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Skills Academy research report

August 2010

Skills Academy research report

Audience	Sector Skills Councils.
Overview	This research was commissioned by the Welsh Assembly Government in July 2009 in order to review the development, operation and sustainability of Skills Academy networks across the UK and other relevant countries, to determine the strengths and weaknesses of such networks and to make recommendations to support the policy development of a Skills Academy network in Wales.
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Executive Summary

Background

This research was commissioned by the Welsh Assembly Government in July 2009 in order:

“to review the development, operation and sustainability of skills academy networks across the UK and other relevant countries, to determine the strengths and weaknesses of such networks and to make recommendations to support the policy development of a skills academy network in Wales”.

The research has involved:

- An initial review of research related to comparative international experience of sector-based approaches to skills development, documentation related to Skills Academies in England and Wales and policy literature in Wales of relevance to the discussion.
- Interviews with some 15 key policy stakeholders in Wales and in England.
- Undertaking five case-studies on actual or proposed Skills Academies in Wales, involving discussions with some 40 stakeholders in relation to these specific examples.

The International Experience

Experience in other countries suggests that sectoral approaches to managing the supply of skills can be beneficial in terms of increasing employers' engagement with training and in supporting broader economic development but this depends on a range of contextual factors, including:

- The extent of the influence which the relevant sectoral bodies have compared to other key organisations in determining the shape of provision.
- The extent to which sectoral bodies control or have leverage over the funding of learning linked to skills development.
- The extent to which sectoral bodies engage with a range of relevant stakeholders, the strength of their employer engagement (both with larger businesses and SMEs) and the extent to which they balance longer term economic need with shorter term perceived employer demand.
- The extent to which tensions in federal systems between the national and regional level are effectively managed.
- The extent to which sectoral bodies prioritise effectively.

Experience in England

While there is some anecdotal evidence of some of the 12 National Skills Academies (NSAs) which are currently operational having achieved a measure of success, it is

as yet too early to find any real evidence of the impact in terms of driving up the volume of training by employers and the appropriateness of the training provided.

In practice, the focus of many of the NSAs appears to be less on reshaping provision as such than on ensuring there are clear referral mechanisms (or portals) for employers and on the “*quality assurance*” of provision from the specific standpoint of the NSA. It is somewhat unclear whether and how far this latter function adds value to the established processes of Government accreditation and inspection of learning provision, while it is also too early to reach a judgement on whether NSAs have won the attention and captured the imagination of employers.

The first NSAs in England are now starting to make the transition from being underpinned by the initial three year funding provided by the Government. This will be challenging, and it remains to be seen whether it will prove possible to secure a flow of revenue from employers or (more likely) approved training providers without jeopardising the perceived role of the NSAs as an “honest broker” which are genuinely employer rather than provider-led.

Developments in Wales

Perhaps unsurprisingly given the lack of any clear Welsh Assembly Government endorsed model for the development of Skills Academies in Wales prior to this study, the picture to date in Wales is fragmented. Of the formally established NSAs in England, only one, NSA Nuclear is already operational in Wales, though the Skillset Screen Academy Wales is paralleled by similar Academies in England, albeit ones which have not formed part of the LSC funded roll out of NSAs. Otherwise, a Photonics Academy has emerged independent of the wider development of sector based Academies and has only limited involvement from SSCs. Only a relatively small number of Academy proposals are being actively promoted by SSCs at present, notably Sport and Active Leisure, Construction, Food and Drink Manufacturing, Power and Retail.

In terms of the broader policy context, while there is recognition of the need for tailored arrangements to deliver niche skills, and a strong commitment to strengthening the employers’ role in determining training provision funded by the public sector, there has been an absence of tools to make this happen. In particular, funding arrangements have meant that, even had proposals come forward to date for autonomous or semi-autonomous Academies/Centres of Excellence, it is difficult to see how ongoing learning provision could have been provided, except insofar as FE Colleges voluntarily opted to use their funding allocations to deliver such learning.

Although policy with regard to the Transformation agenda has opened the way for sector-based proposals to develop more coherent progression routes for particular sectors (alongside local collaborative models to extend learner choice within a geographical area) such proposals have (with one exception) not been forthcoming. Capacity issues on the part of most SSCs, together with a lack of clarity about the sectors which the Welsh Assembly Government wishes to prioritise have also contributed to a lack of progress.

Looking to the future, the Sector Priority Fund Pilot offers some opportunities for developing new collaborative approaches bringing together SSCs and FE Colleges which might develop the concept or pilot Academies/Centres of Excellence. However, the emerging proposals in respect of the Sector Priorities Fund itself suggest that – particularly in the context of what is widely expected to be tightly constrained public expenditure – there is likely to be very little headroom to take forward provision which FE Colleges themselves do not choose to prioritise in the longer term.

Stakeholder Views

Overall, policy stakeholders showed relatively limited knowledge of, and little support for, the concept of Skills Academies. In particular, there was:

- Little knowledge of Skills Academies in England.
- Considerable scepticism as to whether a convincing case had been made for a network of Skills Academies in Wales, though recognition that there might be specific sectors or sub-sectors where there might be a genuine need.
- A view that, should Skills Academies be taken forward, they should be concerned with the flow of new entrants into targeted sectors, as well as development of the existing workforce, and with learning at all levels, though with particular importance being attached to the need to overcome the current barriers between level 3/level 4 and FE/HE provision.
- Little support for “*bricks and mortar*” Academies or Academies which created a parallel system of provision and a negative response to arguments that Wales needed broad-based Skills Academies covering a range of SSC footprints given the relatively small size of the labour force in Wales.
- A view that the concept of Skills Academies fitted well with a perceived need to strengthen specialisation, particularly within the FE sector, but concerns that the geography of Wales made this problematic, particularly in terms of learners aged 16 – 19.
- A recognition that there were also strong countervailing policy pressures, above all the need to protect and expand the choice of learning options at a local level and a consequent reluctance to risk destabilising the current FE network by pursuing the initial idea of the Sector Priorities Fund outlined in Skills that Work for Wales.
- A strong view that, in most cases, SSCs in Wales did not have the capacity to engage sufficiently with employers and that a SSC driven model for Skills Academies was therefore suspect.

Evidence from the case-studies

The five case-studies which we have examined were very diverse and it is difficult to draw any consistent lessons from them.

There is no one model which can yet both clearly demonstrate success (either in England or in Wales), certainly in terms of outcomes, and is easily replicable within the Welsh context to other sectors. However, our research would suggest:

- More successful approaches to date appear to be characterised by strong engagement with providers who see significant benefits in engagement with a specific (often niche) market. However, providers may be quite sceptical of the added value of Academy models which are driven from elsewhere.
- Those SSCs with levy raising powers clearly have a huge advantage in driving forward initiatives – if they chose to do so.
- The proposals currently on the table but not yet implemented are quite contested and are far from commanding widespread support.
- While SSCs are often the cheerleaders for Academy proposals, enthusiasm varies greatly between SSCs and even within them.
- There is a strong focus on new entrants to the workforce rather than on workforce development as such.
- There is a strong focus in some of the models on correcting what is seen as a market failure in terms of linking existing supply and employer demand, with surprisingly little emphasis (as yet) on reshaping provision: outside SSCs, many stakeholders are sceptical about whether this adds value, or just adds to confusion.
- Employer engagement (and hence Labour Market Intelligence) is a real problem for less well resourced SSCs and there is still limited interface (and limited connections being made) between the Welsh Assembly Government's business-facing fieldforce(s) and SSCs and their Academy proposals.
- There is little (if any) appetite for very broad-based approaches, with Welsh Academies structured around the aggregation of a number of SSC footprints.
- Proposals on the table are generally thought to be relatively inexpensive to deliver: but in practice the two models already operating have absorbed quite significant public funding to get them to their current position and, in all likelihood, will continue to need public support to maintain the level of service currently being provided.
- There are real question marks over the financial sustainability of any of the models and there may be a tension between the avowed aim of some of the Academy models to quality assure and badge provision, and the need to generate income from charging providers "membership fees", particularly as public funding is reduced.

Conclusions and Recommendations

Given that:

- There is little support amongst stakeholders for Skills Academies which have a separate existence and identity.
- There is no evidence as yet of a clear model which would work effectively when rolled out across a range of sectors.
- The case for many of the existing Academies has yet to be proven in practice.
- Crucially, the resources are unlikely to be available to fund such a development, given the way forward mapped out in Investing in Skills.

The report concludes that the evidence does not support the case for the Welsh Assembly Government proactively seeking to develop a network of Skills Academies.

However, it makes a number of recommendations to address the very real concerns about the need to strengthen the sectoral perspective within the current learning system. These include a series of practical steps to investigate the potential for a series of Networks of Excellence, based on partnerships between providers but with strong input from SSCs and other stakeholders, focused in the first instance on relevant manufacturing sub-sectors.

1.0 Introduction

Old Bell 3 Ltd. in association with York Consulting and Dateb was commissioned in July 2009 by the Welsh Assembly Government to carry out a research study into the possible future development of a Skills Academy network in Wales.

The Invitation to Tender set out the aim of the study as being to:

“review the development, operation and sustainability of skills academy networks across the UK and other relevant countries, to determine the strengths and weaknesses of such networks and to make recommendations to support the policy development of a skills academy network in Wales”.

The more detailed objectives for the study as set out in the Invitation to Tender are set out in Box 1.

Box 1: Research objectives

- a. Explore how current delivery, contracting and funding systems in Wales may be aligned to support specialist products and services to be offered by skills academies in Wales.
- b. Identify through the review of other models, the best practice approaches that are operational in England and throughout the world.
- c. Identify constraints and issues, current and future, that may influence the development of the Welsh model.
- d. Identify synergies between the transformation agenda, emerging proposals to implement transformational change and learning funding reform policies in Wales and a future skills academy network.
- e. Develop options for a skills academy network for Wales including a high level cost/benefit analysis of the options.
- f. Make a final recommendation for the preferred model(s) for Wales which will support the achievement of WAG developed sector strategies and the growth of sectors considered as strategically important for the sustainable development of the Welsh economy.

However, at an Inception meeting held on 22 July it was agreed that:

- The review of developments outside England would - in the light of limited resources available - be *“light touch”* and that the review of developments in England would be focused not on producing a comprehensive mapping of current and prospective academy developments, but on understanding the common characteristics and requirements (in terms of resourcing and policy alignment) of academy networks and providing contextual information to understand emerging proposals in Wales.
- The research needed to consider options for a discrete network of Welsh Academies, rather than focus exclusively on adding *“branch plants”* to English Academies – since not only the Welsh Assembly Government (WAG) but also SSC Wales Managers were said to be unconvinced that the latter was a viable way forward: in this context, a key issue would be testing the willingness of Sector Skills Councils (in Wales but also at UK

level) and other partners to collaborate across footprints in a way that could generate “*critical mass*”.

