from clarity on what was required in the expressions of interest, involvement of key stakeholders in the decision process, a speedy response to bids and detailed feedback on bids.

THE TRAILBLAZER ORGANISATIONS – KEY FINDINGS

The Trailblazers are varied in their origin, and include former NTO organisations, mergers of NTOs and a newly formed organisation. Where NTOs were merged, joint arrangements between the legacy organisations were already underway prior to the Trailblazer process, and employer groups were a significant driver in the merger. Creation of a Trailblazer within the umbrella of a trade association helped significantly with business start-up and employer-buy in.

Managing expectations of employers was assisted by proactive consultation and face-to-face contact, 'selling' the benefits (i.e. wider coverage = higher profile, more resources, greater influence); and involvement of employers in decision-making. In one case, a 'shadow' board comprising the leaders of the legacy organisation allowed for continuity and helped to manage the early stages of the change process until a new organisation was in place.

The favoured legal status of the Trailblazers is company limited by guarantee. Existence of separate companies is a way of managing conflicts of interest between policy and strategy functions and trading/commercial arms. Some Trailblazers have, or are seeking, charitable status.

< previous   contents   next >

6

In relation to governance, Trailblazers use a range of mechanisms, including:

- Boards, for strategy and corporate governance;
- Councils, to enable a larger and more diverse number of contributors to strategy;
- Sub-sector/industry groups, to deepen and strengthen industry coverage;
- Area/regional boards, to represent geographical concentrations and the devolved administrations;
- Board of patrons, to engage industry figureheads.

Industry characteristics are the main driver behind the structure of Trailblazers, and reflect the extent to which Trailblazers are attempting to unite a diversity of sector interests. Gains from merger are most clearly seen where the merged sectors are run as a single business, even though there may be groups of sub-sector interests feeding into the overall decision making body.

There is no single best practice model, but some key design principles can be identified:

Coherency in sector coverage - The rationale for grouping sectors under the SSC banner is crucial to the achievement of coherence, employer identity and shared interests. Key considerations included: linkages through customer-supplier relationships; the existence of common major firms across the sectors; a similar skills base and skills issues; and common industry themes, sometimes reflecting restructuring in the sectors. Using SIC codes alone to identify related sectors can be inadequate. Extending the footprint can come with time, using proven success and employer benefits as the magnet for attracting additional sectors or sub-sectors.

Extended scope - The refocusing of the Trailblazers on competitiveness issues facing the sectors, rather than training in isolation, was an important factor in keeping employers engaged (although not the only one).

Sub-sector divisions – To reflect different industry groupings and sub-sector characteristics, thereby retaining the identity of sub-sectors and regions within the overall framework. This approach is necessary to allow individual groupings of employers to feel able to shape the outcomes and strategy to suit their particular needs.

Employer leadership and direction – Influential employers, firms that reflect the diversity of the sectors within the footprint, trade associations and trade unions are represented on Trailblazer Boards. For most, it was crucially important to recruit the most senior employer members, to give credibility and raise the profile of the skills agenda as a business crucial issue. However, this required securing significant time inputs from employers, especially for those Trailblazer organisations in the formative stages of establishment.

Specialisation within staff teams - The skills and expertise within the teams is a key consideration, with a focus on facilitation, communication and networking skills, credibility with employers, and expertise in particular business professions, regions and sub-sectors. In general, Trailblazer status has allowed for a much greater degree of specialisation of staff roles, and this has contributed to the step-change that Trailblazers are meant to deliver over and above the NTOs.

High calibre Executive leadership - Having high calibre staff, especially senior management staff, has been key to employer involvement.

UK-wide reach - Most Trailblazers have gone down the route of recruiting geographically based teams. Most people agree that regional coverage is most feasible where there is an alignment between Trailblazer objectives, industry clusters, and the priorities identified in the plans of the regional bodies and devolved administrations.

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

ISSUES FOR THE NETWORK

The experience of the Trailblazers raises some issues for the overall network:

• There is a need for clarity from the SSDA about the minimum size of footprint. Fluidity in the boundaries could assist in putting together the network, although proper research is required before decisions on sector boundaries are made, which should be part of the SSCs development phase;
• Particular footprint issues exist where the skills of occupations are not industry specific (e.g. administrative, management skills). The need for a strong network approach, and effective communication within the network, was identified as essential to achieving a coherent service on cross-sector skills;
• UK coverage is expensive as currently being developed, and may not fit with industry priorities;
• Meeting the needs of the sector and being commercially driven is a significant challenge. The question of 'who should pay for what' appears to be unclear with regard to the Trailblazers and the SSCs.

PROGRESS AND ACHIEVEMENTS – KEY FINDINGS

It is too early to point to significant achievements by the Trailblazers, given their recent establishment. Most employers argued that tangible results should become apparent during Spring-Summer 2003.

ENGAGING EMPLOYERS

In engaging employers, the 'Message' needs to focus strongly on business benefits and tangible outcomes. Differentiation and tailoring of the message is necessary, particularly between larger and smaller firms. Two languages are needed because the professional language of training has little resonance with employers.

A wide range of mechanisms for communication is available to Trailblazers. Business-to-business communication is particularly effective. Effective channels of communication are necessary for keeping in touch with grass roots. A range of mechanisms can be used, including using business leaders to communicate directly to other businesses, and trade associations, as well as creating new networks or promotional activities like road shows. Board members have a role as well as staff members.

Most employers, especially smaller employers, want to see solutions or services. Those Trailblazers that deliver services or training see these as critical to engagement of companies, but there are tensions when Trailblazers take on delivery because of conflicts of interest with their strategic role. New mechanisms may be needed, which might include paying smaller employers to take part.

Trailblazers have to manage competing interests and there could be tensions between sector priorities and developing a commercial strategy.

Demonstrating success, both in delivering tangible outcomes for employers, and enabling employers to influence policy decisions are seen as critical to maintaining engagement over time.

LABOUR MARKET INFORMATION (LMI)

High quality labour market information was commonly acknowledged as an area where SSCs can add real value, although for most Trailblazers the full benefits have yet to be realised. For the future, LMI needs to be finely grained, locally specific, and developed in collaboration to avoid duplication.
In terms of the collection and co-ordination of LMI, information needs to be turned into intelligence about what businesses need. How this information is interpreted is critical.

< previous   contents   next >

8

INFLUENCE AND PARTNERSHIPS

The influence that Trailblazers can bring to bear on policy makers was seen as the main difference between Trailblazers and the NTOs. This is an enormous brief and some people question the capacity to respond, given the resource levels.

The Trailblazers are using funding to facilitate partnership working – using their enhanced staffing resource to participate in partnership groups and networks, or maintain ongoing contact with policy makers.

Policy stakeholders tend to see a role for Trailblazers and SSCs within existing structures rather than needing to set up new structures. However, there is potential for relationships to be more efficient, and for more systematic joint action planning. 'Rules of engagement' may be needed to ensure that the mechanisms are in place for joint action-planning between SSCs and stakeholders, and to enable stakeholders to deal with an expanded group of SSCs.

Some stakeholders need to have confidence in the separation of the Trailblazer strategic role from any commercial strategy or delivery function.

ACTIVITIES AND SERVICES

One of the main achievements of the Trailblazers is that while the whole process of change has been taking place, they have continued to provide services and activities designed to benefit employers. However, it is too early to say whether the activities are materially different from the NTOs, or whether they constitute a coherent service offer that will adequately meet industry needs. 'Fully formed' mechanisms, which link all aspects of the planning cycle, are not yet in place.

There is scope for added value from the network, for example by sharing information on what works, connecting SSCs facing similar issues, co-ordinating activities around generic or core skills. First steps have been made with the formation of SSC groups within several RDA groups in England.

THE TRAILBLAZER NETWORK AND SSDA – KEY FINDINGS

A common theme to emerge was the need for better communication on the part of the SSDA and a more outward inclusive approach to the development of SSCs and the network. There were concerns about the tension between the dual role of the SSDA as regulator and facilitator. With regard to facilitation, suggestions included:

- Assisting in 'opening doors' with policy makers;
- Clarifying the funding position, in particular in getting Government Departments and agencies to 'buy-into' the SSCs vision and business plans;
- Facilitating cross-Government consistency in funding, and communication;
- Establishing structures for communication between aspirant SSCs;
- Facilitating sharing of costs, for example in the development of regional structures.

Faster progress in setting up the network will help to keep up momentum, and prevent dis-engagement of employers.

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

The SSDA is managing a complex process whereby bottom-up employer-led development of SSCs has to be reconciled with the creation of a network of SSCs that covers the majority of the workforce and provides sufficient scale for each organisation to be influential, well resourced and financially viable. One can envisage three models:

• A core set of sectors with a strong common base;
• Sector groupings with tailored strategies and action plans, but within an overall unifying theme and infrastructure;
• A federal structure where sector groups come together under a common banner and benefit from some central functions and services.

The question was raised as to the extent to which the public sector may be a special case and warrant the development of a fourth model. There was a call for consideration of how public sector arrangements could be moved forward more rapidly.

A vision for what the final network will look like needs to be developed on a collaborative basis, with consistency between the vision, the models for SSCs and the licensing criteria.

There should be recognition that SSCs may not arrive 'fully formed', but could over time draw in additional sectors, providing incentives for change are in place.

The general view was that any impact assessment should not be undertaken for at least three years, and that care should be taken in the establishment of performance targets in order to avoid perverse behaviour. Respondents felt employers should play a key role in defining appropriate measures of impact. There was scepticism about the extent to which it would be possible to measure SSCs contribution to productivity, and a call for quantitative measures to be contextualised.

There is a reasonable degree of alignment between the stated goals for the SSCs and their development and characteristics; therefore it is reasonable to assume that outcomes from an effectively implemented SSC network would contribute to productivity.

CONCLUSIONS AND RECOMMENDATIONS

The research should be treated as early feedback and not a judgement of the embryo organisations. There is a need to clarify the role and expectations of the Trailblazers themselves and to the wider community working on developing bids for SSC status. Questions are raised as to the benefits of being a Trailblazer; what added value they bring to the process; and the extent to which they should be regarded as models for SSC development.

Whilst all the Trailblazers demonstrate employer leadership, there is some question as to the extent to which employers have bought into the SSC network as a whole. A wider communication strategy is required, aimed at disseminating the detail of the licensing process and at 'selling' the vision and benefits of the SSC network.

The operational infrastructure that is being put in place is complicated, because it aims to reflect the diversity of sector needs and geographically specific priorities. One useful exercise would be to look at the potential for economies of scale around regional representation for example with regard to the provision of shared facilities/infrastructure.

< previous   contents   next >

The ability of the SSCs to deliver their remit will be dependent on the resources they can bring to bear, but there are likely to be differential resources, relating to sector characteristics and economic health. This raises questions regarding the relative emphasis on core funding, service delivery or fee-based funding and other public and private contributions. There is potential for the SSDA to work with other public sector funders to encourage support for business plans rather than ad hoc initiative based funding.

All the Trailblazers have made some inroads into establishing initial contacts and working relationships with key stakeholders, in particular with the devolved administrations. Trailblazers vary in the degree to which they are acting as drivers of a wider and strategic policy agenda in their relations with stakeholders. For the future, there is a need to explore how arrangements for 'inside-out' and 'outside-in' mechanisms could be put in place to facilitate effective working arrangements between SSCs, the network, SSDA and policy stakeholders, and how the arrangements could moderate the demands made on the respective capabilities of the partners to engage in partnership work. The ability of the network to achieve its potential will be partially dependent on how effectively the SSDA positions SSCs within Government and the wider stakeholder community.

SSDA development should also take on board the desirability of: improved communication and internal consistency on messages; clarity of the vision for the network, and the licensing criteria for SSCs; the need to meet employers' expectations for speedy implementation of the network; and emphasis on the facilitation role and partnership potential with the SSCs.

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

11

1 INTRODUCTION

1.1 INTRODUCTION TO THE EVALUATION

The Sector Skills Development Agency (SSDA) commissioned GHK in October 2002 to undertake an evaluation of the Trailblazer Phase of the Sector Skills Council (SSC) network. The aims of the evaluation were to:

• Review the progress made by Trailblazers in a way that will inform, influence and foster best practice in the emerging SSC network;
• Inform and make recommendations on short-term improvements in the way the SSC network is developed;
• Provide a basis for on-going and cyclical evaluation of the network.

This report sets out the findings of the evaluation.

1.2 METHOD OF APPROACH

The evaluation was based on in-depth research into the Trailblazer process and triangulation of views from the relevant actors and stakeholders involved in the process, feasibility and development of the Trailblazer organisations. The research was conducted intensively, between October and December 2002. There were various stages:

• Project inception and a review of policy documents, the Trailblazer application process, consultation with the SSDA and the DfES, and a review of background information and data related to the five sectors and the Trailblazer organisations;
• Interviews with key national, regional and local stakeholder organisations, including the devolved administrations, Government Departments, and agencies. Specifically, interviews were undertaken with representatives of the Scottish Executive and Scottish Enterprise, Welsh Assembly, Department for Employment and Learning Northern Ireland, Home Office, Department of Health, DTI, DCMS, DEFRA, DTLR, Learning and Skills Council and Ufl-Learndirect;
• Fieldwork with the Trailblazer SSCs through site-visits and interviews with employers and key stakeholders involved with individual Trailblazers (such as Trade Associations and Trade Unions), including a selection of Board members.

A total of 87 interviews were completed during November-December 2002 across all Trailblazers, as shown in Table 1.1. Details of those taking part in the interview survey are included at Annex One.

TABLE 1.1: THE SURVEY SAMPLE

TYPE	NUMBER OF INTERVIEWEES
Trailblazer staff (including CEOs)	25
Stakeholder organisations (national level)	27
Board members – employers	19
Board members – stakeholders	11
Other employers and stakeholders involved with individual Trailblazers but not on the Board	5

< previous   contents   next >

12

The interviews covered a range of strategic and operational questions, including:

• Role of the Trailblazers and objectives;
• Trailblazer organisation and activities;
• Involvement of employers and stakeholders with the Trailblazers;
• Board composition and operation;
• Early achievements to date;
• Comparison with legacy organisations;
• Plans for future development and progression;
• Learning points and recommendations made.

The project was overseen by a Steering Group, which comprised representatives of the SSDA, DfES and the Trailblazers.

1.3 CONTEXT FOR THE PROJECT

Initial proposals for changes to the National Training Organisation (NTO) network were presented for consultation during January to April 2001, and brought together in a policy statement: 'Meeting the Sector Skills and Productivity Challenge', 2001. This document invited employers to set up a new network of employer-led Sector Skills Councils.

The goals of the SSCs are:

• To reduce skills gaps and shortages and anticipate future training needs helping employers and individuals to make informed career and personal development choices;
• To improve productivity, business and public services performance through specific strategic actions based on market assessments and analysis of sector priorities;
• To increase opportunities to develop and improve the productivity of everyone in the sector's workforce, including addressing equal opportunities;
• To improve learning supply, including the development of apprenticeships, higher education and national occupational standards.

1.3.1 THE TRAILBLAZER ORGANISATIONS

The five Trailblazers are:

• Cogent – oil and gas extraction, refining and chemical infrastructure;
• Skillset – audio-visual industries;
• Skillfast UK – apparel, footwear and textile sectors;
• Lantra – environmental and land-based industries;
• Skillsmart – retail sector.

1.4 THE TRAILBLAZER APPLICATION AND SELECTION PROCESS

The overall SSC policy was launched on 15th October 2001. The criteria to be applied in the application process for Expressions of Interest for becoming a Trailblazer SSC were announced in early November 2001, with the Trailblazers being announced in December. SSC guidance was made public at the end of November, so during the Trailblazer submission process there was policy cover but no guidance. Annex Two shows the selection process timeline.

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

The key 'gate' criteria used to assess bids was: employment base of economic/strategic importance; direct backing by key employers and employer interests; influential employer leadership and representative board; financial soundness. Supporting criteria included: professional staff and expertise to command respect/wider involvement of employers; credibility and capability to influence and co-ordinate action to meet sector skill priorities; capacity to operate throughout the UK.

Thirty-one Expressions of Interest were received. The final choice of Trailblazers, in addition to meeting the gate criteria, were considered to offer the best prospects for learning from the process, and provided a range of models and various sector conditions with which to share lessons with other potential SSCs. Based on the comments made during the assessment process, reasons given for selecting the individual Trailblazers included:

- Strong potential for learning from merger of existing NTOs, or establishment of a new organisation;
- Clear recognition of need to go forward and strength of the planned approach, as demonstrated for example, by a 'thought through' change management process;
- Coherence of the proposal and strength of the argument of the sector issues;
- Complementarity with strategic objectives, for example, with DfES strategic objectives of addressing the upskilling agenda, social inclusion, regeneration issues, tackling issues of SMEs;
- Demonstrating geographical reach, as demonstrated for example by a head office in Scotland (Cogent), and good representation throughout the UK;
- Strength of employer buy-in and/or leverage. Also, support from stakeholders and Government departments;
- Perceived good potential for sending out strong messages/assisting communication on SSCs.

Grounds for rejection of other proposals included:

- Unclear sector boundaries, overlap between sectors, or unbalanced focus on one sector at the expense of others;
- Potential problems with co-ordination within one sector;
- Lack of sufficient involvement of employers especially from senior level personnel and leading industry figures;
- Insufficient size and significance of sector;
- Inconsistencies in the proposal or lack of depth of understanding of the requirements;
- Perceived high financial risk;
- Lack of apparent change from NTO approach, and lack of innovative thinking;
- Applicant organisations considered by assessors to already be strong performers as NTOs, and therefore unlikely that any new lessons could be learned from them;
- Lack of UK coverage.

Several applicants were considered not to have understood the requirements, which raises issues about the dissemination and communication of the policy documents and the lack of guidance. After rejection, Business Advisors were allocated to a number of the stronger proposals in order to take these applications forward to the next stage of the SSC development process (i.e. to work towards a 'full' SSC Licence). At the close of 2002, in addition to the Trailblazers, nine 'aspirant' SSCs had been agreed for development, and others were due for consideration by the SSDA.

The Trailblazers provided the DfES and SSDA with some initial examples of what an SSC might look like, but these models have been pieces in a much wider jigsaw. Throughout 2001 and 2002 the policy context for the SSCs has been dynamic. There have been changes in terms of the basis for a decision on whether organisations could qualify to be an SSC following the Trailblazer process, and parameters were not set in stone as thinking progressed over time. For example, a number of suggestions have been developed regarding the methodology for assessing sector coverage, and threshold requirements.

< previous   contents   next >

14

Despite the short timetable, the Trailblazer application and selection process was found to have worked reasonably well. Key elements included: clarity on what was required in the Expressions of Interest, involvement of key stakeholders in the decision process, speedy response to bids, personal support and feedback on bids. There was some criticism of the process in terms of the time allowed for feeding-in views on bids from the devolved administrations.

A number of issues have been identified however around selection and the Trailblazer concept, particularly in relation to:

- The lack of universal understanding of the criteria for choosing Trailblazers – especially as there was perhaps a general expectation that the most likely candidates would have been the stronger and better performing NTOs;
- What do the Trailblazers bring to the process? A questioning by some of whether there has been any 'added-value' from the Trailblazer phase of the network;
- What does it mean to be a Trailblazer, especially given that Trailblazers will not receive an automatic Licence, whilst other organisations who were unsuccessful in the Trailblazer process are now in development for a full SSC Licence;
- Potential for using the Trailblazers as 'case law' – if certain features were adequate for achievement of Trailblazer status – why are they now not acceptable for aspirant SSCs? For example, how far do the Trailblazers provide a model that can be followed in terms of the size of the sector coverage (number of employees etc)?
- Communicating messages relating to the status of the various organisations to employers.