- Given this, it was not expected that the final report needed to contain a formal consideration of alternative options, but would rather need to demonstrate that the recommendations with regard to a way forward had been arrived at by a structured process of considering and refining down alternatives.
- The “*high level cost-benefit analysis*” was not intended to provide firm costings but rather to ensure that any emerging proposals were tested against basic considerations of affordability, both in terms of one-off start-up costs and ongoing revenue costs, if they were not fundable through the usual funding formula. In this context the proposed £10m Sector Priorities Fund Pilot (SPFP) between late 2009 and September 2011 and the potential £40m annual funding through the Sector Priorities Fund from September 2011 needed to be considered – though the latter would need to be reviewed in the light of what was then a forthcoming Consultation Paper on Fees Policy.
- While the study needed to ensure coverage of the “strategic sectors” within the five case-studies, since the definition of these sectors in the context of learning and skills would also be subject to the Consultation Paper, it would be important to look also at sectors not currently contained within the Department for Economy and Transport’s priority sectors.
- The study should also test out the appetite for developing a Skills Academy network across stakeholders in Wales (including within the Welsh Assembly Government), not least in the context of ongoing work on the 14 – 19 Transformation agenda, which might be seen both as complementary and as a “rival” to sectoral approaches.
- It was important to manage expectations of the SSCs throughout, in particular to make clear that the selection of case studies was not in any way a signal that the sectors concerned were likely to be prioritised.

In this Final Report, we:

- Outline the Work Programme which we have undertaken (Section 2).
- Consider the context for the potential development of a network of Skills Academies in Wales (Section 3), considering international evidence on sectoral approaches to skills development, developments in England, the policy context within Wales and the landscape of existing and potential Academies already functioning in Wales.
- Report on our findings from consultations with Strategic Stakeholders on their perceptions of the advantages and disadvantages of a more structured approach to Skills Academies in Wales and whether and how this might be accommodated within current delivery and budgetary arrangements (Section 4).
- Report on the findings from our five case-studies (Section 5).
- Present our conclusions and recommendations (Section 6).

2.0 Work Programme

In this section we report on the work which we have undertaken and which underpins this report.

Stage 1: Inception (July 2009)

The aim of this stage was to:

- *Clarify details of our original proposal.*
- *Gather any relevant information held by WAG, SSCs or other partner organisations, as appropriate.*
- *Agree upon the approach to the study.*
- *Agree upon preliminary criteria for the selection of sectors upon which to base case studies.*
- *Agree upon a preliminary list of stakeholders to be consulted during the course of the study.*
- *Establish clear lines of communication to ensure the efficient exchange of information.*

This involved:

- An initial meeting with the Project Manager to discuss our proposal.
- Agreeing the overall approach to the study, a preliminary list of stakeholders to be consulted and the broad approach to selecting the case-studies.
- Receiving contact details for the Chair of the Panel dealing with Academies in England from the Project Manager.
- Revising the Work Programme outlined in our proposal in an Inception Report and securing the agreement from the Project Manager to the Report.
- Contacting all SSCs by e-mail with a request for up to date information on the current situation with regard to Academies/Centres of Excellence in Wales, and receiving responses from 18 of the 25.
- Receiving from DCELLS the Strategic Outline Programme from Construction Skills submitted in response to the Transformation Agenda and the Sector Priorities Fund Convergence Application/Business Plan.

Stage 2: Initial Review of Documentation (July – August 2009)

The aim of this stage was to:

- *Set out clearly the context for the study.*
- *Provide background information in relation to:*
 - *Approaches adopted in other parts of the world.*
 - *Developments elsewhere in the UK.*
 - *Relevant Welsh policy developments.*
 - *Current WAG thinking on funding methodologies.*
- *Inform the selection of five sectors upon which to base case studies.*
- *Inform discussions with a range of stakeholders.*

This involved:

- Developing a questioning framework to inform the document review and the initial round of interviews with stakeholders.
- Review of Ashton and Sung's 2006 report for the Sector Skills Development Agency - *Lessons From Abroad: Developing Sector Based Approaches to Skills.*
- A review of documents and web-sites relating to the development of the ten existing and six proposed Skills Academies in England.
- A review of relevant Welsh policy related documents.
- Reviewing documents relating to the activities of existing Welsh 'academies' or 'centres of excellence', including those with links to English or UK wide National Skills Academies.
- Reviewing research reports relating to prospective "Academies" or "centres of excellence" in Wales.
- Reviewing the Strategic Outline Programme submitted by Construction Skills.
- Synthesis of findings in to an internal working paper to form the basis of Section 3 of this Report.

Stage 3: Discussions with "Strategic Stakeholders" (August – October 2009)

The aim of this stage was to:

- *Clarify issues arising from the document review of developments in England.*
- *Explore stakeholders' views as to whether the establishment of academies/centres of excellence might help to improve the learning system's responsiveness to Welsh employers' needs.*

- *Explore barriers to the functioning of the UK National Skills Academies network in Wales and alternative models including a network of discrete Welsh Academies.*
- *Explore factors which might facilitate the functioning of a Skills Academy network as part of the “mainstream” learning system in Wales.*
- *Make recommendations, if appropriate, surrounding the establishment of a network of academies/centres of excellence in Wales.*

This involved:

- Arranging and undertaking interviews with Wales-based stakeholders to complement the information gleaned from the document review. These included:
 - Huw Jones, Deputy Chair of the Wales Employment and Skills Board (WESB) and Chair of the WESB Task and Finish Group on SSCs.
 - Grenville Jackson, DCELLS.
 - Rob Halford, Department for Economy and Transport.
 - Stephen Studd, Chair of the Alliance of SSCs in Wales.
 - Dr. Alyson Thomas, HEFCW.
 - John Graystone, Fforwm.
 - Arwyn Watkins, the National Training Federation for Wales.
- Arranging and undertaking discussions with relevant DCELLS staff including:
 - Teresa Holdsworth.
 - Jo Banks.
 - Jane Woodley.
 - Andrew Clark.
 - John Pugsley.
- Arranging and undertaking interviews with relevant staff from:
 - Caroline Roberts, UKCES.
 - Lisa Capper, Department for Business, Innovation and Skills.
 - Justine Fosh, Chair of the National Skills Academies.
- Synthesis of findings (together with relevant findings from Stage 2 above into an internal working paper which has formed the basis of Sections 3 and 4 below).

Stage 4: Selection of Case Studies (September 2009)

The aim of this stage was to:

- *Agree upon five sectors upon which to base case studies.*
- *Agree upon stakeholders to be consulted as part of sector case studies.*

This involved:

- On the basis of the document review and interviews with strategic stakeholders, identifying five sectors to be studied in more detail viz:
 - Photonics in the broader context of Manufacturing.
 - Construction.
 - Food and Drink Manufacturing and Processing.
 - Sport and Active Leisure.
 - Screen and Media.
- Agreeing the sectors suggested with the Project Manager at a meeting to be held on 9 September 2009.

Stage 5: Sector Case Studies (September – November 2009)

The aim of this stage was to:

- *Look in more detail at the potential for establishing a Skills Academy network by investigating the practicality, desirability, implications and costs of establishing Academies relating to a range of different sectors.*
- *Make recommendations, if appropriate, surrounding the establishment a network of academies/centres of excellence in Wales.*

This involved:

- Revisiting and, where appropriate, adding to the review of documents and web-sites relating to the development of relevant Skills Academies in England.
- Reviewing, where appropriate, Sector Skills Agreements and Action Plans for relevant Sector Skills Councils i.e. those serving case-study.
- Arranging and undertaking interviews with relevant stakeholders:
 - Four representatives of two existing Wales-based Academies.
 - Six Wales Managers of SSCs serving case-study sectors.
 - Four Wales Managers of SSCs in related sectors, who might have an interest in Academies covering a broader footprint.
 - Representatives of four relevant English Skills Academies.
 - Three representatives of relevant employer or similar organisations.
 - Twelve representatives of eight learning providers.
 - Three representatives from WAG departments with an interest in the relevant sector as well as four interviews with relevant lead officers from the Business and Skills Division within DCELLS.
- Synthesis of the findings from each case-study into five internal case-study papers which form the basis for Section 7 of this report.

Stage 6: Analysis and Reporting (November – December 2009)

The aim of this stage was to:

- *Produce a comprehensible, justifiable and readable report.*
- *Present our findings to the Steering Group.*

This has already involved:

- Synthesising the findings of each element of the study.
- Drafting this draft final report and undertaking an internal “peer review” of the draft.

It will also involve:

- Presenting and discussing the draft report to DCELLS officers.
- Taking on board comments and suggestions for improvement from the Project Manager and this wider Group and revising the report to reflect these comments.

Stage 7: Project Management (July – December 2009)

The aim of this stage was to:

- *Ensure the smooth running of the project within agreed timescales.*
- *Ensure effective communication with the client.*

This involved:

- Weekly monitoring of the project’s progress against the Work Programme.
- Regular reporting to the Project Manager.

3.0 The Context For Taking Forward Skills Academies

3.1 Introduction

In this section, we draw on our desk research to firstly consider international experience in terms of sectoral approaches to skills development (Section 3.2), before briefly considering developments in England (Section 3.3). We then turn to review the policy context in Wales (Section 3.4) and the current landscape of Skills Academies within Wales (Section 3.5).

3.2 International Experience

3.2.1 Introduction

Sung, Raddon and Ashton carried out research into sector skills policies, structures and practices internationally and considered their implications for approaches in the UK. This research was based on case studies in a number of mainly OECD countries outside the UK. The research provides a number of important messages to be taken into account in considering the potential for further development of NSA-type models in Wales, though it of course needs to be recognised that the broader context for skills policy differs considerably in different countries.

3.2.2 Encouraging Employers to Make Use of Training Provision

As reported by Sung, Raddon and Ashton, international research has highlighted the importance of effective links between the needs of employers and learning provision. Where these links have been successfully made, this is found to provide a clear incentive to employers to make use of the training available. Other incentives to use sectoral training provision can include tax incentives for accredited employers (as is the case in the Netherlands), but linked quality assurance is also seen as important in giving employers and workers confidence in the standard of support available. In the Netherlands, college-based provision is organised to support the needs of employers and learners in respect of work-based training through a joint approach by stakeholders, in the context of an employer-led competency framework: it is the involvement of employers in the development of this competency framework that drives the vocational education and training (VET) system.

Across all of the countries studied by Sung Raddon and Ashton, sectoral approaches were seen to increase employers' commitment to training. This was linked to the creation of a sector-wide culture of learning. For example, in New Zealand, the development of new sectoral VET provision was found to have benefited employers and employees in retail through the establishment of a career pathway, which was then found to reduce staff turnover, in turn leading to further employer commitment to the sectoral system – a virtuous cycle. The study found sectoral approaches to be some of the most effective mechanisms to share best practice in the context of intense global competition and the continuing need to drive up skills. In Singapore, “blueprints” of the on-the-job training offered by the best performing companies in particular sectors are used to specify the training carried out elsewhere.

3.2.3 Employer Contributions to Sectoral Learning

In terms of employers' financial contributions, whilst levies are not in place in the majority of UK sectors, there is evidence that, over time, such collectivised investment models do generate benefits. For example in France, the collection of levies has stimulated sectoral buy-in to training and development and provided the basis for collective agreement of sector-wide skills strategies. Collective buy-in is seen as vital to the success of the system.

3.2.4 Sectoral Approaches and Political Governance

The research also highlighted the importance of a sound relationship between sectoral approaches and the national policy context, for approaches to succeed. The relative power of sector bodies in relation to other national and regional stakeholders is seen as a critical success factor. In particular, since resources available to support sectoral developments are finite and often significantly constrained, it is essential that the sectoral voice is not dissipated across too many stakeholders or interest groups. Sectoral approaches need to be able to co-ordinate and simplify systems and structures, rather than adding a further layer to the existing systems. Overcoming the complexity of coordination and funding are found to be fundamental to the success of sectoral approaches.

In particular, the success of sectoral approaches elsewhere was also found to be influenced by the ways in which funding is channelled and the structural position of sectoral bodies within the wider skills system. In Australia, the role of Industry Skills Councils (ISCs) is merely to create and maintain standards by employers dealing directly with learning providers, who receive funding direct from the state government. In contrast, the system, in the Netherlands is strongly unitary with Knowledge Centres found to be in a pivotal position in the sector skills system. These Centres are responsible for coordinating and promoting sectoral training, creating and maintaining skill competencies required by their industries, accrediting appropriate workplaces for sectoral work-based training and acting to oversee the quality of sectoral training.

Finally, the report makes specific reference to the potential issues presented by multiple layers of government, pointing out that in Canada and Australia, issues have been encountered due to the different responsibilities of federal and provincial governments in relation to skills.

3.2.5 Stakeholder Engagement

In all of the national approaches reviewed by Ashton, Sung and Raddon, the extent to which sectoral initiatives engage all appropriate stakeholders was a critical success factor for the system as a whole and for individual sector bodies. However, there appears to be no single model for stakeholder engagement that will ensure success. The engagement structures must be determined by the most appropriate mechanisms to identify and meet the needs of employers and the workforce, rather than simply being inclusive of all interests.

The relative success of sector bodies has been found to be influenced by their success in engaging employers and striking a balance between meeting general and specific employer needs. Achieving this balance has been reported to present a strategic dilemma for sectoral bodies. The failure to engage major employers may undermine a sector body, but larger companies are often better resourced, with less need for collective action, while sector bodies may be better able to focus on smaller organisations that have greater skills support needs. Where representative bodies are dominated by large and powerful organisations, this can lead to SMEs feeling disenfranchised. However, the research elsewhere has shown that engaging large employers first and smaller employers later may lead to strategic advantages. The continued funding and support of sectoral systems rely on the clear engagement of industry and being able to demonstrate success.

The research has also found that sector bodies regarded as being most successful are those that have sought to focus on a smaller number of issues that are highly relevant to the whole sector. This is a key consideration in the potential establishment of Skills Academies, with a need to understand where best to focus attention and balance activities in relation to sectoral needs.

3.2.6 Sectoral Approaches and Economic Development

The comparative assessment of international sector skills policies identified the important role played by sectoral approaches in enhancing wider economic development through skills and wider workforce development. This reflects the potential role of sector bodies in:

- Supporting responses to structural changes. For example, this could relate to the repositioning of an industry in a particular country in response to international competition.
- Supporting emerging sectors, by defining the skills required to manage and develop an industry.
- Supporting the re-alignment or re-definition of sectoral divisions. This has clear potential implications for the consideration of the coverage of potential Skills Academies. For example, changes in industry and society may lead to a move away from the traditional vertically defined sectors and approaches to meeting their skills needs.

This last point clearly ties in to the discussion in the UK about further rationalisation of SSCs (and thus potentially Academies) to cover larger, more diverse footprints. With rationalised sector structures, there is a need to ensure that the sector bodies continue to reflect potentially more divergent needs of sector employers and the workforce. This feeds through to the potential footprints of any sector specialist training providers. The research in other countries has found evidence of some cross-sectoral working, although there are potential tensions between bodies covering the same area. In Australia, the number of sector bodies has been reduced to ten, driven by cost considerations and the potential to create economies of scale. While this was reported to have had some success in bringing together groups that shared common issues, whilst continuing to ensure the representation of the specific needs of particular stakeholders, there is clearly a need to balance these cost efficiencies with the imperative of continuing to meet specific micro-level sector needs.

3.2.7 Relationships between Providers and Sector Bodies

Internationally, the relationships between learning providers and sector bodies varies. Approaches include collaborative models, in which there is close co-operation, and competitive models where sector bodies and providers are competing for the same trainees and funds. The establishment of new sectoral bodies, for example the creation of new Skills Academies, can face significant challenges where there are established educational institutions with a historically powerful position. For example, in Australia, it has been argued that the relatively recent establishment of the ISCs means that they have a relative lack of systematic and effective leverage with training providers. In New Zealand, a more competitive system is in place, which means that Industry Training Organisations are in competition with polytechnics that can attract higher funding per capita. Careful consideration must therefore be given to the dynamics of the skills delivery system.

3.2.8 Conclusions

Experience in other countries suggests that sectoral approaches to managing the supply of skills can be beneficial in terms of increasing employers' engagement with training and in supporting broader economic development but this depends on a range of contextual factors, including:

- The extent of the influence which the relevant sectoral bodies have compared to other key organisations (including government and regional agencies and learning providers) in determining the shape of provision.
- The extent to which sectoral bodies control or have leverage over the funding of learning linked to skills development.
- The extent to which sectoral bodies engage with and build on input from a range of relevant stakeholders.
- The extent to which tensions in federal systems between the national and regional level are effectively managed.
- The strength of employer engagement (both with larger businesses and SMEs) by sectoral bodies and the extent to which they balance longer term economic need with shorter term perceived employer demand.
- The extent to which sectoral bodies prioritise effectively.

3.3 Developments in England

We here briefly summarise the conclusions of a review of the policy context for and the progress made towards, establishing a network of Skills Academies in England which is contained in Appendix 1.

A programme of developing National Skills Academies was launched in England in a 2005 Department for Education and Skills (DfES) White Paper, "*Getting on in Business, Getting on in Work*"¹. The original intention was that there would be at

¹ <http://publications.dcsf.gov.uk/eOrderingDownload/SkillsPart2.pdf>

least one Skills Academy for each vocational area, with close links established to the relevant SSC. Skills Academies were regarded as a mechanism to transform the supply of skills to meet sector-specific needs.

More recent policy documents suggest the UK Government appears to be keen to demonstrate its continued commitment to the development of National Skills Academies across a range of sector footprints, though the intention to work towards a rapid reduction in the number of SSCs would appear to have implications for the current network of Academies, given the very close relationship between most NSAs and the relevant SSC.

While there is some anecdotal evidence of some of the 12 NSAs which are currently operational having achieved a measure of success, it is as yet too early to find any real evidence of the impact in terms of driving up the volume of training by employers and the appropriateness of the training provided.

In practice, the focus of many of the NSAs appears to be less on reshaping provision as such than on ensuring there are clear referral mechanisms (or portals) for employers and on the “*quality assurance*” of provision from the specific standpoint of the NSA. It is somewhat unclear whether and how far this latter function adds value to the established processes of Government accreditation and inspection of learning provision (though it needs to be recognised that the Conservatives are committed to scaling these back should they win the forthcoming General Election), while it is also too early to reach a judgement on whether NSAs have won the attention and captured the imagination of employers.

The first NSAs in England are now starting to make the transition from being underpinned by the initial three year funding provided by the Government. This will be challenging, and it remains to be seen whether it will prove possible to secure a flow of revenue from employers or (more likely) approved training providers without jeopardising the perceived role of the NSAs as an “honest broker” which are genuinely employer rather than provider-led.

3.4 The Welsh Policy Context

3.4.1 Introduction

This section provides a brief summary of the policy context in Wales, based on a review of the following policy documents:

- One Wales (2007).
- One Wales Update – June 2009.
- Skills that Work for Wales (2008).
- Promise and Performance – the Webb Review of Further Education (2007)².

² It is important to note that Promise and Performance was a report to the Welsh Assembly Government rather than a statement of Government policy. Skills that Work for Wales in part represents the Welsh Assembly Government’s view of the way forward in the light of the report

- Delivering Skills that Work for Wales: Transforming Education and Training Provision (2008).
- The National Planning and Funding System – Guidance (2006).
- A Wales that Works: the first Annual Report of the Wales Employment and Skills Board (2009).
- The Ministerial Response to A Wales that Works (2009).
- The Sector Priorities Fund Pilot Convergence Funding Business Plan (unpublished).
- Investing in Skills: Sector Priorities Funding, Fees Policy and Financial Support for Learners (Consultation Document, October 2009).
- For Our Future: The 21st Century Higher Education Strategy and Action Plan for Wales (November 2009).
- List of Priority Sectors for R and D and Commercialisation (unpublished).

3.4.2 The Concept of Skills Academies in Wales

There are very few explicit references in the literature to the concept of Skills Academies in the Welsh context, despite the decision to pilot such Academies in England.

One Wales – the programme of the Labour – Plaid Cymru Partnership Government does contain an explicit commitment to the idea, which is the immediate cause of the current research. In the Section of the agreement on “*A Prosperous Society*” and as part of a broader commitment to “*enhancing skills for jobs*”, the agreement refers to Academies, specifically in relation to manufacturing:

“We will support the development of a Manufacturing Forum and Skills Academies in key manufacturing sectors”³.

Referring to progress on this commitment, the One Wales update in June 2009 notes that:

“The Manufacturing Forum is operational..... It last met on 31st March 2009 and is expected to meet bi-monthly throughout the year. The Forum has submitted a first draft of a Manufacturing Strategy to Government”⁴,

and goes on to say that:

“Skills academies to support sectors within the manufacturing footprint are being considered as part of wider activities to identify the most appropriate future academy model for Wales. This activity is being progressed on two fronts. Initially supporting a small number of Sector Skills Councils to research and propose a model that will meet the needs of employers in Wales. Secondly, we have commissioned broader research to review performance of

³ One Wales, p. 14

⁴ One Wales Update Report, June 2009 p. 24

National Skills Academies in England, proposed approaches in other devolved nations and international best practice. This research, including a way forward for Wales, has been presented to the Wales Employment and Skills Board”⁵.

Apart from this specific commitment, One Wales does not mention the term – or indeed the concept – of Skills Academies.

It is notable that Skills that Work for Wales itself does not refer to Academies at all, except in the specific context of a reference to the pre-existing Skillset Screen Academy in discussing higher level skills:

“We will ask Sector Skills Councils (SSCs) for advice on the high-level skills needs in their sectors, based on their Sector Skills Agreements. We will ask the Higher Education Funding Council for Wales (HEFCW) to take account of this advice in our annual grant letter to that Council.

Some SSCs have already set up collaborative initiatives with Welsh HE and FE institutions, such as the Skillset Screen Academy, a centre of excellence in film education and training, and the Food Industry Skills Project, which is helping to address a shortage of food scientists in Wales”⁶.

Similarly, the very recently published Higher Education Strategy and Action Plan For Our Future makes no specific mention of Skills Academies (though it does reiterate a commitment found in One Wales to a National Science Academy), although its commitment to developing a “*new model for Higher Education in Wales*” with much greater collaboration between Higher and Further Education, a strong focus on Foundation degrees and a significant increase in flexible provision of learning to meet the needs of businesses and individuals already within the workforce does suggest some convergence with the Academy agenda.

In Promise and Performance, the final report of the Webb Review, Academies are referred to on a number of occasions, though generally in the context of the English policy on this issue, and are the subject of one (of the 136) recommendations:

“Commissioning Consortia should consider the case for building on institutional and consortia strengths to create academies in areas of national or sectoral need”⁷.

However, while the word “*Academies*” features rarely in the literature, the concept of sectoral specialisms or centres of excellence is more of a thread running through recent policy debate in Wales.

Promise and Performance in particular recognises the need to ensure that reconfiguring post – 16 education and training not only provides a wide range of local choice for learners but also meets more specialist needs, though the focus of the Webb Review is largely on reconfiguring the learning system to ensure more efficient

⁵ Ibid

⁶ Skills that Work for Wales, p. 62

⁷ Promise and Performance, p. 77

and collaborative approaches at a local level, with such sectoral centres or networks being something of an afterthought⁸.