On the ground, organisations have often had to give revised messages to Board members and other employers, especially where there have been changes in policy and the licensing criteria. The picture is complicated by various phases of the SSC network development happening concurrently. The risk is that employers become confused and de-motivated with the process.

1.5 THE REPORT

The remainder of the report sets out the findings of the research to date. A subsequent document will draw on the description and analysis here to present lessons learned that could be of use to developing SSCs.

Section 2 – presents information on the Trailblazer organisations;

Section 3 – looks at the achievements of the Trailblazers so far and identifies emerging operational issues;

Section 4 – considers emerging issues for the SSDA and the network;

Section 5 – explores conclusions and recommendations that can be drawn from the Trailblazer experience for the development of the network as a whole.

Note: Interviews were conducted in confidence and so views and quotes in the report are not attributed. Only examples of practice are accredited to specific Trailblazers.

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

2 THE TRAILBLAZER ORGANISATIONS

2.1 INTRODUCTION

The purpose of this section is to set out the key features of the Trailblazers to date, the rationale behind some of the development steps taken and potential lessons learned.

2.1.1 SETTING UP THE TRAILBLAZER ORGANISATIONS

The Trailblazers are varied in their origins, as shown in Table 2.1, and include:

- Former NTOs (Skillset and Lantra);
- Mergers of former/NTO organisations (Cogent and Skillfast UK);
- A newly formed entity (Skillsmart).

The latter two Trailblazer models raise particular issues around structure, organisation and ownership. In most cases, decisions on these were influenced by operational questions:

- In the case of Cogent, the resources of the three NTOs – OPITO, PINTO and CMPNTO – were merged, with OPITO being renamed Cogent, thereby maintaining the organisation. This was seen to have some key benefits: existing staff pension arrangements were unaffected; charity status was maintained, and it was possible to continue some commercial activities, including the internationally recognised OPITO brand. A new charity was formed to hold the ownership of some resources (premises) on behalf of the upstream employers group, and these were leased back to Cogent for a nominal rent.

- Prior to the establishment of Skillfast UK, CAPITB, FLNTO and NTTO had experience of joint working, including the successful Strategic Training for Apparel and Textiles programme and People's Scoreboard project. All three organisations were striving to take on a more strategic role in the industry. A 'shadow Board' was established to oversee the Expression of Interest, comprising the Chairs of the NTOs and professional staff. Skillfast UK was constituted as an independent private company and recruitment and selection of staff was undertaken in conjunction with an external employment consultant. The shadow Board members stepped down in favour of the new Skillfast UK Board. Creation of a new entity was seen to have advantages in allowing for a complete rebranding and refocusing, and a new staff structure that was 'fit for purpose'.

- Skillsmart was established as a company owned by the British Retail Consortium (BRC). This was mainly because the crucial support, promotion and funding in the initial phase has come from BRC who lobbied employers to get behind Skillsmart. The existing NTO was considered to be failing, and the new organisation did not want to associate with this, and the liabilities it could incur. Establishment of the new body allowed for a new staff structure, although several ex-NTO staff members were subsequently recruited into Skillsmart.

< previous   contents   next >

TABLE 2.1: BACKGROUND TO THE TRAILBLAZERS

	LEGACY ORGANISATION	DRIVERS FOR FORMING THE TRAILBLAZER	SECTOR COVERAGE
COGENT	Oil and gas extraction NTO (OPITO); Petroleum Industry NTO (PINTO); Chemicals Manufacturing and Processing NTO (CMPNTO).	Merger of 3 NTOs predated the SSC announcement, and therefore the formation of a Trailblazer was an obvious decision. The three industries comprise the hydrocarbon trail, share similar skills (process engineering) and common employers. They face the same labour market challenges (ageing workforce; international competition) and are to some extent interdependent.	Oil and gas extraction (upstream industry); Refinery and marketing (downstream industry) manufacturing and processing.
LANTRA	Lantra	The decision to apply was based on the belief that Lantra was beginning to meet the needs of the employers it served (with good sector coverage).	Agricultural crops; Agricultural; Livestock; Animal care; Animal technology; Aquaculture; Environmental conservation; Equine; Farriery; Fencing; Fisheries Management; Floristry; Game conservation; Land-based engineering; Landscaping; Production horticulture; Trees and timber; Veterinary nursing
SKILLFAST UK	CAPITB Trust; FLNTO; NTTO.	NTOs were involved in ongoing dialogue and had worked on successful joint initiatives. Trade associations had formed confederations across the sectors. Merger provided an opportunity for greater larger footprint/better economies of scale, and a way to address credibility issues with employers.	Textile production; Technical textiles; Man-made fibre production; Manufacture of clothing and allied products; Leather production; Manufacture of leather goods; Manufacture of footwear; Shoe repair; Linked retail; Associated design

< previous contents next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

TABLE 2.1: BACKGROUND TO THE TRAILBLAZERS

	LEGACY ORGANISATION	DRIVERS FOR FORMING THE TRAILBLAZER	SECTOR COVERAGE
SKILLSET	Skillset	Skillset believed that they were an effective NTO and fitted the criteria for Trailblazer status. The emphasis placed by the Trailblazer concept on industry-led organisations chimed with Skillset. It was obvious that Skillset was industry-led as an NTO, and that the industry was prepared to fund it as a lead body whilst applying for Trailblazer status.	Broadcast; Film; Video; Interactive media
SKILLSMART	None	Desire to have an organisation that can successfully represent the retail industry (unlike previous NTO). Previous attempts to establish sector skills organisation failed due to the lack of industry support.	Retail

2.1.2 KEY ASPECTS OF MERGERS

It is important to note that in the case of both Cogent and Skillfast UK, joint arrangements between the legacy organisations were already underway, and in some fields firmly established, prior to the Trailblazer process. Moreover, employer groups were a significant driver in the process (through the trade associations). Discussions of the oil, chemicals and gas sector merger predated Cogent's Trailblazer application. The leather, apparel and textiles trade associations had formed a confederation across the sectors.

In making the transition to a new organisation, managing the expectations of the constituency of currently participating employers is required. To illustrate, key elements in the process of transition for Skillfast UK included:

- Proactive consultation and face to face contact with employers throughout the process on strategy (resource intensive);
- 'Selling' of the benefits to employers, i.e. wider coverage = higher profile, more resources, greater influence;
- Involvement of employers in the decision making on 'technical' issues, e.g. branding and marketing, through working groups;
- Setting up of a shadow Board that brought together the leaders from the NTOs and set the basis for future direction. Crucially, this Board was replaced by a new structure once the Trailblazer organisation was up and running. The shadow Board allowed for continuity with the past during the transition and helped to manage the change process.

< previous   contents   next >

2.1.3 SECTOR COVERAGE

Table 2.2 illustrates the scope and diversity of the Trailblazers' sector coverage and associated economic and skills issues.

TABLE 2.2: SECTOR COVERAGE AND KEY ISSUES*

	ESTIMATED EMPLOYERS & EMPLOYEES	ESTIMATED CONTRIBUTION TO GDP	KEY ISSUES FOR THE SECTORS
COGENT	500,000 employees	£16.4bn (contribution to GDP); £114bn (contribution to performance of UK economy)	17 % of employers reporting skills gaps; workforce biased to over 40s males; high dependency on contractors; strict regulatory requirements, including health and safety; challenge of attracting young people (image problems and environmental concerns); increasing international competition; performance of UK economy.
LANTRA	400,000 employers employing 1 million plus 500,000 volunteers	£24bn	Significant structural change taking place within the sectors with the balance changing, some increasing in demand whilst others facing considerable decline. Diverse employment – 17 industries. Farming accounting for 40% of employment but with declining income whilst undergoing significant restructuring. 94% of businesses employ < 10 people, 49% are self employed. A fifth of the workforce is over 55. 20% of employers reported skills gaps and shortages. Key issues are recruitment, ICT, business support, business management skills, flexibility of delivery mechanisms for micro-businesses and sustainable development and the need to upskill to level 3.

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

19

TABLE 2.2: SECTOR COVERAGE AND KEY ISSUES*

	ESTIMATED EMPLOYERS & EMPLOYEES	ESTIMATED CONTRIBUTION TO GDP	KEY ISSUES FOR THE SECTORS
SKILLFAST UK	>13,000 employers employing around 340,000 workers	£16.5bn	Declining employment; 9th largest exporter; ageing workforce; about 7% of employers have reported skills gaps and shortages; SMEs comprise 98% of sector; otherwise a number of global brands; high percentage of ethnic minority and female employment; low comparative productivity rates; increasing trend to outsourcing of production off-shore.
SKILLSET	200,000 employees, over 50% freelancers	£17.5bn annual aggregate gross value, 3% of UK GDP	Employment growing, faster growth in industry than UK economy by 11%; only 4% of establishments reporting skills shortages; over 50% freelance. Growth in SMEs and micro-enterprises (which account for 30% of workforce); international reputation; enormous potential growth (interactive TV, multi channel and on demand viewing), emergence of new media; showcase for British culture; public service broadcasting; extremely flexible working patterns (temporary, part-time).
SKILLSMART	Estimated 11% of UK workforce	25% of GDP	Significant growth in retail employment, average 100,000 jobs per year; problem of attracting right people into retail career (poor external image); increasingly sophisticated consumer demands; pressure to reduce cost and prices; working 'around clock'; environmental agenda & ethical issues increasingly important; health and safety issues prominent.

*The figures in the table are estimates taken from Trailblazer documentation. These figures are for general information only as the basis of calculations varies and have not been independently corroborated and/or sourced.

< previous   contents   next >

COVERAGE OF CROSS-SECTOR SKILLS

The Trailblazers have taken different approaches to the inclusion of generic training issues within their core remit, and this reflects how the key objectives of the Trailblazers relate to the interplay between industry issues and occupations:

- There are examples of Trailblazers focusing on specific vocational and technical skills issues. This is particularly the case where the employment base within the sector footprint shows a high degree of coherence in terms of the skills required (particularly higher level skills in growth industries or common compliance issues);
- Some Trailblazers are developing their strategy to include general business issues such as management and ICT skills development, albeit tailored to the sector;
- On a pragmatic level, some have taken a critical-mass approach – i.e. dealing with cross-sector skills issues if this seems justified by the level of demand from employers within the sector, rather than being a one-stop-shop per se.

The issue of responsibility for cross-cutting skills issues is one which is key to stakeholders as well as employers and Trailblazers themselves. The view was expressed that more could be done to use the 'group of ten' (Trailblazers and other aspirant SSCs at the time) to work out who has responsibility for cross-cutting issues in these sectors.

2.1.4 LEGAL STATUS

Four of the Trailblazers are independent organisations; one is a wholly owned subsidiary of a trade association. The subsidiary status is felt to be important for what is effectively a new business start-up and the connection to the trade association provides direct links to employers. Whether this status can be maintained as an SSC is still to be resolved.

The preferred legal status of most Trailblazers is that of a company limited by guarantee, as shown in Table 2.3. In one Trailblazer, two companies are in place to distinguish between the Trailblazer policy and strategy function and the trading/commercial arm of the organisation – a means of managing potential conflict of interest issues. Some Trailblazers have, or are seeking, charitable status.

TABLE 2.3: STATUS AND LEADERSHIP

	LEGAL STATUS	LEADERSHIP	NUMBER OF BOARD MEETINGS ANNUALLY
COGENT	Company limited by guarantee (with charity status)	Board - 13 (Employers - 9; Trade Union - 3; Academia - 1) Chair: John Mumford, BP Oil	4
LANTRA	Two companies limited by guarantee - Lantra Trust (SSC) and Lantra Awards Has charitable status	Board – 10 (Trade Union – 1, Employers – 4, Academia – 1, Professional Body – 1, Environmentalist – 1, Ex Government Department – 1, Voluntary organisation – 1) Chair: Dr. Gordon McGlone, Wildlife Trust	6

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

	LEGAL STATUS	LEADERSHIP	NUMBER OF BOARD MEETINGS ANNUALLY
SKILLFAST UK	Company limited by guarantee (with charity status)	Executive Board (7 increasing to 8 shortly) (4 full time officers, plus 4 industry reps). Council (up to 30) (including Trade Associations and Trade Unions) Chair: Edward Stanners, Berwin and Berwin	Board – bi-monthly Council – quarterly
SKILLSET	Company limited by Guarantee and Registered Charity	Board of Patrons – 13 (Employers – 10; Education – 1; Politician/Diversity – 2;) Chair: Lord Putnam Board – 16 (Employers – 11; Trade Union – 1; representing Federation of Entertainment Unions (5 unions); Trade Associations – 3; NDBP – 1) Chair: Clive Jones, Joint MD – ITV	Board – 6 Board of Patrons – 2
SKILLSMART	Wholly owned subsidiary of the British Retail Consortium (Skillsmart Retail Ltd)	Board – 15 (Employers – 9; Trade Union – 1; Academia – 1; Professional body – 2; British Retail Consortium – 1; Skillsmart Chief Executive – 1) Chair: Belinda Earl	4

2.1.5 GOVERNANCE STRUCTURES

In terms of governance structures the Trailblazers illustrate the range of options open to organisations:

- Boards – the main body for strategy and corporate governance usually large enough to be inclusive of sector and related interests but small enough to enable effective decision-making;
- Councils – a vehicle used to enable a larger and more diverse number of employers and other stakeholders to contribute to the development of the organisation;
- Sub-sector Groups or Industry Groups – set-up in recognition of the diversity of skill needs and priorities within a given footprint and so, used to deepen and strengthen industry coverage;
- Area/Regional Boards – representing geographic concentrations and devolved administrations;
- Board of Patrons – an opportunity to engage industry figureheads, in a productive way that is not overly burdensome on their time.

< previous   contents   next >

A common view across employers involved in different Trailblazers is their perception that Boards should be strategic bodies, offering direction internally (for the Trailblazer Executive) and externally (for a coherent group of industries). One employer stated that he sees the role of the Board as being a 'directing structure', collectively providing confirmation and guidance to the Executive, and validating the Executive's work through its knowledge and experience.

All the Trailblazers have made changes to their governance structures, and for some it has meant the creation of a brand new Board to reflect the creation of the new institution. Others have retained the core Board membership from NTO days but increased membership to reflect either their new status or an extended footprint. In another case, the roles and responsibilities of the Board have changed in order to clarify role, function and decision-making authority i.e. a shift towards a greater focus on strategy and policy.

Most Trailblazers were designed to have a key decision-making body that is relatively small in size to facilitate effective decision-making, whilst benefiting from broader based involvement and engagement of employers through councils or sub groups. For example, Lantra's board is relatively small and is for governance and audit only. All board members sit on the Council and it is the Council, made up of employers, which develops the strategy for the organisation. Having Board members also in Council allows for continuity and a coherent link.

The diagram below illustrates the governance structures for one of the Trailblazers (Skillset) and how they make use of the full range of options available. Skillset makes use of both sector and regional groupings to capture both the specific skills issues within the footprint and the geography of the sector. Separate arrangements have been made for the management and disbursement of their skills funds drawn from the voluntary levy. The Board of Patrons offers an opportunity twice a year to pick two strategic issues for the Trailblazer for discussion amongst industry figureheads. But, the Board retains the corporate strategy and overall governance responsibilities.

FIGURE 2.1: SKILLSET ORGANISATION

< previous   contents   next >
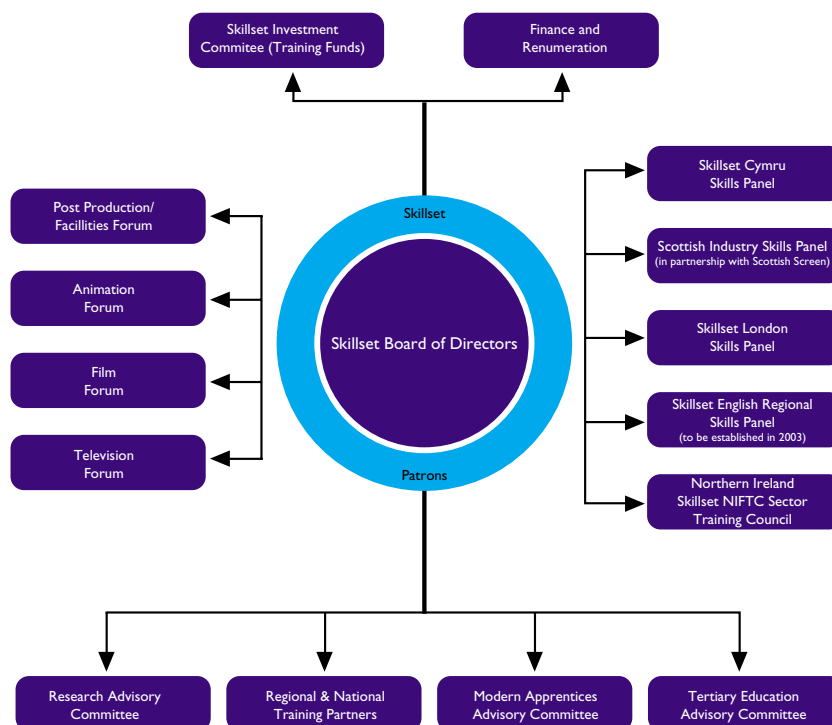
EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

2.1.6 STAFFING STRUCTURES

The Trailblazers vary enormously in terms of their staffing levels, as shown in Table 2.4 below, and this is mainly influenced by whether they have a direct delivery role.

2.2 DESIGN PRINCIPLES FOR TRAILBLAZER SSCS

Probably the most obvious area of achievement for the Trailblazers is developing their respective organisations to 'fit' the new SSC remit. Notably there is no single best practice model for the design of an SSC to emerge. Instead some key 'design principles' for SSCs can be found amongst the group of Trailblazers, as highlighted below.

TABLE 2.4: STAFFING, OBJECTIVES AND ACTIVITIES

	STAFFING CHIEF EXECUTIVE STAFF (TOTAL)	TEAMS (STAFF*)	OBJECTIVES OF THE TRAILBLAZER	KEY ACTVITIES
COGENT	JOHN RAMSAY 34	Research and communications team (4); Engaging with employers team (12); Products and services team (6); Business support team (15).	In working with employers: to make the business case for increased investment in training and to encourage employers to work together; In working with individual companies: to ensure appropriate products are available and to ensure that employers are able to extract Government funding to support training activities; In working with individuals: to advise on developing transferable skills and to advise on how to access learning.	Employer engagement: meetings; Development of organisational structure & job roles, offices and support systems; Contractual arrangements: establish new company, legal, accountant, employment, redundancy and redundancy contingency advice; Develop strategic business plan; Set up advisory groups; Identify critical success factors; Communication and rebranding.
LANTRA	PETER MARTIN 119	Policy, incorporating Industry Partnership Managers (6); Marketing, media relations, communications (4); Development (5); Sector policy (1); Research (1); Finance/HR, IT (20); Lantra Business Solutions (6); Lantra Skills Solutions (16 including part-time assessors); Lantra Online (11); Regional teams and Ufl (34); Lantra awards (18).	To act as the fulcrum between business, industry and Government; To support businesses within the sector and to meet industry demand by identifying the skills and business needs of the sector; To engage with statutory bodies about the skills implications of the regulatory framework of environmental and land-based industries; To engage with the policy environment about the skills implications of the key issues facing the sector. Lantra is greatly driven by the policy environment due to the general dependence of the sector on public UK or EU policy regulations.	Employer engagement: Industry groups to develop and deliver specific programmes; Industry skills and productivity action plan; Support Employer Learning Networks: training and qualifications, network of training providers; Hub for Learndirect phone helpline, library, training needs assessment package Skillcheck to identify training needs; Co-ordinate and facilitate industry/employer specific project based activity (skills identification, business innovation); Research in LMI; Interact with specialist college network; Develop national occupational standards, business standards; Represents sector to the Government, links with departments (DEFRA, LSC for MA discussion).