This also appears to be the case with Transforming Education and Training Provision, in which DCELLS invited learning providers to come forward with collaborative proposals for “*Learning Partnerships*” to improve the provision of learning in Wales by reducing duplication and increasing choice. Such Learning Partnerships are explicitly conceived as operating either at a local/sub-regional level covering a range of learning or at a regional or national level and focused on meeting specific sectoral needs. Moreover, one of the Learning Partnership models it suggests is of FE/HE collaboration *inter alia* to offer progression routes for those in employment and to deliver:

“skill specialisms and skills centres of excellence where appropriate and support the further development of sectoral specialist progression routes”⁹.

However, despite some very specific references to sector specialisation, it seems clear that the dominant model underpinning the thinking in the document is that of local consortia to deliver wider choice, with all the examples of current good practice developments, referring to local or sub-regional collaboration across the range of subjects/sectors.

This is arguably also true of For our Future, where, although specialisation in research is seen to be part of a new national planning model for Higher Education, the emphasis on interaction with workplace learning is intended to be structured at a regional level:

“The... measures to introduce a regional and collaborative approach to planning and delivery will also help strengthen the interface between higher education and the workplace”¹⁰.

Indeed, “sectors” and a sectoral approach to learning are not mentioned specifically in this report, although it does emphasise the importance of:

“a renewal of efforts to create a clearer gateway to higher education services, which is designed with the employer and business in mind, and a supply of learning and services which is better informed about employer and business needs. This should take account of the differing contexts of small, medium and large employers and, drawing on the work of the Wales Employment and Skills Board and the Sector Skills Councils (SSCs) and others, should seek both to address the needs of local businesses and employers, and help place Wales as a destination of choice for large international businesses, because of the quality and accessibility of its higher education providers and the high-level skills of its workforce”¹¹.

⁸ See Promise and Performance, p. 76

⁹ Transforming Education and Training Provision, p. 3

¹⁰ For our Future, p. 16

¹¹ Ibid

At the same time, the wish to encourage greater specialisation and excellence in specific fields on the part, in particular, of Further Education Institutions, is one which has quite a long history.

The NPFS Guidance published in 2006, for example, refers to the Networks of Excellence which at that time were being promoted by the then ELW^a and were:

“intended to enable institutions with potential, to develop a capability and reputation for excellence and innovation in a particular vocational area. Specific providers were allocated Networks of Excellence status and required to develop existing staff and resource capacity to develop leading edge skill delivery in that particular vocational field.....Six Further Education Colleges participated in the original Network of Excellence programme.

These are Barry College (Aerospace), Deeside College (Aerospace), Coleg Sir Gar (Agriculture and Farm Enterprise), Coleg Morgannwg (New Media), Llandrillo College (Hospitality and Tourism) and Swansea College (Health and Social Care)”¹².

The Guidance document notes that further Networks of Excellence might be expected to emerge from the four sectoral Pathfinder Pilots (in the audio-visual; social care; science, engineering and manufacturing and construction sectors) which were being funded at the time. Along with a similar number of geographic Pathfinders, these were expected to:

“explore whether the existing learning infrastructure in given areas and sectors is the optimum to meet the needs of the identified groups of learners into the future and to design a blueprint for provider networks that lead to greater efficiencies. Projects shall fundamentally review the operation and organisation of the learning network in defined areas and key sectors in order to bring forward recommendations for learning network reconfiguration”¹³.

An evaluation of the first phase of the Networks of Excellence Pilot undertaken by Shared Intelligence in late 2003 was broadly supportive of the pilots, arguing that Networks might be developed in a wider range of sectors, while stressing the need for a stronger emphasis on collaboration between learning providers and a clearer definition of the concept of “Networks”, as opposed to Centres of Excellence¹⁴. However, there is no reference in Transforming Education and Training Provision to the Networks of Excellence nor the sectoral Pathfinder pilots, despite the fact they would appear to have been very much a precursor of the Learning Partnership concept.

3.4.3 Skills Academies and the Drivers of Education and Training Policy

The fact that the idea of developing centres or networks of existing providers to meet more specific sectoral needs recurs fairly regularly in recent policy thinking about the

¹² NPFS Guidance, 2006 Section 17.9

¹³ Ibid., Section 17.11

¹⁴ Shared Intelligence – Evaluation of Networks of Excellence Pilot – Final Report, November 2003

reconfiguration of education and training provision reflects the fact that, to some extent, it aligns well with some of the key drivers of broader policy.

Welsh policy on learning and skills is shaped by the recognition that Wales continues to under-perform the UK economy in many ways, and exhibits many of the characteristics of a low-skill, low-wage economy. Wales has a higher proportion of the population with no qualifications, more severe problems with the basic skills of literacy and numeracy and a lower proportion of adults with qualifications above level 2 than virtually all other parts of the UK. In this context, there is a recognition that it is essential not only to continue to improve the educational achievement of young people leaving the education system but also to drive up the skills within the existing workforce and address the skills needs of the relatively large proportion of the Welsh workforce which (even before the onset of the recession) was economically inactive.

Linked to this, policy in Wales has emphasised the need to make provision more “demand led” and more responsive to the specific needs of employers.

Accepting the view articulated in Promise and Performance that:

“employer engagement must increase greatly in the 14-19 phase, be paramount post-19 and must drive strategy and the performance of providers”¹⁵

The Welsh Assembly Government recognises, in Skills that Work for Wales, that this does not just mean maintaining mechanisms which allow individual businesses to exercise choice but also action to tailor provision to the collective needs of sectors:

“Our Workforce Development Programme can meet the skills needs of individual employers, but many skills and productivity challenges are shared across entire sectors. Often firms are too busy simply doing business to think about their industry’s wider skills agenda.We will introduce a Sector Priorities Fund to address these skills needs”¹⁶.

The Sector Priorities Fund, which builds on proposals in Promise and Performance of an Employer Entitlement Fund of around £40 million per year to be ring-fenced from the current budgets for Further Education post 19 provision, is said by Skills that Work for Wales to be a way of tailoring learning and skills provision more closely to specific sector needs. The document suggests that

“We will test our approach from autumn 2008 onward, initially with FE institutions who want to work with us on a voluntary basis. We want to expand the scheme significantly over time: we anticipate that around £20m of our investment in adult skills will be directed through this fund by 2010, rising to £40m by 2011”¹⁷.

¹⁵ Promise and Performance p. 6

¹⁶ Skills that Work for Wales, p. 58

¹⁷ Ibid., p. 59

Recognising, however, that the state neither could nor should carry the entire cost of workforce development, Skills that Work for Wales also highlights the need for a “*fees policy*” to ensure a more consistent burden-sharing of the cost of post-19 learning between the state, employers and individuals.

Academies or Centres of Excellence can thus be seen as fitting within a broader debate on the need to re-engineer the learning system to make it more responsive to the sectoral needs of employers:

“The very essence of the skills academies which have been developed to date in England is that they represent employer choice. Employers are making decisions about where the capacity for excellence in specialist areas lies or could be developed. This must be the approach in developing a Welsh response to skills academies as recommended in One Wales”¹⁸.

The issue of tailoring provision to meet employers needs is also strongly related to the need to develop more coherent “*progression routes*” within sectors, both to offer a vocational alternative to those new entrants to sectors and to provide a framework for upskilling across the workforce.

Thus, for example, Skills that Work for Wales and For our Future endorse Foundation Degrees as a way of developing more tailored specialist provision:

“We recognise the need to develop innovative Foundation Degree programmes that involve employers, incorporate a range of providers and are delivered in new ways. We will develop and consult on a policy for Foundation Degrees in Wales. In doing this we will consider how we can improve progression routes into higher education from work-based learning such as Modern Apprenticeships”¹⁹.

While the idea of specialist Academies or Centres of Excellence appears to relate closely to the agenda of increasing the responsiveness of provision to the specific needs of employers, it also appears to fit well with the “*Transformation Agenda*”, the drive to secure greater efficiency in the education and training system by reducing duplication (in particular between school sixth forms and FE Colleges) and to increase learner choice through greater collaboration as a result of:

*“a policy of establishing geographical **and** sectoral Learning Partnerships”²⁰
[emphasis added].*

¹⁸ Promise and Performance, p. 76

¹⁹ Skills that Work for Wales p. 63

²⁰ Transforming Education and Training Provision in Wales, p. 9

Transformation is about encouraging providers to play to their strengths, and thus implies a degree of specialisation and we have already seen that Transforming Education and Training Provision, effectively the prospectus for new Learning Partnerships, emphasises the link between transformation and the discussion of centres of excellence:

“We will require further and higher education institutions and work-based learning providers to continue to concentrate on working with 14-19 Networks to fulfil the requirements of expanding local opportunities for all, and to work together to create and expand much needed progression routes. They should collaborate to establish regional networks of post-16 and post-19 skills specialisms, based on sector priorities; set up skills centres of excellence where appropriate; launch appropriate foundation degrees; and merge or form formal federations where this will maximise learner benefits²¹.”

While the aim is to increase efficiencies, there is also recognition in the document that some short-term funding may be needed to bring forward such Partnerships:

“We are aware that transforming education and training provision is not necessarily cost-neutral. When providers come forward with Learning Partnership proposals that demonstrate significant, evidence-based change, to meet the future needs of learners and employers, we will work with them to identify potential sources of funding to secure successful implementation. This will include agreeing levels of Assembly Government funding that will be available to fully investigate complex permanent arrangements such as mergers; and capital investment for those plans that are predicated on transformational new builds²².”

Finally, the discussion in Welsh policy documents about encouraging greater specialisation and tailoring of learning provision to employers' needs is also related to an explicit sector-based approach to Welsh economic development, reflected clearly in Skills that Work for Wales which says that the strategy will focus on:

“addressing skills gaps and shortages in priority sectors for the Welsh economy and supporting economic development through our investment in post-19 skills”²³.

It suggests that the forthcoming fees policy will:

“reflect more clearly in funding the Assembly Government’s sector priorities for economic development”²⁴.

3.4.4 Challenges in Taking the Agenda Forward

Despite the fact that the concept of Academies or Centres of Excellence (at least insofar as these are formed from within the existing provider network) appears to fit

²¹ Ibid., p.3

²² Ibid., p.18

²³ Skills that Work for Wales, p. 22

²⁴ Ibid., p. 54

reasonably well with some of these key drivers of Welsh Assembly Government policy, it is also clear from the literature that there are some fairly significant challenges in taking this idea forward in any aggressive fashion.

At the most fundamental level, while there is much support for the principle of a sector based approach to the learning and skills agenda, this is not uncontested.

A Wales that Works, for example, calls for “a rigorous examination of the implications of a sectoral approach for employment and skills policy” in the light of the economic crisis and claims that:

“It is at least conceivable that skills and employment interventions should focus on meeting the broadest needs of the labour market, in case current views on growth sectors turn out to be misguided, particularly in the prevailing economic climate. The issue is that of striking the right balance²⁵.”

Moreover, it might be argued that there is a degree of confusion around the precise nature of the priority sectors designated by the Welsh Assembly Government. While, as we have seen, One Wales singles out manufacturing as the focus for Skills Academy development, Skills that Work for Wales (cited also in Investing in Skills) puts forward a fairly long list of the sectors which it says have been agreed by:

“the Assembly Government Ministerial Advisory Group on Economy and Transport, which provides Welsh Ministers with independent external advice on policy, [as] sectors that it considers strategically important for the sustainable growth of the Welsh economy. We will ensure that our investment in skills supports these priority sectors²⁶.”