< previous   contents   next >

24

	STAFFING CHIEF EXECUTIVE STAFF (TOTAL)	TEAMS (STAFF*)	OBJECTIVES OF THE TRAILBLAZER	KEY ACTVITIES
SKILL FAST UK	LINDA FLORANCE 21	Workforce development (5); Business development (9); Financial services/IT (3); Marketing and communication (1); Admin (5).	To identify the short/medium/long term skill needs of the sector which are required to support future competitiveness; To stimulate strategic diversification through effective human resource planning; To encourage demand led responses to industry development needs; To improve sector performance through measured development interventions; To develop partnerships in order to sustain the competitiveness of SME/Micro businesses; To engage the sector in positive actions to improve its ability to compete for an effective workforce in a competitive labour market; To maintain sources of information relevant to sector competitiveness; To ensure that the sector is aware of changes in legislation and able to access support mechanisms to assist with compliance.	Strategic plan includes a wide range of activities to meet the strategic objectives, in the short/medium term including: Skills foresight work and creation of Sector Workforce Development Plan; Amalgamate functional mapping and standards across the sectors; Develop programme for revision of national occupational standards; Develop national programme of strategic awareness of the sectors global marketplace aimed at SMEs; Formation of employer networks; Creation of resources to support ICT based learning; Development of provision for key workers to acquire instructor/trainer skills to support objective learning in the workplace; Identify appropriate mechanisms for extending positive images of the sector.
SKILLSET	DINAH CAINE 38	Policy and Development (1.5); Communications (5); Finance/Business Admin (0.5), Director of Business Operations TBA shortly (1); Nations (4); Regions (7); Investment and Millennium Awards (3.5); Research (2); Information Advice and Guidance (4); Standards and Qualifications, Approvals and Frameworks (3.5); Sub Sector Specific (2); Office Admin (3); CEO and PA (2).	To help improve the competitiveness of the audio-visual industry; Undertake research to find out about the training and skills needs of the industry; Support and develop new and existing talent for the industry; Promote training levels which meet industry needs; Encourage and raise investment to pay for training for individuals and organisations; Recognise and certificate the skills and expertise of people working in the industry; Advise on UK- wide education and training policy; Encourage and support equality of opportunity.	Strategic representation of the industry's skills and training interests in policy (including during the consultation process associated with the Communications Bill); Independent Production Training Fund, Freelance Training Fund, Skills Investment Fund; LMI, skills analysis and forecasting; Ensuring regional representation across the UK; Developing National Occupational Standards and Qualifications; Company Development

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

	STAFFING CHIEF EXECUTIVE STAFF (TOTAL)	TEAMS (STAFF*)	OBJECTIVES OF THE TRAILBLAZER	KEY ACTVITIES
SKILL SMART	NIGEL BROOME 8	SME development (1); Research and statistics (1); Qualifications (1); Business development managers (12); Communication (1); Office (1).	To raise the profile of retail careers; To improve employee retention; To increase productivity in the retail sector.	Research and analysis of employment patterns and issues in the sector; Develop national standards; Be the primary source of information on retail employment issues; Work to disseminate best practice; Promote the image of sector and opportunities; Improve retention rates, establish work placement programmes for schools and universities; Develop new national training; Involve small retailers through local and regional partnerships; Establish organisational structure, due to no previous existing organisation.

* People employed in role (not full time equivalent). Not including CEO office staff.

2.2.1 SECTOR COVERAGE

In merging organisations from different sectors, the main considerations were around coherence of the resulting footprint. This must make sense to employers, although will not be standard as origins will be varied. Key factors for one Trailblazer included:

- Linkages through customer-supplier relationships. The supply-chain relationships provided a driver for change within the industries and provided a degree of leverage with 'down-stream' employers;
- Existence of common major firms across the sectors reflecting the vertical integration of some business operations;
- Similar skills base and skills issues across the industries.

For another Trailblazer, the drivers came from:
- Industries facing significant changes and restructuring, with an employer base open to new approaches and ideas;
- Recognition of the need to compensate for past decline within some industries, through increasing the size of the sectors and their profile.

In both cases, there were common labour market issues facing the sectors to be merged. For one Trailblazer, key issues were the strong focus on compliance, poor external image, and the need for UK companies to compete in a global marketplace. For another Trailblazer, despite the varying skills base and processes in the sectors, common themes could be identified in relation to the need to come to terms with increasing specialisation and technological advancements, outsourcing of production, an ageing workforce, and a poor external image.

Key messages on developing a footprint from the Trailblazers experience are:
- Collectively, there needs to be a coherent rationale for the grouping of sectors under an SSC banner;
- An important criteria on which to build a footprint is employer identity – a common perception of shared interests and purpose;
- Shared interest may be based on core business interests/activities or supply chain linkages, common skills requirements or shared workforce characteristics.

< previous   contents   next >

2.2.2 FOCUS ON COMPETITIVENESS

Related to the above, is the coherence of the rationale for the groupings of the sectors under the SSC banner. In some cases, the refocusing of the Trailblazers on competitiveness issues facing the sectors, rather than training in isolation, was probably the single most important factor in keeping employers on side, especially where the changes proposed mirrored the changes taking place within the industries overall. This is particularly the case where industries are undergoing restructuring and/or there is an objective of supporting the growth/sustainability of smaller/micro firms. At the same time, other areas of support e.g. work with careers advisers or support on sustainability issues, were also important to some employers.

2.2.3 BOARD MEMBERSHIP

In all cases, Board membership included representatives from:
- The major employers within the industry, especially widely known key firms that give credence and credibility to a sector based organisation;
- Firms that reflect the diversity of sectors within the footprint;
- Trade Associations as representatives of and conduits to SMEs;
- Trade Unions.

Trailblazers agreed the importance of engaging trade associations and trade unions where applicable, organisations that can in turn increase exposure and awareness of the SSC concept amongst their membership. Working with trade associations was acknowledged as one way to demonstrate employers' support, and they were perceived to be adept at lobbying (and therefore influential) and an effective conduit to SMEs. Trade associations can be the 'multiplier' and can strengthen the organisation through employer reach.

Other key members included professional body representatives, academic institutions from HE and FE, and voluntary organisations. In all cases though employers constituted the majority of members, and most had tried to recognise the spread of employer size within the governance body.

26

Employers widely argued that, in order for the Board to achieve its aims, it should consist of senior, experienced figures with credibility within the sector. In turn, this gives the Board, and by extension, the Trailblazer, credence with employers and stakeholders. Board members' senior positions also enable them to increase awareness of the Trailblazer across the sector by acting as organisational 'champions', and where necessary, secure funding for it. Additionally, it allows them to adequately represent their organisations at Board meetings, as more junior figures from the same organisations could not give assurances with the same confidence and authority.

On a more pragmatic level, concern was expressed, by some, about whether senior representatives from firms could set aside the amount of time needed to adequately fulfil the duties required of Board membership. Employers highlighted the significant time commitments that they make to Trailblazers. Commitment can include attendance at Board meetings and preparation; launch events and speaking engagements; interviews; steering committees and working groups. In more limited cases, mention was made of operational input including work at the micro level: one Trailblazer requires the signature of a Board member as well as the Chief Executive on all cheques.

The issue of time was particularly the case for those Trailblazers that are also brand new organisations with a new Executive. Here the level of commitment required from Board members was deemed to be greater. By contrast another Trailblazer, previously a well-established NTO with an experienced Executive staff, is able to work with the Board primarily on strategic policy issues and to reduce the volume of paperwork at least associated with membership. An inverse correlation between maturity of the organisation and time commitment from Board members was observed.

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

2.2.4 SUB-GROUPS AND COUNCILS

Most Trailblazers have worked hard to retain the identity of sub-sectors and regions, through having sub-sector groups and networks and staff with particular sector or geographic responsibilities, feeding into the overall decision-making structure.

Generally, industry characteristics appear to be a main driver behind sub-groups and councils within the structure of the Trailblazers:

- Diversity within the footprint is reflected in the size of key committees to ensure inclusive employer membership;
- The complexity of the footprint is seen in the development of sub-sector groups;
- UK coverage and/or geographic concentrations of firms is driving the development of regional groups and the priorities associated with their phased introduction;
- Employer skill and policy priorities are reflected in the creation of sub-groups and working groups.

BOX 1: CORPORATE STRUCTURE

Building a single effective organisation from the three NTOs that preceded it has been vital for Skillfast UK's success. This has been achieved through ensuring that its corporate structures are broad and inclusive.

Skillfast UK's Council ensures that all areas of the industry are represented in proportion to their size and has achieved broad coverage across the sectors under the Trailblazer's footprint. A workable balance has been struck between broad representative coverage (including trade unions) and creating an effective body that is able to act on decisions made.

The structures also reflect the need for communication channels for keeping in-touch with 'grass roots' (such as local networks and regional groupings).

BOX 2: INDUSTRY GROUPS

Lantra engages with employers through Industry Groups (IGs), made up of employers and representatives of trade associations, statutory bodies and voluntary organisations. Created 4 years ago when Lantra was an NTO, IGs now have a more proactive and influential role in order to fulfil the demand that SSCs are employer led. In addition, to show UK wide representation, Lantra has a Wales, Scotland and Northern Ireland IG to review activity and to influence devolved administration policy.

IGs will become the main engines for developing and delivering specific programmes. Each has a chairperson, and is managed by an Industry Partnership Manager in charge of a sample of 4 related IGs, whose role is to facilitate greater IG activity and ensure good quality industry representatives. A representative of each IG feeds into the Council and the Industry Partnership Managers feed into Lantra. Additionally, the IGs are represented on the Advisory Group on Standards & Qualifications, which also has a representative on the Council.

The organisational structures reflect the extent to which the Trailblazers are attempting to unite a diverse range of sector interests. The potential gains from merger of the sectors is most clearly seen where the merged sectors are run as a single business, even though there may be a groups of sub-sector interests feeding into the overall decision making body. Economies of scale are less apparent where the sub-sectors operate separately, and therefore each require a separate representative body for discussion and agreement.

< previous   contents   next >

2.2.5 SPECIALISATION OF STAFF ROLES

On a general level, in comparison with the NTOs, the higher level of funding implied by Trailblazer status has allowed for a much greater degree of specialisation of staff roles within the organisations, and the creation of functional divisions. Most of the Trailblazers have made distinctions within their overall framework between the:

- Marketing and communications functions;
- Research and development functions;
- Business development/employer engagement functions.

The argument was expressed that in order to gain credibility with other stakeholders, it is essential to create a 'single staffing' model – even if sub-sector employer groups have to be handled separately. Many of the organisations that the Trailblazers have to deal with – such as the LSCs - tend to work in this way, and they expect the Trailblazers to do the same. Specialisation means that staff can form direct relationships in terms of their functions, and maintain a high degree of professionalism in their roles.

The skills and expertise within the teams is a key consideration for the SSCs and its employers. Some of the skill requirements are different from those traditionally associated with NTOs, with a stronger focus on:

- Facilitation, communication, networking skills and the ability to influence key stakeholders.
  For example, some of the Trailblazers have concentrated on extending their field-force as a
  key to employer engagement;
- Credibility with employers, which is often enhanced by direct recruitment of new staff from industry;
- In-depth expertise in particular business professions, regions and sub-sectors. Certainly,
  Trailblazers that were mergers of a number of sectors have tended to see the need for a diverse
  Executive team with expertise in all the key sectors within the footprint.

The comparatively greater level of resources and focus/specialisation within the teams appears to be a key element in enabling the 'step-change' that the Trailblazers are aiming to deliver over and above that achieved by the NTOs.

2.2.6 CALIBRE OF STAFF AND EXECUTIVE LEADERSHIP

Employers involved with a range of Trailblazers widely argued that the quality of the organisation's staff was central to its success. Two employers connected with one Trailblazer drew attention to the high quality of staff that it employed, with one noting that the contrast with staff employed by the predecessor NTO was 'like night and day'. He added that the Trailblazer is larger than its legacy organisations, with an enhanced ability to recruit higher quality staff that can talk to employers with greater authority. Interestingly, another employer involved with the same Trailblazer stated that the organisation was wise in recruiting high quality people, which he perceived as being more important than having an extremely in-depth knowledge of the industry.

Employers connected with three of the Trailblazers specifically highlighted that the reputation and credibility of the Chief Executive was key in the success of the organisation, a factor that should be noted by other aspirant SSCs. One Board Chair stated that the appointment of the Chief Executive was a key factor in her acceptance of the post.

Employers also highlighted the ability of the Trailblazers Chief Executive to promote the organisation both to companies within the sector and to external private and public sector stakeholders. Employers involved with one Trailblazer emphasised the success of its launch event, which included high profile speakers and was effective in creating awareness of the organisation among employers across the sector.

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

2.2.7 BUSINESS PROCESSES

Most Trailblazers are trying to operate more as businesses.

Overall, employers argued that the credibility of the Trailblazer is key in gaining and maintaining companies' confidence in it. In effect, this means that the organisation has to be professional – in terms of the ability of its staff and the way in which it deals with employers. One employer stated that the fact that the Trailblazer she is involved with is run like a business in a highly professional manner makes her feel very confident about its commitment to achieve success.

Several Trailblazers were in the process of adoption of 'high performance' work practices, often using new technologies to communicate amongst staff working from various sites.

BOX 3: MANAGEMENT

One aspect that has been highlighted as a good practice in Skillsmart is the fact that it is managed like a business. Given that Skillsmart draws support predominatly from the private sector, the fact that it operates with procedures, terms and at a pace that retailers appreciate only helps to enhance interest and build credibility. Plans, timelines, targets and budgets have been communicated through its plan. Activities were designed to respond to identified industry needs. Staff hiring was done on the basis of resource needs spelled out in the plan. Furthermore, strong emphasis has been placed on the development of commercially viable activities which will enable the organisation to be self sustaining in the future.

2.2.8 UK COVERAGE

All the Trailblazers have taken on board the remit for UK-wide coverage. Most Trailblazers are going down the route of recruiting geographically-based teams, which will have a regional/national focus.

29

Not all the geographically based teams are in place and the design for UK coverage varies. For example, two Trailblazers have taken an approach of matching staff to spatial industry concentrations or clusters. These do not however necessarily fit with administrative boundaries. Another Trailblazer is establishing a UK-wide infrastructure including regional groups in each of the devolved administrations, even though the majority of the footprint's workforce is concentrated in one region.

In some areas, the Trailblazers are working with pre-existing regional/national sector networks, which raises debate about the extent to which Trailblazers are able to draw boundaries around and focus on their own sector interests. Existing networks' sectoral definitions do not always 'fit' with the Trailblazers' own footprint. For example, through working regionally with existing industry training networks, one Trailblazer has found itself in contact with other sub-sectors that are included in the locally defined sector group. The Trailblazer is considering whether it has a role to play in 'fostering' employers 'out-with' their footprint prior to sectors being covered by SSCs, or should the Trailblazers' footprint expand in order to accommodate a better fit? So far the preferred option is to take the former approach. However, as the SSC network expands one can envisage more than one SSC working with a pre-existing network and/or situations where there is no SSC and the Trailblazer having to expand their footprint in order to sustain the network.

Another dimension of the UK-wide coverage is the extent to which Trailblazer sectors have existing regional/national sector networks to work with and/or their sectors are identified as priorities within regional or devolved administration strategies. Within the devolved administrations some sectors are more important than others and have been identified as priorities for intervention and support. Where there is an alignment between SSC UK-wide coverage and regional/national priorities, SSC investment and involvement are most feasible. Where there is no alignment, SSCs should be allowed some flexibility on where they invest and allowed to limit involvement in some regions/nations.

< previous   contents   next >

2.3 FINANCE

A major challenge is presented by the need to be commercially driven, whilst meeting the needs of the sector. Most people would agree that the Trailblazers have to be seen to be working for employers, and not 'for the system'. However, in practice 'the system' is considered a key source of financial support.

The Trailblazers vary in terms of the levels of existing financial support from the private sector, and the perceived future potential of this. Information on funding sources is reviewed in Table 2.5 below. Cogent and Skillset perhaps demonstrate the strongest private sector contributions. For Cogent this is primarily through its strong and well-established commercial activities (private sector funding accounts for £2.5 million pa). For Skillset, funding for training comes through its voluntary levy and some core funding is provided by the major employers (also Board members).

Other Trailblazers felt constrained in their ability to provide marketable services/products to employers in their sector, due to the inability of employers to pay because of the prevalence of small firms or concerns about employers' in declining sectors (although there were examples of Trailblazers marketing products, despite decline in some areas). Similarly, there was a general reluctance to create membership organisations to generate additional fee based income. As one ex-NTO representative suggested, this had been resource intensive in the past and had not been especially effective.

In all the Trailblazer examples, a huge effort is spent in chasing funds. As one stakeholder suggested, the search for funding from key stakeholders could compromise the Trailblazers' positioning as a strategic partner. Given that most public funding is now based on competitive bidding, the ability to forecast funding over even a 12 month period is difficult and one Trailblazer had to down-grade their anticipated income for this year as a consequence.

TABLE 2.5: FUNDING

	BUDGET (2002-2003)	PLANNED FUNDING MECHANISM
COGENT	£2.5m private funding pa, with another £1m from being a Trailblazer	Commercial activities and membership fees; Plan to move towards a more commercial basis over time.
LANTRA	£9.6m (Including Lantra Awards £1.3m, Ufl £2.3m)	Marginal employers' contributions, commercial funding and Government funding; In the long term, the re-selling of programmes such as Ufl through approved networks will be important.
SKILLFAST UK	£1m SSDA plus initial development funding and support from NTOs (£2.5m secured so far through portfolio of projects)	Core SSDA funding, plus funding to deliver projects (LSC, RDAs etc); Hope to develop 'pay to play' approach with employers.

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

	BUDGET (2002-2003)	PLANNED FUNDING MECHANISM
SKILLSET	£4m of which public funding constitutes 25%	Freelance Training Fund; Skills Investment Fund; Portfolio of public/private funded initiatives and services; Core funding from key employers (who also serve as Board members).
SKILLSMART	£1.1m	Public sources: from RDA, LSC, EC; Private: through commercial activities - qualification fees, selling of research; No subscription fees.

Chasing public funds also means responding to the external agenda rather than concentrating on the internally planned strategy. Funding on an ad hoc basis from multiple sources has resource implications for the organisation, as each fund tends to require separate contracting, monitoring and accounting arrangements. Finally, two Trailblazers mentioned that their ability to generate additional public funding had been undermined by the £1m from the SSDA. The perception from other agencies was that receipt of this funding meant that the Trailblazer was already adequately funded and so required no further resources.

The advice from one Trailblazer to aspirant SSCs was to consider very carefully the financial viability of the proposed organisation – to assess what can be realistically achieved with £1m of Government core funding. Their view was that additional employer funding was essential if the SSC remit was truly to be achieved. For example, more than one Trailblazer mentioned that the additional Trailblazer funding was being used to support the development of UK-wide coverage and that establishing this infrastructure was absorbing much of the extra funding.

One of the calls was for the SSDA to work with public sector funders to encourage them to buy into (fund) SSCs business plans rather than continuing to fund ad hoc initiatives or services.

2.4 EMERGING ISSUES FOR THE NETWORK

2.4.1 SECTOR COVERAGE

Sector coverage is a key strategic issue for a number of the Trailblazers and for the development of the SSC network overall. The difficulty of trying to create a limited number of SSCs whilst still maximising workforce coverage was recognised by respondents – 'it will be impossible to create SSCs that do not produce some anomalies' (Stakeholder) and 'the economy is a sphere and we are trying to cube it' (Stakeholder).

For the Trailblazers, sector coverage is significant not only in relation to the creation of a coherent and viable organisation but also with regard to any size criteria that might be applied to an SSC Licence. Certainly, the view was that there is a lack of clarity from SSDA about footprint size. Trailblazers and others want to know whether having less than 0.5 million employees in a sector is a 'deal breaker' (Employer Board Member).