These are shown in Box 1.

Box 1: Priority Sectors as highlighted in Skills that Work for Wales²⁷

Priority sectors for developing the Welsh economy

Core or enabling sectors:

Energy.
Environmental management.
Telecommunications and ICT.

Strategically important sectors, considered as not necessarily enabling, but nevertheless of strategic importance to Wales:

Bioscience.
Health.
Financial Services/products and professional services.

²⁵ A Wales that Works, p. 24

²⁶ Skills that Work for Wales, p. 58

²⁷ Ibid., p.58

Priority sectors for developing the Welsh economy

Creative industries.
Automotive.
Aerospace.

Economically important sectors, considered as being important to Wales and the global economy, but less strategic in terms of developing the competitive advantage of the Welsh economy:

Construction.
Food.
Defence.
Retail.
Leisure and tourism.

More recently the Deputy First Minister has announced a somewhat different list of priorities – admittedly in the context of support for Research and Development - which is also quoted in For our Future viz:

- Digital economy (ICT).
- Low Carbon economy (including climate change mitigation/adaptation issues).
- Health and biosciences.
- Advanced engineering and manufacturing²⁸.

A second challenge lies in the fact that the Transformation Agenda – though formally about both increasing collaboration on a sectoral as well as a local basis – is in reality driven principally by concerns about the 14 – 19 age group, which accounts for a far greater proportion of the overall spending on learning and skills than post-19 provision and is closely linked to the Learning and Skills Measure, a piece of legislation which allows the Welsh Assembly Government to enforce collaboration between providers to deliver greater curriculum choice for learners of this age. This is explicit in the overview of Transforming Education and Training Provision:

“Our new skills strategy, Skills that Work for Wales, and the Learning and Skills legislation in the National Assembly of Wales, which deals with the entitlement of all 14-19 students to a wide range of curriculum options, require new ways of working across the network of providers in Wales.

This paper challenges everyone involved in the management and provision of post-compulsory education and training in Wales to work together to transform the network of providers so that we:

- *Widen the options available for students at 14-19 in a way that prepares young people for the full range of pathways open to them and that respects the different learning styles of those students.*

²⁸ For our Future p. 13

- *Reduce unnecessary duplication of provision by increased levels of collaborative curriculum planning and delivery.*
- *Move to excellence across networks of providers, building on the progress made by individual providers in raising the quality of institutional management and of students' learning experience*²⁹.

It is arguable that the focus on securing greater learner choice for young people (who are not expected to be able to relocate to follow specialised learning pathways), including greater access to a range of vocational options, reinforces the traditional requirement of FE colleges to provide a broad range of generic vocational education for the local area at the expense of greater specialisation.

A third challenge, though one which is perhaps largely implicit rather than explicit in Welsh Assembly Government policy literature, relates to the lack of Welsh capacity of some Sector Skills Councils, which in England have driven forward the Academies concept. Skills that Work for Wales recognises that SSCs have a key role in articulating the skills needs and the progression routes required by employers within a sector but it is interesting that its explanation of their core role does not include putting in place the **mechanisms** (such as Skills Academies) to secure more sectorally focused provision:

“We want SSCs to focus on:

- *Demonstrably increasing employer engagement, demand for, and investment in skills.*
- *Undertaking national analyses of sectoral labour market and skills needs and demands.*
- *Informing the development of new vocational qualifications, to ensure that they meet the needs of business*³⁰.

Similarly, Transforming Education and Training Provision – despite the apparent even-handedness of the references to geographic and sectoral Learning Partnerships - only makes one reference to Sector Skills Councils, and this in a passive role:

*“Where sectoral proposals are being considered, the appropriate sector skills council should be involved in discussions prior to agreeing the direction and shape of change”*³¹.

While Welsh Assembly Government documents hint at, rather than express, scepticism about the capacity of the SSCs to drive forward the agenda, Promise and Performance is more explicit in suggesting a range of different ways of articulating and wielding employer influence need to be found:

“While there are some excellent examples of SSCs in Wales engaging with employers and training providers, they have a limited capacity to perform this

²⁹ Transforming Education and Training Provision in Wales, Introduction (pages unnumbered)

³⁰ Ibid., p. 69

³¹ Transforming Education and Training in Wales, p. 19

function. Most SSCs have only one member of staff with responsibility for Wales and this is sometimes shared with an English region. With some exceptions, most notably SEMTA and Construction Skills (which has 52 staff in Wales), their reach is limited. SSCs stress that they operate on a pan-Wales basis and not at a local or regional level. It is therefore not surprising that many of the employers we met had not heard of their own SSC. If they are to complement the role of SSCs, employers should have other opportunities for specifying the nature and content of vocational skills training³².

Finally, of course, there is the issue of funding. As already noted, and as highlighted in Promise and Performance, the funding available for non-HE post-19 learning is far less than that available for the 14 – 19 age group, while the vast bulk of funding for post-19 learning is routed either through Work Based Learning (principally Apprenticeship frameworks which are tightly defined) or through recurrent funding through the National Planning and Funding System (NPFS) to FE Colleges (accounting for 58% of all funding) which possess considerable autonomy in deciding what learning to prioritise.

In practice, the funding system gives little scope for new stand-alone initiatives wholly outside the current provider network (which some Academy models might favour) and leaves the financial power in the hands of the current providers as to how best to respond to learner demand as they see it. There is little or no incentive through funding mechanisms to the greater specialisation which is at the heart of the notion of Academies or Centres of Excellence, except when there is a critical mass of employment in a sector within the local area served by a provider.

However, Skills that Work for Wales flags up the intention to embark on a reform of the funding system with the introduction of the Sector Priorities Fund and the way in which this rolls out is likely to be key for the future of this policy.

Taken together, these factors may well explain that, to all intents and purposes, the opportunity offered by Transforming Education and Training Provision to bring forward new sectoral approaches to collaboration between providers appears to have been lost: when the deadline for potential Learning Partnerships to submit Strategic Outline Programmes passed in January 2009, only one sectorally focused proposal had been submitted (by Construction Skills).

3.4.5 The Sector Priorities Fund and the Future

As already noted, in terms of the future, the capacity to access funding in order to support learning provision delivered by any Academies or Centres of Excellence is likely to depend on the shape of the Sector Priorities Fund.

From this point of view, there appears to be mixed messages from the policy literature.

³² Promise and Performance, p. 45

As has already been noted, Promise and Performance envisages that the Employer Entitlement Fund (Webb's version of the Sector Priorities Fund) should be the way to fund centres of excellence or academies which are demanded by employers to meet more specialist skill requirements. In his view, bids to this fund should be developed by SSCs and other bodies representing employers (e.g. sector fora), with provision initially ring-fenced to FEIs (to prevent financial destabilisation, since the budget for the Fund would be taken from the FE budget) but with this ring-fencing gradually lifted³³.

Skills that Work for Wales proposes a broadly similar Sector Priorities Fund, which is intended to meet the sectoral skills needs identified by SSCs through their Sector Qualification Strategies and through other sectoral fora:

"We will introduce a Sector Priorities Fund to address these skills needs. It will offer greater flexibility than current funding for adult learning in the workplace, which usually requires employees to complete an apprenticeship framework. Although we are making apprenticeship frameworks increasingly flexible, they cannot – and should not be expected to – meet the needs of all employers and employees.

The Sector Priorities Fund will be introduced in phases. We will test our approach from autumn 2008 onward, initially with FE institutions who want to work with us on a voluntary basis. We want to expand the scheme significantly over time: we anticipate that around £20m of our investment in adult skills will be directed through this fund by 2010, rising to £40m by 2011³⁴."

The document does not spell out in more detail how the Fund will operate. However, the Business Plan for Convergence Funding for the Sector Priorities Fund Pilot (SPFP) envisages a "closed grant scheme" of just under £5.9 million over two years which will be open only for projects led by SSCs:

"Projects developed as part of the SPFP Programme will be designed by Sector Skills Councils, working with their strategic partners (Business Fora, Trade Associations/ Bodies, Union Representatives) and informed by their existing evidence base as articulated in SSAs and SQSs, including sector specific solutions for Wales and core products and services available via SSCs (e.g. labour market intelligence).

Project proposals from SSCs will be either individual (i.e. one SSC bidding in respect of its footprint) or via a partnership of SSCs (i.e. a collection of SSCs operating under one umbrella of a much broader project where clear links exist between each SSC footprint)³⁵."

Although the intention is for projects to be more focused on developing relationships between providers and SSCs (aided by the creation of an "Advocate team" of seven sector Advocates and four FE/HE advocates) than to fund actual delivery of learning, the procurement of provision will (because of State Aid provisions) have to take

³³ Promise and Performance, p. 47

³⁴ Skills that Work for Wales, pp. 58-9

³⁵ Sector Priorities Fund Pilot Business Plan, pp. 51-2

place through a public procurement process. In practice, then the SPFP would place the SSCs in the driving seat for this fund.

The SPFP Business Plan requires all activities to fit within three Themes. The second of these, which is expected to be allocated the lion's share (50%) of the funding, is:

“new and innovative delivery approaches and methodologies to test the market for more demand-responsive post-16 training interventions and solutions targeted at employers”³⁶.

This is contrasted with the third theme:

*“Piloting projects to develop and build capacity and add-value to **existing post-16 delivery approaches**”³⁷ (emphasis added).*

It seems reasonable to assume then that the second theme is intended to permit new approaches to provision which are not necessarily reliant on existing providers and that Academies or Centres of Excellence might find a home here. This is confirmed – at least, in part - within the SPFP Business Plan which notes that one of the areas of project activity under this theme will be:

“Projects to support ongoing policy development in relation to Skills Academy models in Wales. Specifically, this will relate to partnership development as opposed to the formal establishment of Academy models in the absence of distinct policy recommendations from DCELLS”³⁸.

Referring to this research, a footnote clarifies this by saying that:

“Policy recommendations with respect to Skills Academy models are expected to be put forward during year 1 of the SPFP Programme. SSC pilot projects will therefore be expected to support in developing policy recommendations going forward”³⁹.

The SPFP thus appears to offer some opportunity (albeit with limited funding) for SSCs (and partners) to develop a wide range of new approaches including ones involving Academy/Centres of Excellence models. Moreover, the SPFP Business Plan strongly emphasises the intention that the SPFP will pilot approaches which can then be mainstreamed through the full Sector Priorities Fund, saying, for example, with reference to the continuation strategy:

“Projects delivered under the SPFP Programme will seek to inform the 2011 Sector Priorities Fund identified in “Skills that Work for Wales” and influence policy recommendations associated with changes to post-16 planning and funding. By making these connections, the pilot projects delivered by SSCs under the SPFP Programme will have the opportunity to

³⁶ Ibid., p. 49

³⁷ Ibid., pp. 50-1

³⁸ Ibid., p.49

³⁹ Ibid.

be mainstreamed as part of the 2011 Sector Priorities Fund, subject to their evaluation. That is, pilot project activity capable of being supported in the long-term could be funded through a more substantial funding allocation via the ring-fenced budget to be made available within the 2011 Sector Priorities Fund⁴⁰.

However, thinking within the Welsh Assembly Government with regard to the rolling out the full Sector Priorities Fund (now put back until September 2011) appears to have evolved in a rather different way. The Welsh Assembly's Government proposals for the full Sector Priorities Fund – now rebadged "*The Sector Priorities Fund (FE)*" – in the Consultation Paper Investing in Skills suggests that the mechanisms governing this Fund for 2011 onwards should be different, with funding routed through FE Colleges and ringfenced to individual FEIs. Funding will, however, only be able to be used for qualifications which are identified by SSCs as of particular relevance to its sector, which will be contained on a new list of "*Key Sector Qualifications (Wales)*" and will also require employers to make a 50% contribution to the cost of the learning:

"The list of learning activities or courses eligible for funding through the Sector Priorities Fund (FE) will be called the Key Sector Qualifications (Wales) list, and will be informed by the Sector Qualification Strategies developed by Sector Skills Councils (SSCs)"⁴¹.

While the compilation of this list gives the SSCs some leverage over the choice of learning offered by FEIs, in practice Colleges will be able to choose between all of the qualifications included on the list by all SSCs to fund provision which they believe is most appropriate to their local economy. Indeed, the Consultation Paper stresses the autonomy of FE Colleges to "*utilise and deploy their Sector Priorities Fund (FE) in line with priorities identified in their institutional plan*"⁴².

Moreover, since it is only qualifications included on the Key Sector Qualifications (Wales) list which will be considered eligible for inclusion in the list of courses where the Welsh Assembly Government makes a 50% fee assumption (and thus provide funding equivalent to 50% of the cost of the course), there will be an incentive for SSCs to designate a range of qualifications within this list.

It therefore seems reasonable to assume that, should the proposals in Investing in Skills be adopted, the real influence of SSCs and sector fora in terms of shaping provision on the part of individual FEIs would seem likely to be relatively slight, at least in comparison with the SPFP.

More specifically, it seems clear that any Academy/Centre of Excellence provision under the full Sector Priorities Fund will have to be delivered by FE Colleges (or by other organisations sub-contracted to them) and that it will therefore give no opportunity to support provision in new, discrete institutions (such as stand alone Academies) with their own budgets. A separate proposal for introducing a more flexible approach to Apprenticeships, which will allow providers to deliver only

⁴⁰ Ibid., p. 88

⁴¹ Investing in Skills, p.10

⁴² Ibid., p.11

part-frameworks in cases where employers make a financial contribution will give some capacity for Work Based Learners also to use funding in a way which might be more responsive to employers' requirements, but again the fact that the funding continues to be routed exclusively through contracted providers is likely to diminish any capacity to brigade such interventions under any Academy or Centre of Excellence model.

3.4.6 Conclusion

In conclusion, it would seem that the policy literature suggests a somewhat ambivalent attitude towards the notion of Academies or Centres of Excellence (although purely in terms of terminology, policy makers would appear more comfortable with the latter term).

Although there have been efforts in the past to designate existing providers in the FE sector as Networks of Excellence, these have tended rather to run into the sand, and the sudden commitment to Academies in the context of some manufacturing sectors in One Wales appears to have come out of left field.

More generally, there is recognition of the need for tailored arrangements to deliver niche skills, and a strong commitment to strengthening the employers' role in determining training provision funded by the public sector, but an absence of tools to make this happen.

Although policy with regard to the Transformation agenda has opened the way for sector-based proposals to develop more coherent progression routes for particular sectors (which we might label "*vertical integration*") such proposals have (with one exception) not been forthcoming, while in reality, the thinking behind this agenda appears largely to have been shaped by concerns to rationalise and improve the delivery of learning at a local or sub-regional level (or "*horizontal integration*"). Capacity issues on the part of most SSCs, together with a lack of clarity about the priority sectors which the Welsh Assembly Government wishes to prioritise have also contributed to a lack of progress.

More seriously, funding arrangements have meant that, even had proposals come forward to date for autonomous or semi-autonomous Academies/Centres of Excellence (which might have benefited from some limited funding from the Transformation budget), it is difficult to see how ongoing learning provision could have been provided, except insofar as FE Colleges voluntarily opted to use their NPFS funding to deliver such learning.

Looking to the future, the SPFP offers some opportunities for developing new collaborative approaches bringing together SSCs and FE Colleges which might develop the concept or (subject to the findings of this research) pilot Academies/Centres of Excellence. However, the emerging proposals in respect of the Sector Priorities Fund itself suggest that – particularly in the context of what is widely expected to be tightly constrained public expenditure – there is likely to be very little headroom to take forward provision which FE Colleges themselves do not choose to prioritise in the longer term.

3.5. The Current Landscape in Wales

3.5.1 Introduction

In this section, we provide an overview of relevant Academies or Academy-like Centres of Excellence which are either already operational in Wales or are at the planning stage.

This is based on desk research, drawing on a wide range of documents supplied by SSCs as well as websites of relevant organisations.

3.5.2 Academies/Centres of Excellence Already Established

Skillset Screen Academy Wales

The Skillset Screen Academy Wales (SSAW) is described as *“a consortium of high-level film industry focused education and training providers throughout Wales. The lead partners are Cardiff School of Creative and Cultural Industries (CCI) within the University of Glamorgan and the International Film School Wales (IFSW) at the University of Wales, Newport”*.

According to the SSAW website, *“the Academy also brings together other key centres of excellence in film-related vocational training and education: the Royal Welsh College of Music and Drama; Cardiff Business School and Swansea Metropolitan University”*.

It also identifies Cyfle as *“the national vocational training company for the film, television and interactive media industry in Wales”* and *“main gateway into the Industry for new talent”*. The SSAW was established in 2005. SSAW is one of eight Skillset Screen Academies across the UK.

Partners in the SSAW offer a range of 16 undergraduate and postgraduate courses e.g. *“BA Hons Film and Video”* and *“MA 3D Computer Animation”*. The SSAW adds value to these courses by providing a range of ancillary benefits such as bursaries and scholarships and a coordinated undergraduate and graduate work placement service (see Section 7 for more details).

According to a *“one page overview”* of the SSAW produced for WESB, *“SSAW has developed close fruitful working relationships”* with a range of film/media/broadcasting companies in and beyond Wales. The paper goes on to say that, following the receipt of grants from various sources in the past, *“SSAW now faces the challenge of sustaining the level of industry interaction anticipated by students and employers with significantly reduced funding”*. Allied to this, the paper talks of a potential merger with the new Skillset Media Academy for Wales, which would extend the organisation’s purview to embrace disciplines such as *“journalism, interactive media, radio, television and games”*.

The paper closes by outlining some new areas of activity for SSAW in the next year or so, viz:

- Becoming more involved in research projects with the Institute of Advanced Broadcasting (University of Wales, Newport) and the Digital Storytelling Centre (University of Glamorgan).
- Developing bids for Continued Professional Development funding in collaboration with BECTU⁴³, Cyfle and Skillset Cymru.
- Applying to co-ordinate a cohesive media outreach project supported by EU convergence funding.

National Skills Academy – Nuclear

The UK wide NSA – Nuclear was approved by the then DIUS in September 2007 and launched in January 2008. Its activities in Wales are centred on north Wales, where there is one operational nuclear power station (Wylfa) and one in the process of decommissioning (Trawsfynydd). The NSA coordinates a number of “*products and services*” including:

- The National Decommissioning Authority (NDA) funded Community Apprenticeship Scheme, which aims “*to help supply chain companies take on apprentices for the first time, or grow additional apprentice skills for their business*”. The NSA – Nuclear’s Operational Plan sets a target to recruit 10 individuals onto the scheme in Wales in 2009, but it is not clear how many Apprentices have already been recruited and whether they receive off the job training.
- The Nuclear Apprentice of the Year Awards. One award is made annually in each of the NSA’s five UK regions (north west/north east, south west, south east/east, Scotland and Wales).
- The Nuclear Bursary Award Scheme, which “*is aimed at attracting a broader mix of new entrants into the Nuclear Industry and into the wider Science and Technology agenda*”. The Awards provide “*students with financial help towards an array of qualifications from Foundation Degrees to Master Degrees, which will help start or further their careers in the Nuclear sector*”. It is not clear if any of these bursaries have yet been awarded in Wales.

The 2009 Operational Plan would suggest that the NSA receives no funding from the Welsh Assembly Government in respect of its Wales operations.

Skillfast Skills HQ

The Invitation to Tender for this study suggests that, Skillfast Skills HQ is “*a network of specialist centres offering “blended learning (a combination of formal and workplace-based learning), utilising both peripatetic and in-house trainers*”.

⁴³ The UK’s media and entertainment trade union

According to Skillfast *“Skillfast-UK in Wales works with what we call our Common Threads Group this group is made up of HEIs, FEIs and private training providers who deliver for our sector and we would see this group as being pivotal in the delivery in Wales”*. It appears that there are Common Threads Groups in existence elsewhere in the UK too and whether the Welsh one might be regarded as an Academy seems a rather moot point.

Skillsmart Skills Shop

A UK wide National Skills Academy for Retail was launched in April 2009 (see 3.2 above). The intention is that *“the National Skills Academy for Retail will oversee this network of one-stop, walk-in and web-based retail skills shops on high streets and in shopping centres across the UK”*. Though there has been some preliminary consideration of developing a Skillsmart Skills Shop in Wales, none of the first wave of geographically centred retail shops are Wales based.

Photonics Academy for Wales

The Photonics Academy for Wales was established in order to make *“available appropriate expertise to support the development of new business emanating from the OptIC Technium St Asaph”* through *“the enhancement of pertinent technical and managerial skills”*.

According to its web-site, *“the Photonics Academy concept is that of a virtual institution built on the cooperative endeavours of delivery teams in participating school, further education and higher education institutions”*. It goes on to say that it *“will enable students to attain a number of career milestones including: photonics scholar; photonics apprentice; photonics technician; photonics graduate practitioner; photonics postgraduate practitioner”*.

According to the Photonics Academy’s web-site, its recent achievements have been:

- Securing Knowledge Transfer Partnership (KTP) funding *“to raise awareness among today’s school children and to encourage them to develop an interest in the subject”*.
- Working with Deeside College to run opto-electronic technician training.
- Influencing the establishment of a new photonics laboratory at Deeside College.
- Supporting the Cranfield University Innovation and Knowledge Centres’ MSc programme in Ultra Precision Technologies and Applications.
- Hosting a range of opto-electronic related as well as management courses run by external training providers (e.g. Learning to Inspire, Cranfield University).
- Hosting an international “Education & Training In Optics & Photonics” conference in July 2009.

The Photonics Academy’s web-site provides also information about careers in the opto-electronics sector.

In addition to these achievements, the Photonics Academy offered “placements to Nuffield Science Bursary students” in 2007.

Food Network Wales

The Invitation to Tender (ITT) for this study indicated that the Food Network Wales (FNW) is an established NSA/Centre of Excellence. According to its web-site (which has not been updated since August 2006), the “*Food Network Wales is a collaboration of three food centres, The Food Technology Centre (Coleg Menai), Food Centre Wales (Horeb) and the Food Industry Centre at UWIC (Cardiff)*”. The FNW is not referred to as a NSA/Centre of Excellence anywhere other than the ITT.