< previous   contents   next >

One simple way of constructing a footprint is through the use of SIC codes. The advantages lie in easy access to detailed statistics and information on which to base industry and labour market analysis, a key feature in setting out the agenda for action for any SSC. The difficulties arise in moving beyond the original SIC because of size issues. Here the search involves the identification of industries where the potential for common cause exists.

One option is to look at a closely related SIC. However, for some respondents, the view was that using SIC codes alone is an inadequate basis on which to construct a footprint. Whilst it might facilitate a neat division of the economy it does not necessarily mesh well with employer practice and identity. In one case, early discussions were taking place with another sector with a view to expansion of the SSC. Whilst the 'common cause' and employer identity argument could be made for some occupations within that industry – it did not apply to the industry as a whole. The preference here was to bring in a sub-set of that industry – almost cherry-picking occupations.

For another Trailblazer, the option they were considering was the supply chain. Here though the question was: how far does one travel down the supply chain before the common base of interests becomes too diluted? Also, using the supply chain as a model could mean cutting across the development work of other SSC bids. But this approach was felt to have some real value.

For another Trailblazer, they could imagine an identity at the core of the footprint, but which was 'blurry at the edges' and without any enshrined boundaries. This was considered to be within the spirit of the SSC concept, given that an SSC should be a structure where employers feel they belong together and share a common purpose. However, the degree to which this is a manageable (and acceptable model) is unknown.

The final model was to take some loosely aligned industries under a broader umbrella statement of common cause – a division of the economy. Here, the limited basis of shared employer identity could be managed through the creation of sub-SSC groupings within an overall structure.

Lastly, with regard to extending the footprint, key messages were:

- Yes, provided expansion can be justified on the basis of 'real added value' but…
  – Expansion must not dilute purpose and focus;
  – Expansion must not divert attention away from delivering to the existing employer base;
  – It should be undertaken as a managed process, in 'bite-sized chunks';
  – All partners must come together on an equal basis (i.e. fair and equitable contributions to support the SSC);
  – Extending the footprint can come with time – using proven success and employer benefits as the magnet for attracting additional sectors or sub-sectors.

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

One of the key messages for the SSDA to emerge was that in putting together the network of SSCs in the future, there should be a degree of fluidity in the boundaries. This is a pragmatic approach, based on the view that the initial building blocks for the SSC network should be 'softer shapes' rather than solid chunks, since this will allow the pieces to be fitted more easily into the overall picture over time. Others also felt strongly that smaller SSCs could be justified, especially in areas of high growth, or where the priorities were unique or very specialist.

Finally, most people agreed that proper research is required before decisions on sector boundaries are made, and that this should be part of the development phase for the SSCs.

CROSS-CUTTING SKILLS

A related question is whether the SSCs will deal with the issues of particular or general skills. The problem of footprint is acute in the situation where skills of particular occupations are not industry specific (e.g. administrative skills, management skills).

The questions are whether SSCs should operate as a one stop shop for skills issues for firms within its sector; whether they should offer a referral service to other relevant SSCs for non-related skills; or indeed whether they should buy-in services for their employers from other SSCs?

It was felt that this is an area where leadership needs to be shown, and responsibility identified, partially because of the risks of organisations fighting their own vested interests and/or duplication of effort taking place. A strong network approach, and effective communication within the network, was identified as essential to achieving coherent delivery to meet employers' generic skill needs.

2.4.2 UK COVERAGE

The key issue is whether the need for UK-wide coverage as manifested by a regional infrastructure actually works against the most efficient use and application of limited resources. Certainly, one Trailblazer stated clearly that a major portion of the additional funds from being a Trailblazer was being used to invest in a UK-wide infrastructure even though their own industry-led priorities would have suggested a more limited and targeted regional approach.

2.4.3 FUNDING

There was a concern expressed that the SSDA would look to employer funding/contributions as the key indicator of successful employer engagement and being employer-led. This concern was partially fuelled by questions of ability to pay by employers within their sector, reinforced by the inability of most employers to see the direct benefits to their firm of SSC activities other than for directly received services. The view was that there would be a differential ability for SSCs to collect employer contributions dependent on sector characteristics and economic health. Consequently, the relative wealth of SSCs would vary. Plus, there might be an inverse correlation between 'need' of the sector and available employer funding to provide solutions.

More generally, the question of 'who should pay for what' appears to be unclear in regard to the SSCs. For example, one view expressed was that the SSCs will provide a valuable service for Government – for example through the provision of LMI which would lead to better targeting of Government investment in education, skills and training or the articulation of the employer voice in shaping Government policy. As such the view was that the public sector should continue to pay a major portion of the core operating costs of the SSC.

< previous   contents   next >

2.5 THE TRAILBLAZER ORGANISATIONS – SUMMARY OF KEY FINDINGS

Where NTOs were merged, joint arrangements between the legacy organisations were already underway prior to the Trailblazer process, and employer groups were a significant driver in the merger. Creation of a Trailblazer within the umbrella of a trade association helped significantly with business start-up and employer-buy in.

Managing expectations of employers was assisted by proactive consultation and face-to-face contact, 'selling' the benefits (i.e. wider coverage = higher profile, more resources, greater influence); and involvement of employers in decision-making. In one case, a 'shadow' board comprising the leaders of the legacy organisation allowed for continuity and helped to manage the early stages of the change process until a new organisation was in place.

Existence of separate companies is a way of managing conflicts of interest between policy and strategy functions and trading/commercial arms. Some Trailblazers have, or are seeking, charitable status.

In relation to governance, a range of mechanisms are required, industry characteristics being the main driver for the establishment of groups of sub-sector interests feeding into one overall effective decision making body.

There is no single best practice model for SSCs, but some key design principles can be identified:

- Coherency in sector coverage - The rationale for grouping sectors under the SSCs banner is crucial to the achievement of coherence, employer identity and shared interests. Key considerations have included: linkages through customer-supplier relationships; the existence of common major firms across the sectors; a similar skills base and skills issues; and common industry themes, sometimes reflecting restructuring in the sectors. Using SIC codes alone to identify related sectors can be inadequate. Extending the footprint can come with time, using proven success and employer benefits as the magnet for attracting additional sectors or sub-sectors;
- Extended scope – The refocusing of the Trailblazers on competitiveness issues facing the sectors, rather than training in isolation was an important factor in keeping employers engaged (although not the only one).
- Sub-sector divisions – To reflect different industry groupings and sub-sector characteristics, thereby retaining the identity of sub-sectors and regions within the overall framework. This approach is necessary to allow individual groupings of employers to feel able to shape the outcomes and strategy to suit their particular needs;
- Employer leadership and direction - Influential employers, firms that reflect the diversity of the sectors within the footprint, trade associations and trade unions are represented on Trailblazer boards. For most, it was crucially important to recruit the most senior employer members, to give credibility and raise the profile of the skills agenda as a business crucial issue. However, this meant securing significant time inputs from employers, especially for organisations in the formative stages of establishment;
- Specialisation within staff teams - The skills and expertise within the teams is a key consideration, with a focus on facilitation, communication and networking skills, credibility with employers, and expertise in particular business professions, regions and sub-sectors. In general, Trailblazer status has allowed for a much greater degree of specialisation of staff roles, and this has contributed to the step-change that Trailblazers are meant to deliver over and above the NTOs;
- High calibre Executive leadership – Having high calibre staff, especially senior management staff, has been key to employer involvement;
- UK-wide reach – Most Trailblazers have gone down the route of recruiting geographically based teams. Most people agree that regional coverage is most feasible where there is an alignment between Trailblazer objectives, industry clusters, and the priorities identified in the plans of the regional bodies and devolved administrations.

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

The experience of the Trailblazers raises some issues for the overall network:

• There is a need for clarity from the SSDA about the minimum size of footprint. Fluidity in the boundaries could assist in putting together the network, although proper research is required before decisions on sector boundaries are made, which should be part of the SSCs development phase;
• Particular footprint issues exist where the skills of occupations are not industry- specific (e.g. administrative and management skills). The need for a strong network approach, and effective communication within the network, were identified as essential to achieving a coherent service on cross-sector skills;
• UK coverage is expensive as currently being developed, and may not fit with industry priorities;
• Meeting the needs of the sector and being commercial driven is a significant challenge. The question of 'who should pay for what' appears to be unclear with regard to the Trailblazers and the SSCs.

< previous   contents   next >

3 PROGRESS AND ACHIEVEMENTS

3.1 INTRODUCTION

'Know the issues; then the solutions; develop a strategy to meet needs; do what you can now; influence others to deliver; look to the future' (Trailblazer Director).

A number of employers and Trailblazer staff argued that it was too early to point to significant achievements made by the Trailblazers, given that they have only recently been established.

Employer estimates varied as to when Trailblazers' achievements would be visible. A significant proportion of employers argued that tangible results should become apparent between Spring-Summer 2003, though one employer even suggested that it was only reasonable to expect concrete results in 2-3 years.

Further, one employer stressed that the SSDA must recognise the 'trailblazer' role of Trailblazers, and that as a result it is unrealistic to judge their performances against hard targets, 'they are in a development phase and are pioneering, so are likely to go down one or two blind alleys' (Board Member).

In this context, the purpose of this section is not to judge performance to date but to set out progress so far and to identify:

- Achievements and lessons;
- Emerging pragmatic operational issues.

The following section goes on to consider:

- Strategy and policy questions for the SSCs and SSDA to consider;
- A framework for monitoring and evaluating achievements in the future.

3.2 ENGAGING EMPLOYERS

'Ensure the involvement and backing of your industry by informing them that this is not a re-packaging job. It is about fortified wine in new bottles, not old wine in new bottles.' (Trailblazer CEO)

3.2.1 ACHIEVEMENTS

As 'the voice of industry', the Trailblazers' ability to engage employers effectively is fundamental. The early days of Trailblazer development have flagged-up some interesting conclusions with regard to:

- The message;
- How best to communicate to employers;
- Mechanisms that need to be in place to effectively engage employers.

From the interviews, respondents suggested that messages with resonance for employers were strongly about business benefits, namely:

- Tangible outcomes – improving the skills and capability of the workforce;
- Relevance – drawn from a sound understanding of industry needs and business to business communication;
- Offering an opportunity to act – to voice an opinion and to directly influence outcomes.

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

Employers interviewed generally argued that the main role of an SSC is to improve the skills and capability of the sector's workforce, by identifying which vocational skills are important and responding to the training and skills needs of employers in the sector. The emphasis on developing relevant vocational skills, as opposed to taking a purely theoretical approach, was an important one raised by employers connected with a variety of Trailblazers.

In support of these aims, employers argued that Trailblazers need to focus on achieving and maintaining the support of other employers in their sector, perceived as essential for Trailblazers' existence and subsequent success. One interviewee specifically argued that employers' engagement can be achieved by offering them the ability to voice their opinion and the chance that good quality training material will come out of their involvement. Others emphasised the potential of Trailblazers to lobby Government as an important characteristic that the organisations needed to demonstrate in order to engage the interests of employers.

Additionally, employers maintained that strong, credible leadership of the sector by Trailblazers would engage companies, by sending out a persuasive message about the aims and goals of the Trailblazer and its ability to meet them. Some interviewees maintained that Trailblazers' production of LMI could increase their credibility amongst employers. However, they argued that LMI had to be practically utilised to help achieve Trailblazers' goals, and that it should not be produced for abstract, 'academic' reasons.

As well as the message, respondents placed considerable emphasis on effective communication, including:

- Making the skills and training message 'exciting' to catch employers' attention. This can be done by firmly placing the skills message within the context of business issues either directly or within a wider context such as restructuring of the industry or the image of the industry within the labour market;
- 'Differentiation' - the message needs to be tailored to the audience. The interests of large firms are not the same as SMEs. For different sub-sectors the skills issues and priorities will vary. Communication needs to be audience specific;
- Language - there is a need to use two vocabularies – one for employers, another for Government and its agencies and the two should not be confused. The professional language of training has no resonance with the majority of employers. Rather, the use of 'skills jargon' was identified as a specific turn-off for employers.

The Trailblazers are employing professional communications and marketing staff to develop communications strategies. Meanwhile a range of mechanisms for communicating and engaging employers that are felt to be proving effective, include:

- Using business leaders to communicate the message directly to other businesses;
- Using trade associations as channels to SMEs in particular but also to translate the messages into meaningful statements for their members;
- Creating a whole range of forums for business to business communication;
- Using existing networks and business associations as access conduits; and,
- The full range of promotional activities such as road shows, breakfast meetings, launches, consultation documents and web sites.

As noted above, for most of the Trailblazers, it was critically important to recruit the most senior members of firms and organisations - Chief Executive Officers, a Senior Director, even the Chairman to serve on the Board. Widespread name recognition of the firm combined with the ability to have a senior member of that firm serving the Trailblazer was felt to give instant credence to the SSC as an organisation but also to raise the profile of the skills agenda and to firmly place skills as a business critical issue.

< previous   contents   next >

BOX 4: ENGAGING WITH EMPLOYERS

Resulting from strong leadership and management, Skillsmart has been successful in generating interest and support from retailers. Skillsmart began to generate support and to market itself through one to one meetings between the Chief Executive and heads of the large retailers. Establishing links with large players helped in gaining support from medium and smaller sized players. After a certain amount of support was generated, a breakfast launch was held to formally introduce Skillsmart to a wide group of employers. Since then, more employers have been engaged through networks and word of mouth by those already aware of Skillsmart. Skillsmart has leveraged the power of personal and professional networks and the reputation of retailers in order to attract more and more support.

SMALL AND MEDIUM SIZED COMPANIES (SMES)

Most Trailblazers have problems when it comes to representation of SMEs, especially where a diverse range of SMEs are covered in the footprint. SMEs traditionally do not articulate their training needs, and making contact with this group is very resource intensive.

Whilst valuable, communication on its own was acknowledged as not sufficient. Certainly in the case of SMEs, one view was that it is solutions or services that are the most effective means of engaging small firms. Recognising that SME owner/managers have little time to engage, two Trailblazers were using skills assessments or Skillcheck services to both capture information on firms needs and to communicate about the Trailblazer. Trailblazer outputs and services were stated as the most effective means of engaging employers as 'brand' qualities and products become known.

Multi-agency working is also a key aspect of engaging smaller companies. An example of this in Wales is the Farming Connect programme, where more than 30% of all agricultural businesses (mainly micro SMEs) have been engaged in a multi-agency advisory and support service of which Lantra is a main partner.

Those Trailblazers which deliver training, or which manage projects/programmes, see these activities as being crucial because they are a mechanism to provide incentives for SMEs to take part. One respondent suggested that new mechanisms need to be found to engage SMEs – and in future this might mean that SSCs have to pay SME/micro employers to engage in the process.

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

BOX 5: ENGAGING SMES

The development of successful relations with SMEs is an important priority for Cogent. Their engagement in dialogue with the Traiblazer is crucial, especially given the perception that most are not receptive to government initiatives dealing with skills and training (e.g. Foundation Modern Apprenticeships).

Consequently, Cogent made the strategic decision to engage SMEs through relevant and practical products and services. A key example is the Petroleum Open Learning product, initially developed by OPITO, one of Cogent's predecessor organisations. OPITO spent time driving around industrial estates in key areas (Yarmouth, Humberside, Aberdeen) noting the names of all the SMEs and advertising to them. Petroleum Open Learning now accounts for 18% of the organisation's overall revenue. Cogent also uses diagnostic tools (skills needs assessments) as the main tools to engage SMEs in the activities of the organisation.

Additionally, compliance with health and safety legislation plays a central role in enabling Cogent to help SMEs implement initiatives. The organisation has undertaken a skills audit on behalf of an SME which has been visited by the Health and Safety Executive, which involved examining its business processes and action plan.

Given the limited time many SMEs have to devote to training and skills development, Cogent's approach will also be to get SMEs who have been successful on training to communicate with other organisations. Cogent will facilitate this best practice dissemination process.

Cogent's Engaging with Employers team - a network of regionally-based field workers - is crucial to its ability to engage directly with SMEs. This is particularly important as the industries within the sector are dominated by large employers.

3.2.2 EMERGING ISSUES

A number of tensions around engaging employers and the role of SSCs were identified that the Trailblazers are attempting to resolve, in particular:

- Managing competing interests or priorities amongst employers/sub-sectors within the footprint. Not all their interests may be in accord;
- Similarly between large and small firms – in particular the danger that as larger firms have a greater ability to participate, their interests dominate the skills agenda;
- Expending limited resources on engaging SMEs – for some lead employers this is seen as a Government priority for SSCs, and not necessarily a business driven component of their strategy;
- Tensions were flagged-up between the representation function of SSCs (democratic structure, accountability, voice of employers) and funding issues (how to survive, rely on employer contributions, develop a commercial strategy);
- Similarly, tensions were highlighted between the representation function and the delivery of Government or Agency initiatives. Such initiatives offer an opportunity for income generation for the SSCs but may be more closely aligned with a Government rather than an employer agenda;
- Critically, a key challenge for the future is how to spread and to sustain success ('success breeds success'), particularly to boost the confidence of employers in SSCs and to counteract scepticism.

39

< previous   contents   next >

The importance of Trailblazers delivering on their aims and objectives was highlighted by a number of employers. Many employers argued that companies will only be convinced of the added value that Trailblazers can bring once they can see the practical results of their existence. One interviewee noted that companies 'are aware that there is an awful lot of gloss involved' in the Trailblazer, and that the organisation 'needs to get down to the nitty-gritty of delivery' in order to engage employers across the sector.

3.3 USE OF LABOUR MARKET INFORMATION

'I am expecting to see good quality evidence and information…we cannot take SSCs seriously unless they demonstrate rigour' (National Stakeholder).

3.3.1 ACHIEVEMENTS

High quality labour market information (LMI) was universally acknowledged amongst respondents to be one of the areas where the SSCs can add real value:

* It gives credibility to their position as the 'voice of industry' both with firms themselves and stakeholders;
* It is an opportunity to engage with firms to discuss their issues and expectations;
* It is a base of knowledge to inform SSC action;
* It is a valuable and tangible asset that the SSCs can bring to the table in building partnerships with stakeholders;
* It provides leverage by which to inform and influence the action of others;
* It is the basis on which SSCs can track their own performance.

The approach to LMI varies, as shown in Annex Three. For most Trailblazers additional research is planned and the full benefits from information gathered to date are yet to be realised.

To illustrate practice, the following are two examples of Trailblazer LMI activities. The first is Skillset, which has an established set of LMI activities that underpins the Trailblazer's credibility with industry and its ability to leverage influence over key stakeholders. The second is the development work being undertaken by Skillfast UK, using LMI, to raise its profile and as a catalyst for engaging with employers.

Skillset has a comprehensive, effective but low cost approach to collating LMI. An annual industry census takes place – one day a year to capture who is working in the industry to provide a comprehensive occupational profile. Every two years Skillset conducts a workforce survey looking at the profile of the industry, skill needs, pay and so on. It is a postal survey. A proven method for reaching freelancers and SMEs is to use the trade associations to distribute the questionnaire. In addition there is an employer panel of 40 members. Twice a year the panel complete a qualitative questionnaire – once a year they come together to talk about skills issues. This year Skillset want to increase the representativeness of the panel to ensure coverage of all the industry sub-groups and the regional dimension. Skillset uses its own Sector Managers to implement the questionnaire. In any year they will also do one-off, in-depth pieces of research e.g. this year they are looking at diversity issues; inter-active media; and post-production. As Skillset has been conducting its LMI research for some years it now has trend information. This is one of the most valuable aspects of the information. As well as informing policy refinements year on year, the information will also be used for their own self-evaluation.

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

In addition, the plans for the future are to introduce a forecasting and scenario-planning element to Skillset's analysis. This is an important move as LMI tends to be historical, but, for effective planning purposes, the education and training infrastructure needs to have some sense of forward demand projections to ensure adequate skills supply. The combination of Skillset's own forecasting and scenario planning with the SSDA's statistically based forecasting work could prove a particularly powerful model for meeting the SSCs key aims.

Another Trailblazer is taking forward an approach to initial LMI data gathering based on the Skills Dialogue initiative (recommended by the National Skills Task Force). This approach draws on the research undertaken by NTOs through Skills Foresight and other projects as well as national research, and provides a model for collating and interpreting information in consultation with employers. Skillfast UK has been involved in one of sixteen Skills Dialogue exercises so far (based on the sixteen NTO groupings) and intends to publish the results. Information on the industries was collated from existing sources and then regional seminars were held to add soft information and strategic perspectives from employers and others concerned with the industries (including education and training providers) and point to the action that is required.

As the organisations prepare their development plans one would expect to see a direct translation from analysis to strategy and action.

3.3.2 EMERGING ISSUES

In discussions, some important pointers on LMI were raised:

- Any research undertaken has to be sufficiently finely grained as to inform policy and action. The research has to look beyond broad SIC definitions to specific occupations and skills; firm size and geographical differences. Some stakeholders would like to see micro level data (e.g. to inform demand for local training provision), however, this may be beyond the scope of Trailblazers overall capacity. In terms of the collection and co-ordination of LMI, information needs to be turned into intelligence about what businesses need. How this information is interpreted is critical;

- The need for collaboration on research between all SSCs and between the SSCs and the stakeholders was identified. The SSDA was seen to have a key role in facilitating effective joint work as is already demonstrated by the Skills and Labour Market Intelligence Network. The SSDA is working to provide a common core of intelligence of use for all SSCs on key economic and labour market indicators; is facilitating the inclusion of SSC relevant questions into a range of national employer and individual based surveys; and is co-ordinating a network of LMI specialists to develop research and evaluation capacity, as well as to exchange information, views and ideas on how best to meet the intensive information needs of effective SSCs. In addition, the SSDA commissions non-sector specific UK wide research and independent evaluations;

- For the future, collaboration on generic skills issues was mentioned as a priority. The devolved administrations were keen to see locally specific LMI reflected in SSC strategies and offered to provide LMI to SSCs and channels for communicating findings;

< previous   contents   next >

- Trailblazers were keen to ensure that any duplication of research was avoided and the burden on employers minimised. It was acknowledged that sponsoring Departments, RDAs and LSCs were all involved in conducting skills research. Examples were quoted of working with and advising Government Departments and RDAs on studies, for example the invitation from the DTI to come together to discuss what work it could usefully sponsor and the lead role Lantra is to play in developing the demand-side review for DEFRA.

3.4 INFLUENCE AND PARTNERSHIPS

'…Training is not just technical and operational. It is about strategy and the future vitality of business…'
(Chair of Trailblazer of Board)

3.4.1 ACHIEVEMENTS

In terms of setting up the Trailblazer, respondents were asked what they saw as the crucial differences between the SSC model compared to NTOs – in effect, their expectations and aspirations around the 'SSC offer'. For the many respondents, they were clear that the main difference is influence.

The expectation was that SSCs would be more significant players - that they will be acknowledged as and be able to deliver 'the voice for industry' on skills issues. The view was expressed that NTOs were seen as the agents of Government whereas SSCs will be the agents of employers. Consequently, SSCs should have access to Government and its agencies to affect the skills agenda and policy. In particular, that SSCs would have a 'seat at the table by right and not by invitation'. This ability to exercise material influence over policy was seen as a critical asset when securing employer involvement.

At the same time, one view was that while it was the role of the SSC to engage with employers in order to legitimately reflect their views and deliver a demand-led skills agenda, the SSDA also had a role to ensure that SSCs were given access to Government and be acknowledged as serious players representing the interests of industry. Although the SSDA can facilitate but cannot guarantee access to Government, there was some expectation that the initial opportunity for SSCs to influence the skills agenda was an SSDA deliverable.

While the Executive staff of the Trailblazers and for the most part stakeholders were clear on how SSCs should be different from NTOs, a small number of the employers consulted were not clear of the differences. They have yet to see much difference associated with being a Trailblazer other than some additional funding, and even this is accompanied by additional bureaucracy (the licensing process).

Most respondents agreed that to be a serious voice in the system, SSCs need to be involved in 'first tier' decision making processes, although there is no clear consensus on how this can be achieved especially as the policy agenda is so wide (encompassing workforce development, economic regeneration, lifelong learning and widening participation agendas) and the potential number of stakeholders and actors involved is extensive.

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

However:

- The Trailblazer status is felt to have brought more influence than in the past – at least in terms of access and for at least one Trailblazer, in terms of affecting change to legislation;
- The funding is clearly being used to facilitate partnerships, and raise the profile of SSCs by making sure the staff resources and skills nationally and locally are in place to take part in networks and meetings;
- Trailblazer policy and business development managers play a key role in sustaining ongoing communication with stakeholder organisations.

The Trailblazers are using a full panoply of approaches to working with stakeholders at national, regional and sub-regional levels:

- Nationally, at central Government level with relevant sponsoring Departments;
- Nationally, through briefing of key senior Government Ministers and officials on policy generally and on specific pieces of legislation;
- UK-wide, through consultations and developing partnership arrangements with agencies such as the LSC, Scottish Enterprise and others on key issues and priorities;
- Regionally, through building relationships between regional staff and RDAs. This has worked best where the Trailblazer has been able to capitalise on the existence of a priority sector with dedicated RDA staff – for example, Skillfast UK and the North West RDA on textiles;
- At the sub-national level, through work with the local LSCs. This work has been most effective so far when it has been associated with the design and delivery of specific initiatives.

Many of the regional and local links are being established through developing a framework of regular meetings with the key agencies, and/or employer forums. Within the devolved administrations, there are a mix of ad hoc and systematic relationships developing, including:

- Regular communication meetings with key departments and policy sections, e.g. briefing meetings between Trailblazers and the Scottish Executive Skills Branch team and Careers Scotland. These appear to have been most productive where there is a close fit between sector priorities, a sector specialist exists, and there is a match with a Trailblazer's self defined remit;
- Ongoing consultation on policy developments, e.g. a Lantra staff member was seconded to work within the National Assembly for Wales in relation to agricultural policy;
- Project and programme work. Much of the contact is issues based and there are several examples of specific activities in the nations – e.g. Skillfast UK LMI-related projects funded by Scottish Skills Fund and Skillset work with Careers Scotland on media industry careers information.

< previous   contents   next >

The Scottish Executive and Welsh Assembly have offered brokerage and support, to put the Trailblazers in touch with key stakeholder groups. There is a general feeling that the SSCs should work within the framework of existing structures, especially where a sector focus has already been identified. For example, in Wales, linkages are being developed through the Education and Learning Wales (ELWa) Skills Sector Development Manager and participation in existing Welsh regional employer forums and the sub-group of the Future Skills Wales network. Two Trailblazers are represented on the latter group (and SSDA), which meets four times a year, and which has a key role in championing the employer voice in the ELWa planning and contracting process. These types of linkages were seen as promising examples of a partnership approach, although they raise issues about the extent to which the Trailblazers that participate are attending on behalf of the SSC network, rather than as individual sector interests. This will be a key issue for the future as the numbers of SSCs increases, and there will be physical limitations on the extent to which increased numbers can be involved in the key networks.

BOX 6: LINKS WITH DEVOLVED ADMINISTRATIONS

Following collaboration with Lantra, the Welsh Assembly decided that a senior policy officer from the Assembly should be seconded to Lantra's Head Office at the National Agricultural Centre to get a better understanding of the skills issues related to the landbased sector. This was a successful experience for the secondee, who found it to be extremely worthwhile and informative. Consequently, the Welsh Agriculture and Rural Affairs Department proposed that Lantra's Executive Director for Wales should be seconded to the department to improve the Trailblazers knowledge and understanding of skills issues in the Welsh landbased sector. The secondment lasted for 15 days between June and December 2002, and its benefits included:

- Increased contact between Lantra and the senior heads of 6-7 departments, and especially a close link to the Director of the Agriculture and Rural Affairs Department;
- A 2-day development programme for all staff (ca. 600) employed in the Agriculture and Rural Affairs Department, following the suggestion of Lantra's Executive Director for Wales;
- Lantra's provision of training in presentational skills to senior staff of the Agriculture and Rural Affairs Department.

Additionally, Lantra's Executive Director for Wales acts as an informal link between the Welsh Agriculture and Rural Affairs Department and the Training and Education Department's Training, Careers and Skills Division. As a result, the efforts to improve skills in the landbased and environmental sector have become better co-ordinated.

In Scotland, SASCOT, with some funding from the Scottish Executive, has a mediating role in forums in which Trailblazers and former NTOs take part. SASCOT produces a regular (weekly) update letter – 'E-intelligence'. The Scottish Executive is hoping that the respective roles of SSDA and SASCOT in Scotland can be formalised.

44

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

In Northern Ireland there are 13 Sector Training Councils (STCs), some of which have high levels of employer buy-in and extensive organisational capacity. Of the 13 STCs there is an approximate overlap with 4 of the Trailblazers. As a result the Northern Ireland Film and TV Council has associated itself with Skillset, The Northern Ireland Textile Training Council is doing the same with Skillfast UK, as is the Wholesale and Retail Training Council with Skillsmart. Cogent is in the process of setting up relationships in Northern Ireland. Relations between the Northern Irish organisations and their partner Trailblazers were reported as good. The joint working relationships were seen to offer strategic alliances for the STCs to tap into a larger pool of expertise and for the SSCs a route into the region and opportunity to gain from the STCs local experience.

Similarly, relations between the SSDA, the Trailblazers and the Department of Employment and Learning Northern Ireland (DELNI) were equally reported as effective. The Trailblazers were seen to have consulted the Department and initiated face-to-face visits. A protocol agreement will be established to formalise relations between all the stakeholders in due course. DELNI in particular will look to work with all the Trailblazers to ensure that the Department has access to LMI and other information for Northern Ireland.

3.4.2 EMERGING ISSUES

There was a general feeling that the links between Trailblazers and existing networks and stakeholders are only starting to be developed, and that more could be done in future in this respect. Further, that many relationships are ad hoc – and raise questions about how the processes work in practice and whether they could be made more systematic. At the end of the day, there needs to be in place 'inside-out' as well as 'outside-in' mechanisms. However, in terms of early achievements partners acknowledged the progress made to date.

Importantly, a number of respondents suggested that the SSDA and DfES have a role in finding ways for the employers voice to be effectively articulated to and within Government. One of the interesting developments observed is the degree to which the skills agenda is now acknowledged within individual central Government Departments to the extent that there are senior officials with responsibility for developing a Departmental specific skills policy or even strategy. This is in contrast to previous arrangements where the skills agenda was seen to be the responsibility of the DfEE as was.

45

Stakeholders want to see systems in place which will ensure consistency of approach and clear lines of communication with SSCs and the network as a whole, even though the output in each case may be unique and tailored to specific needs and priorities. For example, one of the issues raised was whether all the stakeholders have the capacity to engage at a strategic level with all the different SSCs. At the moment the number of SSCs is manageable, but as their number increases how can agencies such as local LSCs manage multiple relationships and partnership agreements?

If one takes the whole of the education, training and skills agenda at national and regional levels it is an enormous brief. If SSCs are the voice of industry, then resourcing the ability to respond to that brief is challenging for SSCs. One example given was of the Qualifications and Curriculum Authority (QCA) inviting a Trailblazer to comment on the content of qualifications - a clear example of the recognition of the SSC as representing industry, as a knowledgeable source of industry needs and as a professional body able to comment on material aspects of the education and skills infrastructure. However, the difficulty for the Trailblazer was finding the capacity to respond adequately to the invitation offered by the QCA. Multiply this example across the full skills agenda and the problem becomes evident. Will the SSCs be adequately resourced to respond to the skills agenda (let alone proactively influencing its shape and direction)?

< previous   contents   next >

The Trailblazer scope and remit in relation to influence and partnerships is clearly evolving, and has so far not been formalised in respect of agreements with the SSDA/the network, or the Workforce Development Plans. Whilst this has allowed for Trailblazers to prioritise as appropriate, it means that there is currently a lack of clarity about the specific functions of individual SSCs and other NDPBs in relation to overlapping priorities and objectives.

Agreement between all the agencies on an LMI framework for the sectors, a common understanding of the issues facing each sector, and agreement on shared future priorities for action, seems to be one way forward. Joint protocols are being developed. For example, how are the SSCs to be engaged in the development and delivery of FRESAs? What is the scope for collective as well as individual SSC action? How can overlaps be resolved?

Protocols and agreements need to include mechanisms for joint action planning. There was some concern that opportunities are being missed, due to the problems in accessing key stakeholder organisations early enough in the decision making process, for example, in relation to the work which is underway in some regions to develop Centres of Vocational Excellence. How can planning and decision making be better co-ordinated? For example, what is the planning cycle for the operating plans of the LSC and LLSCs, such that SSCs can effectively feed into the planning process to ensure responsive education and training provision?

Similarly, Sector Skills Development Plans need stronger ownership by other agencies, through joint action planning processes. One representative of a Government Agency commented: 'the SSCs can't expect us to pay for activities without talking to us…they can't create a single plan and then criticise us for doing the same' (Stakeholder Representative).

From the perspective of the devolved administrations, their concern was to ensure that whatever plans are developed are sufficiently shaped to fit the particular requirements of their regions.

An issue for some Trailblazers was the 'regionalisation factor'. With funding increasingly having a regional focus, whether RDA or devolved administrations, this was creating tensions for sectors if funding is available in one part of the country and not in another.

Finally, stakeholders mentioned the potential tension between the strategic role of SSCs in terms of influencing policy and their role as key deliverers of sector specific initiatives and services. As one respondent suggested, their role may be compromised if they are seen to regard stakeholders as 'a money bank' rather than as strategic partners.

3.5 TRAILBLAZER ACTIVITIES AND SERVICES

'There is potential to disengage employers in the interim period between NTO operations and the full development of the SSC…this is partly why we have emphasised continuity of service to our existing customer base in the business plan' (Trailblazer Chief Executive).

3.5.1 ACTIVITIES AND SERVICES

Trailblazer activities are quite diverse and depend on the priorities and objectives of the individual organisations. Many of the more established activities pre-date Trailblazer status and are being continued because they are considered to be successful, have ongoing funding and are seen to be critical in maintaining employer confidence and involvement.

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

The focus of activities can be divided into:

- Activities with individuals – i.e. jobseekers/potential jobseekers in general or with specific groups of people - designed to raise the profile of the sectors and to encourage new entrants to the industry, or progression within the industry;
- Activities with employers, designed to encourage employers to address general or specific/tailored skills issues within their own companies, or to support the spread of best practice amongst employers as a group;
- Activities with the education and training system, designed to increase the effectiveness of education and training provision in meeting the needs of the sectors' employers.

It was beyond the scope of the evaluation to focus in detail on specific activities and services. Examples of the types of activities being undertaken are given for illustration in Annex Four, although this list is not exhaustive.

The approaches that Trailblazers have taken to the identification and delivery of activities and services vary, and depend on the issues facing the sector and the perceived role of the SSC in terms of direct delivery, as discussed below.

In working with individuals, most Trailblazers have taken on a role of co-ordinating careers information and advice, and signposting to education and training provision within the sectors. There is a particular emphasis on new entrants/school leavers. In sectors where employers are facing recruitment issues, raising the profile of the sectors is an inherent part of the approach. Most have used a range of media (including ICT). Partnerships with other organisations are key to the successful dissemination of the information to the target audience. For example, Skillset have a joint-initiative with Careers Scotland, whereby careers advisers in Scotland can access expertise via telephone regarding careers questions relating to media jobs. Skillset are also working with Ufl to enhance the skills of Learndirect advisers and develop advisers with specialist expertise.

Stimulating employer action on skills and training is central to the approach, although different priorities and mechanisms have been used:

- In working with employers, some Trailblazers have sought to identify a particular 'product', such as a skills development service offered generally to employers, usually involving diagnosis, delivery and follow-up support. Those Trailblazers with a longer history have well-established and branded services, sometimes linking to compliance issues;
- Other Trailblazers have taken an approach based on developing specific project-based activities that engage groups of employers in particular activities within a locality (usually SMEs), depending on the objectives of the project. This latter approach is usually dependent on external funding from, for example, RDAs and LLSCs. In most examples, partnerships with training providers, including universities, is an important aspect of the project-based approach, with the Trailblazers taking on a development and project management function;
- One Trailblazer has identified the need to target projects at key workers and assessors who will have a role in cascading the training activities more widely within companies;

< previous   contents   next >

- One Trailblazer has engaged a group of large major employers in piloting work-based qualifications as an alternative to the existing Modern Apprenticeships, which are unpopular with employers.

Some ex-NTO organisations have Government-funded initiatives that are coming towards the end of their funding period, even though employers may perceive them as successful. This is creating an impression of mismatch in policy objectives. Some interviewees suggested that there needs to be more joined-up thinking within the DfES and between DfES and other Government departments at a higher level to avoid funding gaps for existing activities being undertaken by NTOs.

In relation to activities designed to improve the education and training system for employers, most Trailblazers have seen the need to develop a better understanding of the changing demands of occupations within the sectors, and to document this appropriately. One interviewee commented: 'The supply-side is extremely well organised. To make a difference the demand-side has to be organised as well' (National Stakeholder Representative). Most Trailblazers are working on systems issues at different levels:

- At a curriculum level, by piloting new courses that are better tailored to the needs of the sector, or through projects designed to ensure the existing provision is sufficiently tailored to the needs of the sector, including ICT based provision through Learndirect in the case of two Trailblazers. One Trailblazer has taken an approach of developing a new qualification to address perceived deficiencies in the current NVQ framework (currently being piloted with key employers);
- At a provider level, generally by identifying approved specialist providers with appropriate provision including kitemarking. Some Trailblazers also deliver training directly;
- At a universal level in relation to the national occupational standards and the frameworks for national qualifications. Whilst there are examples of the Trailblazers taking on varying degrees of quality assurance and standard setting activities, there has yet to be a specific identified method of approach by SSCs to this issue. This is an area for development by the SSDA, in terms of protocols for managing the linkages between SSCs and the key national agencies such as the QCA, and the role of individual SSCs and of the network as a whole.

48

One of the main achievements of the Trailblazers, that should be acknowledged, is that while the whole process of change is taking place (including a new remit, licensing process, new funding and contracting regime and development of an SSC profile and infrastructure), they have continued to provide services and activities designed to benefit employers.

3.5.2 EMERGING ISSUES

As mentioned above, it is too early to assess the performance of Trailblazers. This is particularly the case with regard to the development and provision of new activities and services. It is not possible at this stage to judge the extent to which the mix, scale or focus of these activities are materially different as a consequence of Trailblazer SSC status. Nor whether the collection of activities being undertaken constitute a coherent service offer that will meet industry needs. These are two conclusions that are not necessarily surprising given that all the Trailblazers have yet to complete their development plans.

However, there is a perception that the Trailblazers are pushing beyond the scope of skills issues that were covered by NTOs i.e.:

- Looking beyond intermediate vocational skills and qualifications to a much wider skills supply brief from schools through to HE and life-long learning;

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

- Positioning training and skills needs as a business-crucial issue;
- Positioning training and skills issues centrally within wider regulatory and legislative developments.

However, operational structures are not yet sufficiently developed to link coherently:

- Labour market information;
- Strategy and planning;
- Allocation of resources;
- Delivery mechanisms – activities, services and products;
- Performance measurement and evaluation.