3.5.3 Academies/Centres Of Excellence At The Research/Planning Stage

Construction⁴⁴

Construction skills submitted a Strategic Outline Programme proposal to DCELLS in March 2009. The proposal revolves around the “*establishment of a National Construction College campus in the South Wales region*” to mirror those in existence elsewhere in the UK (Ashbourne in Derbyshire, Kings Lynn, Woolwich, Stratford, Birmingham, Erith in Kent and Inchinnan in Renfrewshire). It is envisaged that the facility would “*serve as a ‘hub’ of a Welsh Skills Academy*”, whilst also providing a regional facility for of south west England.

The proposal makes it clear that the intention would be to deliver training “*over and above the five traditional trades that are currently offered*” by FEIs and other learning providers across Wales. It identifies a number of occupational areas/trades which are not currently served by Welsh FEIs, but which could be provided for by a National Construction College (NCC), including Plant Operatives, Scaffolders and Steeplejacks. It also suggests that a National Construction College could “*provide a central hub for the development of training in new technologies such as Waste and Sustainability*”.

According to the proposal, “*ConstructionSkills Wales does not envisage an environment of competition between the proposed NCC and FEIs in the region developing, as the NCC and FEIs would be working not only in collaboration in terms of developing the training courses, but also in delivering them*” and that “*the brand of ‘NCC’ could be used to deliver courses in other colleges throughout Wales in a partnership approach*”.

The proposal speaks of “*governance*” arrangements involving a partnership comprising ConstructionSkills, local FEIs and HEIs as well as input from “*other regional consortia*”, such as the “*North Wales Employer Forum, the Welsh Built Environment Forum and the Welsh Construction Skills Group*”. Additionally, it refers to the following organisations as “*Participating Stakeholders and Providers*”: *ConstructionSkills, Asset Skills, Summit Skills, E&U Skills, WBL Providers, FEIs, fforwm, HEIs, Wales Built Environment Forum, NCC UK, Specialists, Professional Institutions, Federations, BRE Wales, Welsh Assembly Government*”.

⁴⁴ The ITT refers to this in the context of Skills Academies proposals: however, Construction Skills views it as wholly separate to the Construction Skills Academy model (see Section 7)

The proposal does not include an estimate of costs, but indicates that funding for the construction and on-going functioning of the NCC would be sought from:

- European Social Fund (Priority 1 and Priority 3).
- The Welsh Assembly Government.
- ConstructionSkills, in terms of staff time and *“the devolution of core activities from Head Office in Norfolk to Wales”*.
- Contributions sourced via *“collaboration with FEI/HEI”*.
- Rental income from ConstructionSkills and other ‘built environment’ related SSCs (Asset Skills, Summit Skills, E&U Skills) which could locate their offices in the NCC.

The development of the proposal was guided in part by a 2005 Institute of Welsh Affairs report, *“Plugging the Gap: The Case for Establishing a Site for a CITB-Construction Skills National Construction College in Wales”* (the IWA having been commissioned by Construction Skills and the National Construction College). That report pointed to the absence of a NCC campus in south west Britain and called for the establishment of such a facility in south Wales. It referred to the need for some 1,700 new construction workers per annum in Wales and a further 3,000 per annum in south west England, and also talks of *“a shortfall of skilled entrants”* into the industry across the UK at the time of writing.

It is worth noting that a handful of large construction companies e.g. Daneil, Carillon and Macob run their own training centres, Daniel Construction Ltd’s in particular being labelled a Skills Academy.

Sport and Active Leisure

Among the 31 objectives set out in SkillsActive’s Wales Action Plan 2008-2011 is to *“continue discussions with WAG in relation to the development of the SkillsActive Wales Learning Hub model, and explore potential funding opportunities on the back of Skills That Work for Wales (through the Sector Priorities Fund)”*.

The Learning Hub model has already been trialled in South Wales under the auspices of the SkillsActive Step Up Sector Pilot project. According to a case study paper produced by SkillsActive, the Learning Hub was *“developed to broker training provision for local employers”* drawing upon information gleaned by *“a network of employers”* about skills gaps facing the active leisure sector in south Wales and liaising with *“training providers to make new training courses available”*.

The paper goes on to say that *“ultimately it is envisaged that the Learning Hub will become a ‘one-stop shop’ for local employers to provide them with access to the most up-to-date and cost effective training schemes for employees”*.

SkillsActive hopes to roll out this model in the future by establishing two further *“Hubs”*, one in mid and one in north Wales. It is envisaged that these proposed Hubs will be centred on *“physical locations”* (presumably, particular learning providers),

which will be responsible for *“coordinating links to a wider regional training delivery network”*,

The development of a Learning Hub model across Wales was one of the *“potential initiatives”* proposed to DCELLS by Skills Active in April 2009. A discussion paper produced by SkillsActive explores whether the *“the emerging SPF”* might present a means of doing so and suggests that *“the limited funding available in year 1”* might be used *“to build up the case ... leading to delivery in year 2”*.

Logistics

The Invitation to Tender indicates that *“Skills for Logistics has completed research to examine and recommend a suitable hub and spoke model for Wales”*. It has not been possible to access any documentation relating to this study, however.

Nevertheless, in its response to the Webb Review, Skills for Logistics claims that it was *“well on the way to making our Delivery Model Academy a reality in Wales, and have brought together WBL, FE, HE and Private Providers in a way they have never been before. This network of logistics providers now meets on a regular basis, focused on constructing a Logistics Academy for Wales which is likely to be born out of better use of existing structures within Wales”*.

More recently, according to its 2009/10 Business Plan, Skills for Logistics plans *“to apply what we learn in advancing academies and standards in England so that appropriate systems can be evolved for Scotland, Northern Ireland and Wales, shaped to the conditions of each nation”*.

Hospitality

In its February 2007 consultative document for *“discussion between employers and partners”*, People 1st the SSC for the Hospitality sector suggested that *“the Skills Academy for the sector provides an opportunity to hothouse high quality delivery and work with providers to better meet the needs of the sector. It is important therefore that the sector has in place a licensed Skills Academy to improve the quality of provision in hospitality and travel and tourism”*. It goes on to say that *“People1st is working with sector bodies and employers to put in place a Skills Academy for the sector. Once in place the Academy would work with employers and learning providers to identify best practice and help roll out this provision where there is greatest demand. The Academy would also expand over time to encompass other skills areas across the sector”*.

However, People 1st, March 2007 Stage five Sector Skills Agreement document makes no reference to the Skills Academy, with the text diluted to say that *“there needs to be greater focus on encouraging those learning providers to perform as well as the best. It is important to understand what makes good quality delivery of training and highlight this best practice”*.

According to an informal paper submitted by People 1st, the SSC has some initial thoughts about the establishment of *“a kitemark of excellence – set and endorsed by employers - in the content and delivery of hospitality training in Wales”*. The paper

goes on to say that *“rather than one new build training centre, our model will draw on a number of different delivery mechanisms, all quality assured and co-ordinated by the Academy”*. It is envisaged that the delivery mechanisms might include:

- *“Work placement”* opportunities within the hospitality supply chain.
- Opportunities to participate in major employers’ *“internal training programmes”*, including, for example, *“a kitchen management masterclass”*.
- *“Secondment”* opportunities.
- *“Full time college education”* options.
- *“Work based learning”* options with employers offering *“gold standard apprenticeships”* which include *“the chance to spend work placements with learning industry chefs, participate in visits to industry suppliers”* etc.
- A *“Junior Chefs Academy”* providing 14-16 year olds Saturday morning courses.

To some extent, this reflects the approach taken by the English based Hospitality NSA, which offers programmes for:

- Chef Master-class.
- Advanced Apprenticeships.
- Junior Chefs Academy.

The paper goes on to say that People 1st would require *“some initial funding”* to *“develop a costed business plan that was approved by employers and [the] Welsh Assembly Government”*, although it emphasises that People 1st already has the expertise to do so, on the basis of its experience of developing a National Skills Academy for hospitality in England. The paper does not, however, expand upon whether or how any Welsh Academy might tie into the existing English one.

In additional to the funding required for the business planning stage, the paper makes clear that funding would be required to meet the establishment and ongoing costs of a Welsh academy, albeit that it would be expected to *“generate income streams to be reinvested in expanding the network of excellence”*. It is envisaged that the Welsh Academy’s main costs would be in respect of:

- *“A small team at the core of the Academy to set and administer the quality kitemark and help co-ordinate activities”*.
- *“Marketing and awareness raising campaigns”*.

Power

Energy and Utility Skills plans to launch a Power NSA, with a UK wide purview, in January 2010 based on networks of education and skills providers in each of the home nations, which will include companies such as Scottish Power and Scottish and Southern Energy, both of which serve Wales. It is envisaged that the NSAP will operate on a hub and spoke basis, with Welsh *“training provision”* representing one of the spokes.

Financial Services

According to the Invitation to Tender, *“FSSC are in early discussions with FE and other providers to develop and academy model in Wales”*. FSSC’s 2008 Wales Sector Skills Agreement expands on this a little by saying that the FSSC will *“work with key stakeholders and employers to establish a business case for the development of a Centre of Excellence / Skills Academy for the financial services sector in Wales”* by April 2010.

Defence Technical Academy⁴⁵

In 2007, as part of its Defence Training Review, the UK government announced a 30 year Private Finance Initiative designed to modernise and centralise all non-military technical training (including aeronautical, electro-mechanical and communications/IT engineering, logistics, police and personnel administration, security, languages, intelligence and photography) for the three armed forces. The new Defence Technical Academy is to be located in St Athan, in the Vale of Glamorgan, and is expected to become fully operational by 2014.

The contract to undertake the initial stages of the work programme (involving the development of new computer based learning materials) was awarded to a consortium led by QinetiQ (the Metrix consortium). However, the programme has been beset by cost inflation, difficulty in raising finance (because of the credit crisis) as well as opposition from key voices within Wales, including Plaid Cymru, and the final investment decision has yet to be made.

It should be noted that the Defence Technical Academy is funded by the Ministry of Defence and is not, therefore, strictly within DCELLS’ remit.

Food and Drink Manufacturing

In 2009, Improve (the Food and Drink industry SSC) commissioned UWIC to undertake a *“Feasibility study for the Food Industry Skills Strategy Group (FISSG) to develop and run a Food Skills Academy in Wales”*. The FISSG comprises Improve, UWIC, University of Glamorgan, Aberystwyth University, Coleg Menai, Food Centre Wales and a group of industry representatives.

The report concludes that *“Wales has the expertise to meet the skills and training requirements of the food and drink industry with a more distinct infrastructure, better coordination and communications between providers, increased marketing and financial support”* and suggests that Wales should establish its own Academy responsible for:

- Maintaining a web-site providing details of learning providers offering courses of relevance to food and drink manufacturers.
- Providing a forum for food and drink manufacturers to discuss skills and training issues.
- Employing an *“advisory person”* to perform a quality assurance role and advise businesses of training provision available (see Section 7 for more details).

⁴⁵ Which was referred to in the ITT by its original name, the Defence Training Academy

Whilst counselling against extending the reach of the English NSA into Wales, the report suggests that Wales should follow the approach which Scotland is likely to take, in that it should *“buy into the [English] NSA at a reduced rate as an add-on to ensure all Wales’ needs are met”*. A key reason for doing this would be *“to develop and improve the industry’s training and qualifications”*.