A 'fully formed' planning cycle at Trailblazer level is very aspirational at this point in time. This is because there are gaps in the cycle, and different parts are moving ahead at different speeds. In particular, activities are underway prior to business plans being finalised, and in-house research and LMI capabilities are not yet in place. At the same time, there were considered to be some key benefits from continuing with delivery, in terms of:

- Contributing to better intelligence - whilst not necessarily based on formal evaluations, there are indications of reflection and review of past practice and its effectiveness;
- A recognised need to demonstrate 'early wins' as a Trailblazer;
- Looking at industry-wide, strategic initiatives as well as tangible services/activities on the ground that employers can see;
- Using 'initiatives' to complement the development of a localised infrastructure for engaging employers;
- Use of all of the above to actively raise the profile and re-position Trailblazer SSCs – and learn by doing.

In looking at the provision of activities and services, opportunities emerge for the SSDA to contribute. For example developing a knowledge management strategy and function to support SSC development including:

- A 'policy hub' (see Cabinet Office model as an example) where ideas/solutions/good practice are collated for all to draw upon;
- A clear strategic and facilitation function with regard to the development and provision of high quality research and evaluation to support the network;
- Connecting SSCs with similar skills shortage issues e.g. higher level skills, or retention issues or entry level skills;
- Facilitating the co-ordination of activities and responsibilities around generic or core skills.

< previous   contents   next >

3.6 PROGRESS AND ACHIEVEMENTS – KEY FINDINGS

It is too early to point to significant achievements by the Trailblazers, given their recent establishment. Most employers argued that tangible results should become apparent by Spring-Summer 2003.

ENGAGING EMPLOYERS

In engaging employers, the 'Message' needs to focus strongly on business benefits and tangible outcomes. Differentiation and tailoring of the message is necessary, particularly between larger and smaller firms. Two languages are needed because the professional language of training has no resonance with employers.

A wide range of mechanisms for communication is available to Trailblazers. Business-to-business communication is particularly effective. Effective channels of communication are necessary for keeping in touch with grass roots. A range of mechanisms can be used, including using business leaders to communicate directly to other businesses, and trade associations, as well as creating new networks or promotional activities like road shows. Board members have a role as well as staff members.

Most employers, especially smaller employers, want to see solutions or services. Those Trailblazers that deliver services or training see these as critical to engagement of companies, but there are tensions when Trailblazers take on delivery because of conflicts of interest with their strategic role. New mechanisms may be needed.

Trailblazers have to manage competing interests and priorities and there could be tensions between sector priorities and developing a commercial strategy.

Demonstrating success, both in delivering tangible outcomes for employers, and enabling employers to influence policy decisions are seen as critical to maintaining engagement over time.

LMI

50

High quality labour market information was commonly acknowledged as an area where SSCs can add real value, although for most Trailblazers the full benefits have yet to be realised. For the future, LMI needs to be finely grained, locally specific, and developed in collaboration to avoid duplication. The provision of comparative and benchmarked LMI is critical, and the SSDA is playing an important role in providing this type of intelligence.

In terms of the collection and co-ordination of LMI, information needs to be turned into intelligence about what businesses need. How this information is interpreted is critical.

INFLUENCE AND PARTNERSHIPS

The influence that Trailblazers can bring to bear on policy makers was seen as the main difference between Trailblazers and the NTOs. This is an enormous brief and some people question the capacity to respond, given the resource levels.

The Trailblazers are using funding to facilitate partnership working – using their enhanced staffing resource to participate in partnership groups and networks, or maintain ongoing contact with policy makers.

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

Policy stakeholders tend to see a role for Trailblazers and SSCs within existing structures rather than needing to set up new structures. However, there is potential for relationships to be more efficient, and for more systematic joint action planning. 'Rules of engagement' may be needed to ensure that the mechanisms are in place for joint action-planning between SSCs and stakeholders, and to enable stakeholders to deal with an expanded group of SSCs.

Some stakeholders need to have confidence in the separation of the Trailblazer strategic role, from any commercial strategy or delivery function.

ACTIVITIES AND SERVICES

One of the main achievements of the Trailblazers is that while the whole process of change has been taking place, they have continued to provide services and activities designed to benefit employers. However, it is too early to say whether the activities are materially different from the NTOs, or whether they constitute a coherent service offer that will adequately meet industry needs.

'Fully formed' mechanisms, which link all aspects of the planning cycle, are not yet in place.

There is scope for added value from the network, for example by sharing information on what works, connecting SSCs facing similar issues, co-ordinating activities around generic or core skills. First steps have been made with the formation of SSC groups within several RDA groups in England.

< previous   contents   next >

4 THE SSDA AND DEVELOPMENT OF THE NETWORK

4.1 THE TRAILBLAZER NETWORK AND THE SSDA

Trailblazer staff, employers and stakeholders were all given the opportunity to comment on the role of the SSDA during these early stages. Whilst there were a number of recommendations for improvements (see below), the support received by the Trailblazers from a number of staff at the SSDA was acknowledged and appreciated.

The main comments with regard to the SSDA are set out below. The common themes to emerge are the need for better communication on the part of the SSDA and for the SSDA to adopt a more outward and inclusive approach to the development of SSCs and the network.

Concern was frequently expressed over the inherent tension in the dual role of the SSDA, i.e. that of both managing the funding and licence process whilst also facilitating relationships and developments. Certainly the view was that the emphasis for the SSDA should be as a facilitator and enabler. The desire was to develop a mature partnership relationship between the SSCs and the SSDA, rather than one based solely on contractual compliance or over-prescription.

A number of suggestions were made with regard to facilitation and enabling:

- The SSDA can assist in making the SSCs' 'influencing role' a reality. The SSDA needs to 'unlock the door so the SSCs can push it wide open';
- Another suggestion was for the SSDA to help clarify the funding position of SSCs, in particular the allocation of Government funds. For example, the SSDA could help in getting Government Departments and their agencies to buy into (i.e. fund) the SSCs' vision and business plans rather than to continue to fund ad hoc and discrete initiatives;
- The SSDA should facilitate cross-Government consistency in its funding, consultation, and roles and responsibilities with regard to the SSCs and its other agencies;
- To establish structures for communication and engagement between the SSCs (licensed and aspirant), particularly during the development stages where boundaries between footprints are being established.

At the same time, Trailblazer Chief Executives expressed the view that the SSDA needs to get the network in place first before it can begin to develop it properly. For example, in relation to protocols with stakeholders the network does not appear to be sufficiently in place to underpin the process.

There was a view that the SSDA was sending mixed messages to Trailblazers and stakeholders. On the one hand there was an invitation or expectation for bottom-up generated proposals for the development of SSCs and the network as a whole. But, alongside this was the perception that there are some gateway criteria or 'deal breaker' conditions that the SSDA was not openly communicating.

A common view was that if such criteria exist then make them known – there was no inherent objection to the imposition of criteria or conditions just that they should be made explicit to all.

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

To illustrate, a number of respondents stated:

- The criteria for becoming an SSC were not clear. For example, a range of between 500,000 and 1 million workforce coverage was quoted to the study team as the 'unstated' criteria but strongly hinted at policy for an SSC licence;
- Others suggested that there was an SSDA 'plan' for the total number of SSCs and which sectors they should cover;
- For others, the perception was that the development work of the SSDA to generate aspirant SSCs was cutting across development work happening on the ground;
- In contrast, some respondents questioned whether the SSDA had a clear strategic direction and vision for the future of the SSCs and the SSC network.

While the message that SSCs must be UK-wide was acknowledged, a number of respondents suggested that the SSDA itself appeared not to reflect this position. In particular, the question was raised as to whether the SSDA itself will establish a regional structure. The SSDA has indeed now proposed to do so. Certainly, more than one person suggested that if the SSDA were to have regional offices there might be opportunities for shared costs and economies of scale across the whole network.

The final point relates to the need for the SSDA to be seen to lead, communicate and deliver quickly. Whilst there was recognition that some of the uncertainties around criteria and other issues emanate from the transition from DfES to the SSDA, there was similarly a view that faster progress in setting up the network must be made. As more than one respondent stated it has been nearly two years since the first policy statements were made to replace the NTOs and that employers are quick to lose patience with the slow turning wheels of Government and perceived unnecessary bureaucracy. A great deal of interest and enthusiasm for the skills agenda and the SSC concept has been generated – the challenge is not to lose momentum and to dissipate that energy.

4.2 DEVELOPING THE NETWORK

53

One of the specific objectives for this study was to extrapolate from Trailblazer and Stakeholder feedback and speculate on recommendations for the development of the SSC network.

Ultimately, the successful development of the SSC network will depend on effectively aligning three inter-locking parameters as illustrated by Figure 4.1 below.

These inter-locking parameters are:

- The vision for the overall network. What will the final network look like; when will it be achieved; and importantly, what is the 'collective prize'?
- The SSC models. How to maximise workforce coverage by the network as a whole; which organisational models can best deliver the vision and the coverage?
- The licensing criteria. How can the licensing criteria and standards enable the vision and the models to be realised?

< previous   contents   next >

54

The research findings suggest that there is scope for further development in each of these areas.

FIGURE 4.1: INTERLOCKING PARAMETERS FOR DEVELOPMENT OF THE NETWORK
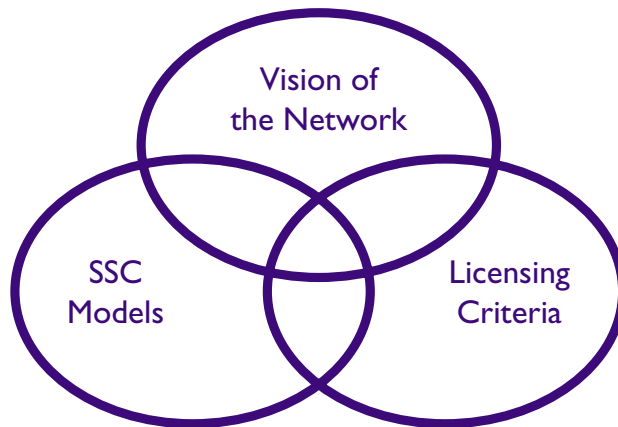
4.2.1 VISION FOR THE NETWORK

From the research it was not possible to elicit a widely held sense of a vision for the network. This prompts some obvious questions. What is the collective prize to be achieved here? In what sense is the network of SSCs more than the sum of its constituent parts? What value is there to the Skills for Business brand?

Currently the focus of stakeholders and other respondents tends to be on 'their' SSC not on the development of the network per se. Some respondents are unclear as to the real distinction between an ITO, an NTO and now an SSC – other than there will be fewer of them. Some industry groups are relatively wealthy with a very strong employer base. For them, it is not entirely clear what the advantages are of being an SSC over and above being an independently funded skills and training body for the industry. Consequently for some employers, when tensions arise over 'the rules' or perceived bureaucracy, walking away from the project becomes a real consideration.

There are always tensions in establishing any set of new institutions within an evolving framework. A shared and collective vision of the future can help ameliorate some short-term difficulties and generate enthusiasm for the project as a whole and the long-term gains. No shared vision can mean an emphasis on the minutiae and issues of the day. Plus, lack of a vision could mean that the development of acceptable SSC models and licensing criteria are being developed in something of a vacuum. Ensuring consistency between the inter-locking parameters is that much harder and 'the rules' become less comprehensible and acceptable.

The collective benefits of developing the network must be incorporated within the vision, for example, the cross-sectoral benefits to employers such as sharing best practice and benchmarking. However, the main benefits to business are likely to come from the SSCs rather than from the network as a whole.

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

We suggest that there is scope to:

• Develop a vision for the network as a whole, drawing into the process not only the SSDA Board but also the embryo network members (the Trailblazers and aspirant SSCs);
• Define the benefits of belonging to a network over and above SSC status alone. Consider what might be the advantages of their collective weight, and define the benefits of the brand;
• Develop a network communications strategy to convey the bigger picture to employers generally rather than just to those currently associated with trade bodies or legacy organisations;
• Use the vision for the network to explicitly guide the further development of SSC models and licensing criteria.

4.2.2 SSC MODELS FOR NETWORK DEVELOPMENT

Sector coverage is the issue that is probably the most significant in terms of developing the SSC network. The SSDA is managing a complex process where bottom-up employer-led development of SSCs has to be reconciled with the creation of a network of SSCs that covers the majority of the workforce and where each SSC is of sufficient scale to be influential, well resourced and financially viable. The research offers a number of pointers in the development of various models of SSC such that this might be achieved.

We suggest three possible models for SSCs. Whatever the model there should be a single unifying policy that shows leadership and gives a clear message.

MODEL 1 – SIMPLE, SINGLE ENTITY

A key basis for SSC footprint design is coherence. Where there is a shared sector definition, with a large employment base and employer buy-in based on common cause and shared identity, then SSC footprint definition is relatively simple. The SSC agenda – its strategy, action plan and portfolio of products and services – are reasonably easy to develop.

The organisational challenges from this model depend on the 'genesis' of the SSC. This will affect the development path the SSC can take and the time between formation and effective delivery. It may also necessitate different levels and type of support from the SSDA.

• Established - If it is an already established organisation, the challenges arise from the gearing-up required to be an effective SSC. That is, for the organisation to re-position itself amongst stakeholders, to communicate its new status and to enhance its capacity and capability to deliver the SSC remit.
• New – For entirely new entities the challenges are those of a classic start-up. The issues will include establishing a strong identity and presence, including extending an employer base of support beyond the initial sponsoring firms. Further issues beyond the simply operational will include forming a base of labour market intelligence and bringing focus and priorities to its initial course of action.
• Merger - If the organisation is the product of a merger between two or more legacy organisations, there will be all the classic problems associated with this process. It may be harder than establishing a brand new organisation given the need to manage the coming together of two or more asset bases, staff and institutional cultures. Additionally there may be issues of disaffection of some supporting employers from a perceived dilution of purpose. In cases where there is a history of collaborative work between the organisations these difficulties may be less evident.

< previous   contents   next >

The challenge for the development of the SSC network from this model is whether it will deliver sufficient workforce coverage. With this model one could envisage a situation where there is a 'dolly mixture' of sectors that sit outside these organisations for which the SSDA would then have to take responsibility for service provision.

An option is to encourage SSCs to look to expand their footprint 'organically' thus enabling the fast set-up of a major portion of the SSC network and then, over-time, drawing in remaining sectors.

Another approach is to explore options for enabling larger, more collaborative SSC structures. There are distinct advantages from the larger cross-SIC collaborative SSC model for the creation of the network. Alongside the benefit of a reduced number of SSCs and economies of scale for the individual SSCs, the larger model helps tackle the problem of maximising workforce coverage for the network. Most particularly, a larger, collaborative SSC can more easily take in smaller sectors or sub-sectors that do not have a 'natural home' or fit elsewhere but where there is still some labour market rationale for their inclusion.

MODEL 2 – THE UMBRELLA MODEL

This model is where there is a single entity and organisational identity. A group of sectors and sub-sectors are drawn together by some unifying theme and common cause that all employers can relate to. There is a rationale for the joint arrangements that is based on industry criteria such as core business interests or activities; supply chain linkages; or shared workforce characteristics rather than specific skills issues per se. The common theme is sufficiently strong that there is a rationale for developing a single institution, identity, voice and shared employer base. The strategy for such an organisation would have a common element but which could then reflect the specific interests and priorities of subsidiary interests.

With such an example one has a broader based footprint, collectively the sectors are able to leverage greater influence and to potentially benefit from some economies of scale.

The organisational challenges for this model are: maintaining the integrity and strength of the common theme and establishing an identity and strategic thrust that is meaningful to all. There is the danger that a strategy could become simply an aggregation of diverse activities rather than an approach that will deliver some universal benefits. Such a model places perhaps even greater emphasis on leadership. Also, whilst an inclusive model there is a need to ensure that its very diversity is not translated into complex organisational structures that detract from any possible economies of scale.

MODEL 3 – A FEDERAL MODEL

This model is an 'association' of sector groups with a common service core, which may be marketing and communications, research and evaluation, financial services and so on. Whilst there needs to be some unifying theme or rationale for the 'association', it is less strong than for the umbrella group. Each sector group has its own identity and its own 'voice'. The sectors may speak together and independently as the occasion requires. One of the advantages of this model is that whilst there may be some sector or business based reason for the sectors to work together there need be no dilution of employer ownership by trying to square the circle and force unity. For the SSDA, one advantage of this model might be as a temporary arrangement. For example by working together, the sectors and their employers may realise they have more in common than was originally envisaged and may move towards a more integrated organisation over time.

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

The challenges of this model are in finding and maintaining the rationale for the 'association'; co-ordinating and pulling together what common interests do exist and establishing a 'voice' and presence. Employers need to be able to identify routes into the overall structure, and feel able to have an influence on the overall direction and strategy.

With Models 2 and 3 where one is creating collaborative, larger SSC structures, the critical factors would be: not taking the business/labour market 'stretch' too far; investing in the pre-development process i.e. actively marketing certain larger scale collaborative SSCs to employers; ensuring the financial package is tailored to the potentially more difficult task and scale of organisation; and carefully managing the development process.

Finally, we raise the question of whether there is in fact a fourth model - for the public sector. Does the public sector constitute a special case? Issues raised by respondents were:

- The developments to date have been strongly private sector focused, with no public sector Trailblazers. The question was asked as to whether the SSC model applied to the public sector and if the SSDA has any sense of an 'end game' for the sector;
- What does 'sector' mean in the context of public services. We came across proposals that variously used policy area, client base, institution and professions as the organising principle for SSCs within the public sector;
- Development work is taking place on proposals for public sector based SSCs. The lack of clarity by the SSDA on criteria is causing some frustration, as is the sense that SSDA led development of possible public sector SSCs was cutting across work on the ground;
- Some of the public sector based SSC are likely to be very large in terms of workforce coverage and already well resourced. Questions were raised as to the advantages of an SSC licence in this context;
- The language and the branding of Skills for Business was challenged in terms of its relevance to the public sector. Productivity and competitiveness as the ultimate aims for SSCs were felt to be less relevant than the reform and service delivery agendas currently driving policy;
- What does employer leadership mean in the context of the public sector? Who is the equivalent of the CEO? Some respondents have brought Ministers into the process to support development activities; others have looked to senior civil servants/administrators/professionals;
- The interplay of legal and regulatory frameworks and devolved administrations further complicates the footprint for the public sector, its ability to provide UK-wide coverage and appropriate organisational structures.

The above set out some possible models for SSCs and issues for consideration. To underpin the development of the SSC network we suggest the SSDA should allow for:

- A range of different models for SSCs to ensure maximum workforce coverage;
- 'Fuzzy' boundaries and evolving shapes for SSC footprints. SSCs should not be expected to arrive fully formed but organic growth should be anticipated and even encouraged within the network;
- In anticipation of organic development the SSDA needs to consider what incentives for expansion it might use;

< previous   contents   next >

- To ensure workforce coverage in advance of a fully fledged network, flexible arrangements need to be in place to enable contracting of services between the SSDA and SSCs (e.g. outsourcing provision by the SSDA for certain sectors/occupations) and SSCs contracting between themselves on a partnering basis (e.g. as a precursor to more formal merger arrangements or even to accommodate provision with institutional change);
- Further consideration of how the SSC model should apply to the public sector and to rapidly communicate the outcome.

4.2.3 LICENSING CRITERIA

Ultimately the licensing criteria must reflect the parameters set by the vision and models for SSC development. However, as noted earlier, some SSCs perceive there is a lack of transparency about all the licensing criteria to be applied, to the extent that some of the Trailblazers are unclear of whether they qualify for full SSC status. There was particular concern over the licensing criteria and footprint size (in view of the potential merging of sub-sectors to achieve footprint size, rather than to meet business needs).

Feedback from employers suggests that:
- The distinctions between a 'full' licence, and the development phase are not well understood outside of the SSDA. At the same time, there is an expectation that aspirant SSCs would move swiftly to a 'full' licence, in order to benefit from the status this gives and opportunity to begin its work in earnest;
- The arguments for forming SSCs do not necessarily fit within specific thresholds. The application of 'rigid' criteria may threaten employer commitment and involvement in some cases;
- Above all, the criteria need to be clearly and consistently articulated.

Finally, if one accepts the need for organic growth and an evolving network, the licensing criteria, operational and funding mechanisms have to not only enable change but positively incentivise it. For example, if an SSC achieves a licence and its funding for the immediate future is set – what incentive is there for extending its footprint and its remit? It is important that the licensing criteria and funding conditions do not inadvertently create rigidities in the network.

58

4.3 MEASURING PERFORMANCE AND ONGOING EVALUATION

4.3.1 PERFORMANCE ASSESSMENT

Respondents were asked when it would be reasonable to measure the impact of SSCs and what measures would be appropriate. The general view was that any impact assessment should not be undertaken for at least three years. Although outputs should begin to be seen within 2003, certainly some employers thought it important to see some tangible evidence of SSC activity by summer 2003.

In terms of measuring SSC impact, some basic principles were suggested:

- First and foremost was that as SSCs were to be employer-led then employers should be key in defining what the appropriate measures of impact should be. Industry should be allowed to define success in terms of their expectations and aspirations. One Trailblazer suggested seconding economists to aspirant SSCs/Trailblazers to work with the organisations to develop measures that were sector and context-specific but which still captured the essence of delivering enhanced competitiveness. The argument was also made that if SSCs are to be employer-led, then the employer leadership of the organisations should define the targets. However, it should be noted that employers are only one stakeholder;

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

- One respondent suggested that 'although the Trailblazers are 'learning by doing', it is not known what a successful Trailblazer looks like'. This suggests that time could usefully be spent on developing the 'vision' of success that SSCs should aspire to. It was mentioned that there was a tension arising from the fact that the SSDA/SSCs are government funded and therefore that performance measures have more meaning for the government than for employers. Nonetheless, the Government is one of a range of stakeholders, and its focus on increasing productivity and competitiveness is also an employer agenda as well;
- Whatever impact measures are introduced they should not be applied too soon. There was a concern that the costs of monitoring and meeting performance targets would divert attention away from the critical early development stages and, if inappropriately designed, could result in perverse behaviour;
- In relation to performance indicators, there was a concern that these may be translated into centrally set target deliverables especially volume measures such as number of Modern Apprenticeships per year. This especially was to be avoided;
- There was some scepticism about the extent to which it would be possible to measure SSCs contribution to productivity. One critique was that standard economic indicators have historically been developed from manufacturing and as such inadequately captured improvements in the service industries. Another critique was that for some industries, productivity improvements are not relevant, for example in the land-based industries where there is the expectation of trade-offs between productivity gains and improvements to sustainable development;
- Quantitative measures in isolation or simply applied would not adequately capture impact. For example, employer involvement and funding would need to be complemented by a qualitative assessment of their value within a given sector context. Similarly, measures of employer awareness of the SSC taken outside of the context of the structure of the industry (e.g. prevalence of small firms) and the SSC's strategy (e.g. initial focus on large firms) could mis-state SSC effectiveness.

Given the above, the following is a sample of the actual measures suggested by respondents. Note the limited focus by respondents on process indicators and emphasis on outcomes for employers' labour and skills supply. Few respondents mentioned impact on the education and training infrastructure directly nor impacts on business benefits, competitiveness and productivity.

59

For the SSDA some additional points emerged:

- The performance measures will need to be developed in close consultation with the Trailblazers/SSCs and their partners (as indeed is planned);
- The SSDA should test the degree to which it is feasible to have a universal set of indicators applied to all SSCs, although some common core framework should be in place;
- The SSDA should consider setting out its own performance measures and timetable for self-evaluation.

< previous   contents   next >

BOX 7: SAMPLE OF PERFORMANCE MEASURES SUGGESTED BY RESPONDENTS

– employer recognition of the SSC;	– adequacy of key attributes of employees;
– employer definition of the benefits of an SSC;	– take-up of qualifications by firms and individuals;
– level of employer engagement;	– competence of new entrants;
- employer validation of LMI assessment;	– employee retention;
– tracking link between LMI conclusion through to policy and action;	– employee progression within an industry;
– percent of workforce qualified;	– contribution to PSA targets.
– percent of firms reporting skill shortages;	

The use of input measures to assess progress towards achieving outputs was also emphasised by the Trailblazers themselves. For example, if an 'impact assessment' is conducted at present, no difference will have been made as it is too early to gauge outputs. So in the initial stages it may be more salient to measure what inputs are currently being made in order to gain an indication of what is being done to enhance capability.

4.3.2 DEVELOPING A PERFORMANCE MEASUREMENT FRAMEWORK

Overleaf is a performance measurement framework developed to guide this evaluation of the Trailblazers. The purpose of the exercise was to set out for the client our understanding of the linkages between the stated goals for the SSCs and the various policy statements about their development and characteristics – a 'logic model' for SSCs.

Our research suggests that there is a reasonable degree of alignment between the framework developed and respondents' understanding of the policy intent behind SSCs, the activities being undertaken and their aspirations for success. Where respondents have added to the framework is mainly around their expectations of possible outcomes – respondents have a much stronger focus on the range of benefits for employers.

But, concerns were expressed about the ability to measure impacts on competitiveness and productivity directly and whether it is feasible to attribute any changes to SSC interventions. This is a valid concern given the limitations of data and evaluation methods. One way to avoid measurement problems is to apply a 'logic model' or 'theory of change'. We would suggest that, given the fit between the 'logic model' behind our framework and the Trailblazers, it would be reasonable to assume that outcomes from an effectively implemented SSC network will indeed contribute to improvements in productivity and competitiveness.

The SSDA has commissioned an extensive, consultative exercise to design a comprehensive evaluation plan for the SSCs. Our intent is not to pre-empt the findings of that exercise. Our framework and findings are included here as a contribution towards the debate on how to measure the success of SSCs.

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

4.3.3 THE SSDA AND DEVELOPMENT OF THE NETWORK – KEY FINDINGS

A common theme to emerge was the need for better communication on the part of the SSDA and a more outward inclusive approach to the development of SSCs and the network. There were concerns about the tension between the dual role of the SSDA as regulator and facilitator. With regard to facilitation, suggestions included:

- Assisting in 'opening doors' with policy makers;
- Clarifying the funding position, in particular in getting Government Departments and agencies to 'buy-into' the SSCs vision and business plans;
- Facilitating cross-Government consistency in funding, and communication;
- Establishing structures for communication between aspirant SSCs;
- Facilitating sharing of costs, for example in the development of regional structures;
- Faster progress in setting up the network will help to keep up momentum, and prevent disengagement of employers.

The SSDA is managing a complex process whereby bottom-up employer-led development of SSCs has to be reconciled with the creation of a network of SSCs that covers the majority of the workforce and provides sufficient scale for each organisation to be influential, well resourced and financially viable. One can envisage three models:

- A core set of sectors with a strong common base;
- Sector groupings with tailored strategies and action plans, but within an overall unifying theme and infrastructure;
- A federal structure where sector groups come together under a common banner and benefit from some central functions and services.

The question was raised as to the extent to which the public sector may be a special case and warrant the development of a fourth model. There was a call for consideration of how public sector arrangements could be moved forward more rapidly.

A vision for what the final network will look like needs to be developed on a collaborative basis, with consistency between the vision, the models for SSCs and the licensing criteria.

There should be recognition that SSCs may not arrive 'fully formed', but could over time draw in additional sectors, providing incentives for change are in place.

The general view was that any impact assessment should not be undertaken for at least three years, and that care should be taken in the establishment of performance targets in order to avoid perverse behaviour. Respondents felt employers should play a key role in defining appropriate measures of impact. There was scepticism about the extent to which it would be possible to measures SSCs contribution to productivity, and a call for quantitative measures to be contextualised.

There is a reasonable degree of alignment between the stated goals for the SSCs and their development and characteristics; therefore it is fair to assume that outcomes from an effectively implemented SSC network would contribute to productivity.

< previous   contents   next >

FIGURE 4.2: PERFORMANCE EVALUATION – LOGICAL FRAMEWORK

GOAL FOR SECTOR SKILLS COUNCILS

'Strong employer leadership capable of delivering sustained improvements in private and public sector productivity and competitiveness through the better use and development of people's skills effectively.'

PROCESS			OUTCOME	
RESOURCES	ACTIVITIES	OUTPUTS	OUTCOMES	GOALS
Programme inputs. Elements or ingredients that constitute the programme	Methods for providing the programme specific processes or events undertaken or planned	Units of service or product units. How many, how often, over what duration? (Illustrative indicators)	Short, intermediate or longer-term changes anticipated	Ultimate impact expected to occur
Organisation - organisation established and Board in place with direct employer involvement Internal structure and functions – research, development and operations, marketing and communications, evaluation External structure and functions – appropriate regional and devolved administration networks/structure Staff - CEO and senior management, specialist support staff Funding - Central Government, employer subscription, trading, in-kind, other Partnerships - Employers, SSDA, RDAs, LSC, QCA, Devolved Administrations, DfES and other Departments, other stakeholders	Development and engagement with employers and legacy organisations Marketing and awareness raising to employers and other stakeholders Intelligence based strategy development – LMI, Workforce Development Plans/Skills Action Plans Provision of information and advice to employers on skills and qualification issues Development of National Occupational Standards and Qualification Frameworks Quality assurance and controls Influencing and partnership activities with education and training supply–side, including LSC	Robust network of SSCs in place – number licensed, workforce and employer coverage Employer leadership - number of employers involved in Board etc; time devoted; value of in-kind contribution Influence over policy agenda - e.g. change to nature of MA frameworks, contribution to the development of Trailblazers, SSCs and SSDA Employer defined skills requirements and shortages for the sector – strategy document produced based on rolling LMI reports and adopted/ promoted by Board Recognition and confidence of employers in SSC and message - contacts made with employers – volume and value; number of enquiries/advice sessions National Occupational Standards and Qualification frameworks developed and adopted – number; scope, level Accreditation of training and qualifications – number, type, level etc. Demand-led perspective on skills issues for the sector reflected in strategies and action plans of key partners/stakeholders e.g. LSC(s), FRESAs, HEFCE, Ufl, SE etc. Education and training provision in place – shift in funding arrangements; new capacity; or changed courses, characteristics and capacity (quality and quantity dimension)	Increased employer awareness of the importance of skills investment and deployment Reduced incidence and reports of skills shortages by employers Increased investment in skills by employers including amongst self-employed and SMEs Improved demand-led education and training supply infrastructure	Increasing productivity Increasing sector contribution to GDP

< previous   contents   next >

5 CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

The purpose of the evaluation was to look at the progress made by the Trailblazers in a way that will inform, influence and foster best practice in the emerging SSC network and to make recommendations on short-term improvements in the way the SSC network is developed. This section sets out our perception of the implications of the research findings for the SSDA and the emerging SSCs.

The Trailblazers were less than a year old when the fieldwork for this research was conducted and of the five Trailblazers, only two were materially similar to the NTOs that they replaced. It is important therefore that this work is treated as early feedback only and not a judgement of the embryo organisations. Here we are raising issues and questions that can be used to inform further discussions on SSC and network development.

5.2 TRAILBLAZER STATUS

There is a need to clarify the role and expectations of the Trailblazers to the Trailblazers themselves and to the wider community working on developing bids for SSC status. The difference between other aspirant SSCs and Trailblazers, except in formal contractual and financial terms, is not clear. Thus questions were raised as to what benefits are there to being a Trailblazer; what added value do Trailblazers bring to the process; and to what extent should Trailblazers be regarded as models for SSC development. Chief Executives expressed concern that there does not appear to be any formal recognition in being a Trailblazer, and there was concern that if Trailblazers had to go back to the Expression of Interest stage of the licensing/development process, then this could lead to employer disengagement.

Our interpretation is that initially Trailblazers were to lead the way in the implementation of SSCs. Certainly, in one case, the Trailblazers expectation was that an automatic Licence would be granted following the development phase. From that position one would expect that the relationship with the SSDA would be one of joint development work asking the fundamental questions such as 'how do we (Trailblazers and SSDA) design/resolve/tackle…' – an open, experimental and learning approach to SSC development. Instead, our impression is that the focus of the relationship is more on monitoring and completion of contractual arrangements and of looking forward to meeting Licence criteria. This subtle but important difference in the relationship may account for some of the observed tensions between the SSDA and the Trailblazers.

Recommendations:

- There is a need to bring clarity to the status of and expectations from Trailblazers and to communicate this more widely;
- Provide unambiguous messages as to the criteria for an SSC Licence that the Trailblazers must achieve;
- Any future formative evaluations should include all the SSCs in the development stage.

< previous   contents   next >

5.3 DESIGN OF TRAILBLAZER ORGANISATIONS

The most observable achievements of the Trailblazers to date are in the setting up of the new organisations and how these new entities are being designed to fit the SSC remit. No single model of best practice emerges, but certainly the Trailblazers have illustrated some important 'design principles' that could be more widely applied. Below we explore some further considerations around the design of Trailblazers.

5.3.1 EMPLOYER LEADERSHIP

In all the Trailblazers, there was clear employer leadership. All the employers consulted through this exercise were involved at Board level or in some other capacity with the Trailblazer. All were articulate and informed about the development, future and expectations of their Trailblazer. In addition, there was a consistency and commonality of view across employer respondents within specific Trailblazers suggesting a clear 'corporate' identity.

The only areas of some employer/Board member discontent were focused towards external rather than internal factors. In particular, the process of setting up the Trailblazer and the criteria associated with gaining a SSC Licence. We perceived that there is some question as to the extent to which employers have bought into the whole SSC network concept. Whilst there were no questions about buy-in to their own Trailblazer, we suggest there was some frustration with the development process and less sense of the benefits of belonging to a wider set of institutions (a new network of employer-led organisations) to the extent that some employers, frustrated with the licensing process, were willing to consider opting out of SSC status.

Recommendation:

- Implementation of a wider communication strategy aimed at disseminating the detail of the licensing and contracting process and at 'selling' the vision and benefits of the SSC network as a whole.

5.3.2 STRATEGY AND PLANNING

All the Trailblazers have prepared business plans. These are of variable degrees of sophistication depending partially on the maturity of the organisation involved. In the best case, it is possible to see a strategic positioning, a clear link between the sector definition, the issues being faced, the planned course of action and a set of short-term deliverables. However, in another case, it would be possible to take a Trailblazer's business plan and apply much of it to any SSC. There is little indication of the 'fit' between the list of services given and the identified needs and priorities of the sector.

Most of the Trailblazers are still in the process of recruiting staff. Of note is the intent to bring on board, in most cases, specialists in policy, business development, marketing and communications. Once the full complement of staff is in place, one would expect to see a material difference in the quality and content of plans.

Recommendation:

- Generally, our perception is that strategic vision, planning, tactics and priorities amongst most of the Trailblazers are at an early stage. It will be important to ensure over time that plans adequately reflect the new strategic status associated with being an SSC and business defined needs. Then, that this is translated into targeted strategies and action plans and not into an undifferentiated menu of activities.

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

5.3.3 OPERATIONAL INFRASTRUCTURE

All the Trailblazers are working on implementing an infrastructure to deliver their remit. Of note are the structures that are being established for sub-sector groups and area/regional boards. Concomitant with the development of these structures is the recruitment of more and specialist staff especially as sector specialists, regional managers and field staff. Structures are being used to reflect sector diversity and so to ensure employer engagement; similarly, to reflect the geography of skill needs, sector clusters and 'localised' education, training and qualifications infrastructure and so to ensure locally specific solutions/provision.

Whilst inclusive and potentially highly responsive to needs (by sector and geography), the challenge for the Trailblazers will be effective management. For example, ensuring that:

- The industry sub-groups or regional groups do not operate independently of the whole and risk creating a fragmented organisation rather than a single entity;
- The messages, lessons and developments of the various infrastructure/organisational components are brought together to provide a coherent picture and consistent strategy for the SSC;
- The cost of maintaining the infrastructure does not divert funds away from action. Indeed, one Trailblazer has suggested that developing SSCs should look closely at the extent to which their planned finances can support such an infrastructure.

Recommendation:

- One useful exercise would be to look at the extent to which there may be means of martialling economies of scale around regional representation for example with regard to the provision of office space, ICT and basic services.

5.3.4 FUNDING

A number of concerns were expressed around the funding of SSCs specifically with regard to:

- The ability to raise funds directly from employers for core funding particularly where the sectors are experiencing economic problems; are dominated by small and micro businesses; and where a dilution of the SSC footprint could mean that large key firms sense their contributions are subsidising other non-related sectors;
- A tension between developing commercial strategies to raise fees from employers that may compromise the SSCs representational role for industry;
- The SSCs' ability to influence the policy and expenditure of key stakeholders that may be compromised by SSCs own need to raise funding from the very same organisations;
- The amount of time and effort devoted to 'chasing' funds for ad hoc initiatives, that may divert attention away from employer-led priorities;
- More generally, the ambiguity around the on-going 'who pays' question between Government, employers and individuals that has not been resolved with the introduction of SSCs.

< previous   contents   next >

Recommendations:
These concerns generate a series of questions for the development of the network as a whole that are worth considering now.

- The ability of SSCs to deliver their remit will be dependent on the resources they can bring to bear. What would be the implications for the SSC network as a whole of differential wealth amongst SSCs?
- The idea of fewer and larger SSCs was partially driven by the need to avoid the situation that emerged under the NTOs with some small and ineffective organisations. Is there a minimum level of finance for an SSC to be viable?
- How are SSCs to be funded over time? What are the expectations around the ratios between core SSDA funding, SSDA service delivery or fee based funding; other public sector contributions; and private sector contributions?
- Can the SSDA work with other public sector funders to encourage support of SSC business plans rather than ad hoc initiative based funding?

5.4 DEVELOPING THE NETWORK

5.4.1 SECTOR COVERAGE

Sector coverage is the most significant issue in terms of the developing SSC network. It is a complex process where bottom-up employer-led priorities have to be reconciled with national objectives in terms of coverage and financial viability. Different models for SSCs can be identified. Ultimately development of the network will be dependent on the overall vision, the models that SSCs in particular sectors chose to adopt, and the licensing and contracting criteria that is applied by the SSDA.

Recommendations:

- Consider developing, on a consultative basis, a vision for what the final SSC network will look like. Explore how the need to balance bottom-up employer-led organisations with establishing a limited number of SSCs with maximum workforce coverage can best be resolved;
- Ensure coherence in terms of the vision of the network, SSC models which are developed within the network, and the licensing criteria for SSCs;
- Invest in communication of the bigger picture to employers, and selling the benefits of SSC status and network membership.

5.5 INFLUENCE AND PARTNERSHIPS

All the Trailblazers have made some in-roads into establishing initial contacts and working relationships with key stakeholders, in particular with the devolved administrations. Trailblazers vary however in the degree to which they are acting as drivers of a wider and strategic policy agenda in their relations with stakeholders. While most Trailblazers state that they are the 'voice of industry', not all, as yet, are able to articulate that voice and set out an agenda for action. Similarly, while some stakeholders are clear in what they expect from SSCs, this is not always the case especially where there are existing NDPBs with some overlap in function.

Improvements in these areas will come in time as the SSCs' capacity and capabilities develop and the protocol arrangements between the SSDA and the stakeholders are completed and embedded. However, there is further work that could be undertaken to enhance partnership activity. It relates to the call from stakeholders for systems to provide some consistency of approach and communication with the SSCs and the network, combined with the concerns expressed by both stakeholders and SSCs about their respective organisational capacities to engage across the whole network of SSCs and the whole panoply of potential stakeholders.

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

Recommendations:

• Explore how arrangements for 'inside-out' and 'outside-in' mechanisms could be put in place to facilitate effective working arrangements between SSCs, the network, SSDA and stakeholders. Similarly, explore how such arrangements could moderate the demands made on the respective capacities of the partners to engage in partnership work;
• Clarify functions of SSCs and other stakeholders regarding overlaps, in particular in relation to agreeing with an SSC its scope and remit regarding Workforce Development Plans.

5.6 ROLE OF THE SSDA

There was broad based recognition that the SSDA has had to manage the transition from initial DfES leadership on SSC policy and that some of the issues identified in the report are a consequence of that change. Additionally, it was recognised that the SSDA has had to make its own imprint on the development of the network. Positive comments were offered about the assistance and support offered to Trailblazers by some of the staff at the SSDA.

Recommendations:
Messages for the SSDA's own development to emerge from the research were to:

• Improve communication generally and become more outward focused;
• Ensure internal consistency on messages;
• Be clear on the criteria for SSC Licence and contract (in particular, whether the 500,000 workforce coverage is a 'deal breaker');
• Deliver more speedy implementation of the SSC network;
• Emphasise the facilitation role of the SSDA and partnership potential with the SSCs.

< previous   contents   next >

ANNEX ONE: LIST OF CONSULTEES

TRAILBLAZER	STATUS	ORGANISATION	FIRST NAME	SURNAME	POSITION
Cogent	Board Member /Employer	AtoFina UK	David	Gresham	Managing Director
Cogent	Board Member /Employer	BP Oil UK Ltd	John	Mumford	Chair of Cogent Board
Cogent	Board Member /Employer	Esso Petroleum	David	Carr	Logistics Director
Cogent	Board Member /Stakeholder	Amicus MSF Section	Roger	Jeary	National Secretary
Cogent	Board Member /Employer	Marathon UK Ltd	Les	Thomas	President
Cogent	Board Member /Employer	TotalFinaElf Exploration UK	Ian	Dundas	Senior Operations Manager
Cogent	Staff	Cogent	Lawrie	Bain	Team Leader, Engaging with Employers Team
Cogent	Staff	Cogent	Peter	Crowther	Products and Services Team
Cogent	Staff	Cogent	David	Grange	Team Leader, Research & Communications Team
Cogent	Staff	Cogent	John	Ramsay	Chief Executive
Cogent	Staff	Cogent	Jacki	Simpson	Team Leader, Business Support Team
Cogent	Stakeholder - other	UK Petroleum Industry Association	Malcolm	Carr	Chief Executive
Lantra	Board Member/Employer	Gloucester Wildlife Trust	Gordon	McGlone	Chair of Lantra Board
Lantra	Board Member/Stakeholder	Wood Farm	Robert	Fiddaman	Farmer/NFU
Lantra	Board Member/Stakeholder	Farriers Registration Council	Miles	Williamson-Noble	Registrar
Lantra	Employer (IG Member)	Ben Burgess	Jimmy	Lockhart	Service Director
Lantra	Employer (IG Member)	Paulines Florist	Pauline	Williams	Owner/Manager
Lantra	Employer (IG Member)	John Deere Ltd	Peter	Leech	Manager Customer Support
Lantra	Employer (IG Member)	The Talland School of Equitation	Brian	Hutton	Co-Owner
Lantra	Employer (IG Member)	The Talland School of Equitation	Kathryn	Kimber	Administrator
Lantra	Staff	Lantra	Stewart	Jardine	Director of Operations
Lantra	Staff	Lantra	Mark	Jeffries	Industry Partnership Manager
Lantra	Staff	Lantra	Sandra	Loton-Jones	Executive Director Wales
Lantra	Staff	Lantra	Peter	Martin	Chief Executive
Lantra	Staff	Lantra	Judith	Pledge	HR Manager
Lantra	Staff	Lantra	Micheal	Smith	Head of Development
Lantra	Staff	Lantra	Robert	Tabor	Director of Finance
Skillfast-UK	Board Member/Stakeholder	British Clothing Industry Association	John	Wilson	Director
Skillfast-UK	Employer – other	Henry Poole and Co	Philip	Parker	Managing Director
Skillfast-UK	Employer – other	S Perviz	Michael	Perviz	Owner

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

ANNEX ONE: LIST OF CONSULTEES

69

TRAILBLAZER	STATUS	ORGANISATION	FIRST NAME	SURNAME	POSITION
Skillfast-UK	Staff	Skillfast	Ron	James	Regional Business Development Manager – East Midlands
Skillfast-UK	Staff	Skillfast	Michelle	O'Donoghue	Research and Information Assistant
Skillfast-UK	Employer – other	Airbags International	Ian	Clare	Training Manager
Skillfast-UK	Board Member /Employer	Berwin and Berwin	Edward	Stanners	Chair of Skillfast UK Council
Skillfast-UK	Staff	Skillfast	Lynne	Ainsworth	Administrative Manager
Skillfast-UK	Staff	Skillfast	Matthew	Baxter	Marketing & Communications Manager
Skillfast-UK	Staff	Skillfast	Mike	Bentley	Business Development Director
Skillfast-UK	Staff	Skillfast	Linda	Florance	Chief Executive
Skillfast-UK	Staff	Skillfast	Charles	Hubbard	Workforce Development Director
Skillset	Board Member /Employer	BBC	Nigel	Paine	Head of BBC Training and Development
Skillset	Board Member /Employer	BskyB	Craig	McCoy	HR Director
Skillset	Board Member /Employer	Carlton Channels	Clive	Jones	Chair of Skillset Board
Skillset	Board Member /Employer	Channel 4	Peter	Meier	Controller of HR
Skillset	Board Member /Employer	Granada plc	Philippa	Hird	Personnel Director
Skillset	Board Member /Stakeholder	PACT	John	McVay	Chief Executive
Skillset	Board Member /Stakeholder	BECTU	Roger	Bolton	General Secretary
Skillset	Staff	Skillset	Dinah	Caine	Chief Executive
Skillset	Staff	Skillset	Kate	O'Connor	Director of Development and Policy
Skillset	Staff	Skillset	Gary	Townsend	Director of Communications
Skillsmart	Board Member/ Stakeholder	BRC	Bill	Moyes	Director General
Skillsmart	Board Member /Employer	Debenhams	Belinda	Earl	Chair of Skillsmart Board
Skillsmart	Board Member /Employer	Tesco	Kim	Birnie	Director of Learning
Skillsmart	Board Member Stakeholder	Loughborough University Business	Cathy	Hart	Lecturer
Skillsmart	Board Member /Stakeholder	School	Steven	Bell	Vice Chairman Bells Stores
Skillsmart	Board Member Stakeholder	Representing Association of Convenience Stores	Scott	Landsburgh	Chief Executive
Skillsmart	Board Member /Stakeholder	Scottish Grocers Federation USDAW	Bill	Connor	General Secretary
Skillsmart	Employer - other	Selfridges	Alison	Straw	Head of Training and Development
Skillsmart	Staff	Skillsmart	Nigel	Broome	Chief Executive

< previous   contents   next >

ANNEX ONE: LIST OF CONSULTEES

TRAILBLAZER	STATUS	ORGANISATION	FIRST NAME	SURNAME	POSITION
Skillsmart	Staff	Skillsmart	Beverley	Paddey	Qualifications Manager
Skillsmart	Staff	Skillsmart	Judith	Wilkins	SME Development Manager
Stakeholder – national	Devolved	Department for Employment and Learning (Northern Ireland)	Jim	Hanna	Head of the Sector Development Branch (Skills and Industry Division)
Stakeholder – national	Administration	Scottish Executive	Margery	Cross	Skills and Learning Opportunities Division
Stakeholder – national	Devolved Administration	Welsh Assembly	Stuart	Rees	Training Skills & Careers Policy Division
Stakeholder – national	Devolved Administration	LSC	Rebecca	Rhodes	Policy and Development Team
Stakeholder – national	Agency	Future Skills Scotland (Scottish Enterprise & Highlands and Islands Enterprise)	Stephen	Boyle	Director
Stakeholder – national	Agency	Careers Scotland (Scottish Enterprise)	Caroline	Farquhar	Development Manager
Stakeholder – national	Agency	Ufl-Learndirect	Patrick	Bonnet	Head of Sector Skills
Stakeholder – national	Agency	DCMS	Tony	Williamson	Head, Adult and Lifelong Learning Team
Stakeholder – national	Government Department	DCMS	Keith	Gibbins	Head of Film (Creative Industries Division)
Stakeholder – national	Government Department	DEFRA	Peter	Cleasby	Land Management Improvement Division
Stakeholder – national	Government Department	Department of Health	Lionel	Took	Section Head, Social Care Modernisation 3 (Social Care Group)
Stakeholder – national	Government Department	Department of Health	Sue	Brennan	Assistant Section Head, Social Care Modernisation 3 (Social Care Group)
Stakeholder - national	Government Department	Department of Health	Jane	Hare	Section Head – Learning and Personal Development
Stakeholder - national	Government Department	DfES	Eric	Galvin	Divisional Manager, Provider Plus
Stakeholder - national	Government Department	DfES	Tony	Kearsey	Sector Skills Council Project Team
Stakeholder - national	Government Department	DfES	Aubrey	Magill	Skills for Employment Division
Stakeholder - national	Government Department	DfES	Simon	Perryman	Policy Strand Manager, Sector Skills Council Project Team
Stakeholder - national	Government Department	DfES	Sarah	Power	Team Leader, Communications & Marketing Strand
Stakeholder - national	Government Department	DfES	Glenna	Pryor	Team Leader, NTO
Stakeholder - national	Government Department	DTI	Jim	Mitchell	Capability Head of Sector Skills
Stakeholder - national	Government Department	DTLR	Nigel	Dotchin	Branch Head, Transport Policy Co-ordination

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

ANNEX ONE: LIST OF CONSULTEES

TRAILBLAZER	STATUS	ORGANISATION	FIRST NAME	SURNAME	POSITION
Stakeholder - national	**GOVERNMENT** Department	DTLR	Mark	Rodmell	Branch Head, Transport Communication and Delivery
Stakeholder - national	Government Department	Home Office	Sue	Martin	Team Leader – Police Training and Leadership
Stakeholder - national	SSDA	SSDA	Brandon	Ashworth	Trailblazer Team Leader
Stakeholder - national	SSDA	SSDA	Tom	Bewick	Director of Communications
Stakeholder - national	SSDA	SSDA	Susan	Brears	Trailblazer Team
Stakeholder - national	SSDA	SSDA	Lesley	Giles	Head of Research

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

ANNEX

ANNEX TWO: SELECTION TIMELINE

Launch of SSC policy	15 October 2001
Selection criteria set out in a letter to organisations	2 November 2001
Expressions of interest submitted	November 2001
Shortlisting panel meetings	4-5 December 2001
Shortlist announced	6 December 2001
For successful proposals more information about financial risk required	
For rejected proposals one-to-one meetings offered	
Panel from Employer Advisory Committee meeting for final recommendation	12 December 2001
Trailblazers announced	End December 2001

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

ANNEX THREE: APPROACHES TO COLLECTION OF LABOUR MARKET INFORMATION

	METHODS OF LABOUR MARKET INFORMATION	PROGRESS/OUTPUTS (DECEMBER 2002)
COGENT	The Research and Communications team has both internal and external customers. Three of the team focus on research, one focuses on careers, and one on communications. Historically, there has been a shift in the style of research from broad, in-depth surveys to more direct presentation of findings (cutting through to what employers need to know) – skills gaps and shortages. Cogent also plan to work in conjunction with other SSCs in developing LMI on generic skills.	Mapping of existing LMI for sector completed.
LANTRA	Lantra has developed a bespoke training needs assessment package (Skillcheck), for the identification of training needs. It is used for: • Individual/business skills acquisition; • Developing Lantra's portfolio of products and services; • Feeding into Lantra's LMI and Skills Foresight activities; • Measuring the economic impact of business development and productivity; • Serving as an extension to the use of occupational standards. For drawing up Industry Action Plans, although LMI is not the starting point for the discussion, it is used further down the line for informing the action plans. In fact, the Industry Action Plans are important means for identifying information needs, as they are supposed to identify job roles and skills requirements. LMI is also used for drawing up Lantra's overall business plan, which in addition identifies research objectives.	Proposal agreed with DEFRA for Lantra to undertake a demand-side review in relation to accessing training and education within the sector.
SKILL FAST UK	Responsibility is located within Workforce Development team, with a dedicated Research and Information Assistant post with responsibility for collation and development of the intelligence base. Regional teams have a role in communication from 'grass roots' and collection of information from employers. A collaborative project is being developed with Yorkshire Forward on developing partnerships with employers to build upon LMI and determine action plans at regional level. Industry expert group established re man-made-fibres. The employer database is being developed as a potential LMI tool.	Initial Market Assessment presented to Skillfast UK Council.

< previous   contents   next >

	METHODS OF LABOUR MARKET INFORMATION	PROGRESS/OUTPUTS (DECEMBER 2002)
SKILLSET	Skillset conducts a full census of employment in the industry every year ('A Snapshot in Time'), a survey of freelancers every two years, and maintains a panel of employers from all sectors of the industry, which meets twice a year to exchange views and information on skills issues. New research into sub-sector skills commissioned (interactive media, feature film industry).	Desk research completed to support Health Check. Sector specific research completed for postproduction, facilities and journalism.
SKILLSMART	A prototype HR Benchmarking survey is being developed which will provide employers with robust and detailed quantitative information on how they compare to other employers. Software has been developed for on-line delivery. Compilation of current research, and commissioning of new research (into the opinions and knowledge levels of retail, amongst Jobcentre Plus, Connexions).	Initial Health Check completed.

74

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

ANNEX FOUR: EXAMPLES OF ACTIVITIES

FOCUS	TYPE OF ACTIVITY	EXAMPLES
INDIVIDUALS	CAREERS ADVICE	Clo-Tex is a Skillfast-UK project aimed to support textile and clothing education in schools and colleges (two CD-ROMs targeted towards Pre-16 and Post-16 students); Skillset has developed detailed careers information, skills requirements and progression information and is working with providers of advice and guidance such as Learndirect to increase access to specialist advice and information (Skillsformedia)*; Cogent has developed the 'Talking Jobs' web based careers site.
	SIGNPOSTING	Lantra has developed the Food, Farming and Countryside Directory of Learning Resources; Skillsmart is promoting the Retail Services handbook (in conjunction with BRC); Skillset have a database of courses and providers. A careers information CD ROM has been produced for careers advisers (LDA funded); Skillfast UK published a directory and CD ROM of courses.
	REPOSITIONING THE INDUSTRY'S IMAGE	Skillsmart is concentrated on raising retail's image as a profession. They see the main problem at the entry-level staff and work to establish a qualification portable through different companies in the industry where people change jobs very frequently. There is no difference between SMEs and large companies in regard to the image problem. Cogent and Skillfast similarly are working to address the image problem of their industries.
	AWARDS	Skillset Millennium Awards which assist winners in production of their individual projects; Skillfast UK Participated in UK Skills – first industry competition*.
EMPLOYERS	FUNDING FOR TRAINING	The Skillset Freelance Training Fund (FTF) and the Skills Investment Fund (SIF).
	EMPLOYER NETWORKS	Skillfast UK North East employer network and North West employer network.
	INDUSTRY DIAGNOSTICS AND BUSINESS SUPPORT	Cogent Business Advisers provide direct services to companies. Skillfast UK manages a project that provides support for the Apparel and Allied products sector in the West Midlands (funded by Advantage West Midlands). It provides a full day diagnostic audit (including IT) to assess a company's development needs, plus funded support to address these needs. Priority is given to ICT, technical and management training. Cardonald College and Skillfast UK have secured further funding from the Scottish Executive for the established "Training in the Workplace" pilot, which provides companies with a five-day training needs assessment and then ten days of tailored training linked to the analysis. Lantra has been involved in developing systems and materials to help to identify business and related training needs and to plan for the development of the business in the future.

75

< previous   contents   next >

FOCUS	TYPE OF ACTIVITY	EXAMPLES
EMPLOYERS	PARTNERSHIP PROJECTS WITH EDUCATION AND TRAINING PROVIDERS	The TASk (Textile Advanced Skills) project between Skillfast UK and Department of Textiles, University of Manchester Institute of Science and Technology will help SMEs develop their workforce through management and supervisory training, technical training, development of basic and key skills, and ICT tuition; The 'Step-up' project (Skillfast UK), funded by Northamptonshire LSC provides funding for managers and workers to develop better IT skills and careers development; Cogent Grangemouth Development Project – to support Centre of Excellence for vocational training (partnership between employers in Grangemouth, Falkirk College of FE and Scottish Enterprise Forth Valley)*.
	TRAINING TRAINERS	Skillfast UK have taken over the development activities in relation to the City & Guilds Sewing Machinist Instructors course and City & Guild Instructor Course/ The Performance Development Training Certificate funded by DfES and delivered in partnership with City and Guilds. Also, Skillfast UK in partnership with ITC are piloting a project in Northern Ireland to deliver train the trainer programmes to small and medium sized textile and clothing companies.
SYSTEMS	OCCUPATIONAL MAPPING	Skillfast UK are working with support from QCA to review and develop an up to-date functional map that reflects the true occupational areas within the structure of clothing companies. Skillfast UK have also received funding from ELWa through its Skills Development Fund, to engage managers in the learning process by mapping across the units that relate to management from the NVQ Level 3 in Manufacturing Apparel Technology.
	ACCESS TO TRAINING DELIVERY	Some Trailblazers have their own qualifications frameworks (e.g. Skillset, Cogent); Skillsmart is trailing level 2 qualifications with major retailers with help from LCCIEB*; Skillfast UK has a pilot to develop CD-ROMs and on-line training for Foundation Degrees.
	LEARNDIRECT (UFI)	Lantra delivers the on-line Learndirect courses to the land-based sector, through the contract to operate the Ufl's Environment and Land-based Industry Sector Hub. A Managed Learning Platform, and tutor support has been put in place*; Skillfast UK is in discussions with Ufl on a project to manage a pilot project to set up a sector hub initially in East Midlands*.
	EDUCATION LINKS	Skillfast UK are developing a Student Apprenticeship programme which will provide young people of 14-19 years with a broad base of vocational knowledge, understanding, skills and specific occupational competencies whilst in secondary education. Skillset is actively facilitating the exchange of good practice between Foundation Degree providers within the audio-visual sector, including the sharing of information around employer engagement and the structure and purpose of Foundation Degrees.

< previous   contents   next >

EVALUATION OF THE TRAILBLAZER PHASE OF THE SECTOR SKILLS COUNCIL NETWORK

FOCUS	TYPE OF ACTIVITY	EXAMPLES
SYSTEMS	SKILLS AND QUALIFICATIONS QUALITY ASSURANCE	Skillset Assessment Centres – offer a range of Skillset Professional Qualifications to all sectors of the industry. These centres cater for freelancers and employees throughout the UK. Lantra maintain a professional register of around 400 training providers registered with Lantra, ranging from individuals and small private companies to local colleges and higher education institutions, which are required to meet minimum entry criteria. These encompass industrial, technical, administration, business management, health and safety and instructional standards. Cogent has continued to provide approved courses to the oil and gas sector.
	NATIONAL OCCUPATIONAL STANDARDS	Work on the development of national occupational standards continues, for example, Skillset has begun a major standards review project covering nine occupational areas as well as the development of draft standards in design for the moving image, broadcast engineers and animal care and training.

*denotes key project identified in Trailblazer contract.

< previous   contents   next >

Other reports available in the SSDA Research Series:

- Report 1: The Skills for Business 1000 (2003)

Other products available from the Policy and Research Directorate:

- Market Assessments: A Guide
- Intelligence – monthly skills policy and research briefing
- One_Stop Skills Intelligence Gateway
- The Sector Skills Matrix – database of sectoral labour market intelligence www.ssdamatrix.org.uk

These products and research report are accessible on the SSDA website www.ssda.org.uk