3.5.4 Conclusions

Perhaps unsurprisingly given the lack of any clear Welsh Assembly Government-endorsed model for the development of Skills Academies in Wales prior to this study, the picture to date in Wales is fragmented. Of the formally established NSAs in England, only one, NSA Nuclear is already operational in Wales, though the Skillset Screen Academy Wales is paralleled by similar Academies in England, albeit ones which have not formed part of the LSC funded roll out of NSAs. Otherwise, the Photonics Academy has emerged independent of the wider development of sector based Academies and has only limited involvement from SSCs, while of those proposals in the pipeline, the Defence Training Academy is also an “outlier”. More importantly perhaps, only a relatively small number of worked out Academy proposals are being actively promoted by SSCs at present, notably Sport and Active Leisure, Construction, Food and Drink Manufacturing, Power and Retail.

4.0 The Views Of Strategic Stakeholders

4.1 Introduction

In this Section we report on our findings in respect of the views of the Strategic Stakeholders who were interviewed as part of Stage 3 of the work programme. It does need to be remembered that almost all of those interviewed were drawn from the Welsh Assembly Government, other public bodies and the provider network. This was in line with the aims of this stage of the work which focused on exploring views of key stakeholders who were not themselves directly involved in the promotion of Skills Academies of how Skills Academies might add value to the current learning system in Wales, of the barriers which might impede the extension of the UK NSA network to Wales and alternative models which might be considered, and of factors which might facilitate the functioning of a network of Skills Academies in Wales.

4.2 Awareness of Skills Academies

Only a small minority of the 12 interviewees had a clear idea of what the Skill Academy concept entailed and fewer still were aware in any detail of the way in which Skills Academies were functioning in England.

Around half of the interviewees seemed principally to conceive of Academies as a parallel or additional system of provision sitting on top of existing FEIs, HEIs and private Training Providers, with one for example, believing that Academies in England existed *“in places like Haringey”*, specialising in certain vocational areas and operating like *“a mix between schools and colleges”*, while another conceived of them as almost a vocational equivalent of HEIs, offering long-term residential courses as well as more flexible provision on a distance learning basis.

By contrast, a minority of interviewees saw Academies as being principally concerned with developing, supporting or simply badging centres of excellence or specialist facilities within existing learning providers, with one arguing:

“it’s about promoting quality and ensuring that course content meets employers needs”.

Another agreed, seeing the idea of Academies as being linked into the idea that there was a need to encourage greater specialisation within FEIs rather than just perpetuating the idea of a general education college – and to encourage closer links with HEIs also. This interviewee went on to argue that any Academy network also ought to have a role to play in driving demand from employers as well as meeting it – by offering provision which was really aligned to their needs, it should encourage more employers to engage.

If there was a lack of agreement over what was meant by the concept of a Skills Academy, there was greater consensus over the view that, thus far at least, any debate in Wales about Skills Academies had been driven by developments across the border in England, rather than by the Welsh policy agenda, with one interviewee commenting that before the current study had been commissioned they had thought:

“it was something that happened over the border...if it was mentioned in Skills That Work for Wales, I missed it”.

More specifically, two interviewees stressed that the concept of Academies had originated within the Sector Skills Development Agency and the SSC movement, and more particularly in the development of Sector Skills Agreements, with one arguing that:

“quite superficially...SSCs saw Skills Academies as a way to gain some degree of control and direction for public funding”.

4.3 The Need for Skills Academies

A very clear majority of the interviewees (including a majority of those who came from a policy rather than a provider perspective) did not believe that a general case for why Skills Academies were needed in the Welsh context had been well articulated, with some holding this view quite strongly.

One for example felt that Skills Academies were *“a solution in search of a problem”*, while another, though arguing that the recent Wales Employment and Skills Board Annual Report had clearly articulated some of the real shortcomings in the current *status quo*, argued that:

“there’s no point in new things coming on board if we don’t try to put right what’s wrong with the current systems... we should try to address these before trying another initiative that’s running in parallel”.

Another felt that while there had been quite persistent lobbying from some SSCs in favour of Academies, when asked to produce concrete evidence of ways in which the current provision was not meeting employers’ needs:

“at that point, a lot of them have come unstuck”.

A provider representative went further, arguing that:

“if I was being a total cynic, I’d say that SSCs look at the SPFP and the chance to make a case for Academies as an opportunity to build up SSCs’ resource in Wales ... not for the benefit of the learner”.

This was echoed by another interviewee who suggested that arguments in favour of Academies needed to be scrutinised carefully to make sure they were *“responding to customer needs, not just selling new products”*.

There was particular scepticism about whether the need for “*bricks and mortar*” solutions had been or could be articulated, with one interviewee saying it was essential to avoid “*shiny new institutions*” which were supply led.

One interviewee, who did believe that a general case for Skills Academies could be made, argued that they could both in the short term help to aggregate employer demand in a way which could shape provider behaviour and potentially generate savings, and also in the longer term, by creating supply which responded more closely to employers’ needs, increase investment of employers in training.

In some other cases, interviewees who were unconvinced or neutral about the general arguments for Skills Academies thought that it might be possible to make a case for an Academy in a specific context – though this did not extend to a generic argument in favour of a particular model. Examples which were cited where it was possible to conceive of a Skills Academy adding value to existing provision were:

- Aerospace particularly relating to composites/carbon fibre technology (mentioned by two interviewees).
- Sub-sectors where there was insufficient critical mass for any one provider to take the risk of developing provision such as printing.
- Sectors which were of particular importance to a specific region or sub-region such as aerospace and construction in South Wales, oil in Pembrokeshire or land-based skills in Mid Wales.
- Microgeneration, as a relatively new and rapidly developing sector, where it was argued a series of providers were vying to be seen as centres of excellent, and where there was a need for some clear “*badging*” to help employers distinguish between them.
- Construction, where one interviewee said that the case which had been made by ConstructionSkills did demonstrate a need by showing a lack of provision in Wales for specialist skills such as scaffolding and roofing for larger buildings (though where the solution, in the in the view of this interviewee, was likely to prove impractical).

However, in all except the last of these cases (most of which are narrower than even individual SSC footprints) interviewees were clearly drawing on their own knowledge and experience of what they perceived as gaps in provision, rather than citing examples of well-argued cases already made as part of a case for a specific Skills Academy.

4.4 The Scope of Skills Academies

In terms of the potential scope of Skills Academies, interviewees were asked whether they felt that Skills Academies should focus on high level skills, or offer tailor made pathways at all levels; whether they should focus on developing the skills of those already within the workforce or should also be concerned with contributing to pre-entry training and what sort of “*footprint*” Skills Academies might cover. Inevitably, given the limited knowledge about, and often lukewarm enthusiasm for, the concept, for some of those consulted these were regarded as rather theoretical questions.

However, although some interviewees pointed out that the need for specialist provision was more acute at higher levels, most interviewees believed that Academies would need to have a role at all levels - *“they should be all things to all people”*. In particular, there was a clear view that a real priority for employers (and thus for Skills Academies, should they be developed) was securing seamless progression routes up to and beyond level 4. Several interviewees made the point that the current system of funding and regulating learning provision created an artificial barrier to progression which employers often found frustrating, with one, for example, saying that consultation with employers repeatedly highlighted the need for seamless progression structures within sectors, and the need to end the rigid separation in terms of provision between FE and HE or level 3 and level 4. In this context, the change of heart by the Welsh Assembly Government signalled in Skills that Work for Wales. to support the development of Foundation Degrees was seen as important, as was the approval of an ESF Convergence Fund project (led by the University of Glamorgan) to fund FEI/HEI and employer collaboration on developing Foundation Degrees in different sectors.

A minority of interviewees did however, argue that any Academies should focus exclusively on higher level skills, with one (who saw Academies as physical centres of learning) arguing that they should concentrate on *“level 3 and above.....entry level to level 2 can be done anywhere”*, while another argued that although in theory having specialist sectoral provision at all levels might be desirable, given the huge pre-existing learning and training infrastructure, it probably was a question of Academies focusing on more specialist, high end skills *“where you need particular tools or techniques or specialist equipment”*.

The vast majority of interviewees also believed that any Academies would potentially have a role in stimulating the supply of new entrants into the targeted sector as well as upskilling the existing workforce, with only two arguing that, on balance, the focus should be, in the short term at least, on the existing workforce. Indeed, a small number argued that providing pre-entry vocational training ought to be the main focus of any Academies, with one pointing to the importance of *“upskilling and reskilling the unemployed”*, though it is possible that this mainly reflected their own policy concerns.

One interviewee recognised that combining access to sectoral vocational specialisms for young people with the assumption that those under the age of 19 were unlikely to be able to study away from home was a challenge, but argued that in much of Wales the question of local provision was less relevant – *“it only takes an hour to travel from Newport to Swansea”*. In this interviewee’s view, it was not impossible to envisage Academies helping to drive specialisation, with advice and guidance workers recognizing that they needed to signpost those young people who wanted to go into certain sectors towards institutions that could provide the specialised provision that employers want.

In terms of the potential footprints for Skills Academies, most interviewees believed that, while it was not necessary for Skills Academies to mirror the footprints of individual SSCs, it was important that they were recognised by employers within specific sectors as having sufficient focus and expertise to be credible. As one interviewee pointed out, trying to get clarity over what footprint an Academy should

cover might be a huge challenge as employers might have very different views of what was a “sector” in this context:

“Some widget manufacturer may believe there is a strong case for a widget making Academy...I recently visited a spring manufacturer, so I asked the manager whether they were in the automotive sector. He replied that he didn’t know – they made some springs for cars, but some for beds”.

Echoing this, another interviewee felt that in some instances credible Academies would probably need to be quite narrow in their focus – printing being an example – because they had really specific, niche needs – while in other cases, such as the built environment, working across quite large footprints might be practical. Several other interviewees also suggested that the built environment was one area where a broad based approach might be credible.

One interviewee who was generally positive about the concept of NSAs thought that there might be scope to develop a cross-sectoral Academy type model (on issues such as management and leadership or customer service), but that Academies based on SSC or similar footprints would need to be created first to provide the building blocks for this.

More generally, there was little sympathy for the argument that it might be possible to create a distinctively Welsh based network of (a small number of) Skills Academies by broadening the footprint of each beyond individual SSC footprints to accommodate a sufficiently large employer base.

One interviewee argued that while it was relatively unimportant whether or not Academies fitted neatly with SSC footprints, they did not think that there was an argument for making Academies more generic in Wales so that there was a larger base of employers – at least not if that meant that the resulting Academies were less clearly aligned with what employers wanted in terms of provision.

Another was even more forceful, arguing that it was essential to recognise that for many sectors a solely Welsh-based approach would not make sense because of a lack of critical mass and because employers were simply not concerned about the border and would be quite happy to access training wherever it was most appropriate. *“There is a real danger of doing something which is supposed to be employer facing but not thinking like an employer”*

4.5 Skills Academies and the Welsh Assembly Government’s Strategic Agenda

Although the lack of a clear understanding of the concept of the Skills Academies prevented some interviewees from commenting in any detail, a number of them did believe that, in principle, at least, Academies might fit with some key aspects of the Welsh Assembly Government’s strategic agenda.

In particular, it was argued by a number of interviewees that Academies might form part of the broader agenda of making existing learning providers more responsive to employers, working alongside other elements of Skills that Work for Wales that were

trying to move the system in this direction – in particular, the idea of the Sector Priorities Fund (which emerged from the Webb Review, and which was intended to focus resources on FEIs which address employers needs), the Transformation agenda (which aimed to squeeze out unnecessary duplication within the 14 – 19 provision while at the same time increasing the range of options for learners) and the fees policy (which sought to make public funding go farther by routinely leveraging in employer contributions for most workforce development).

Skills Academies were seen by these interviewees as linked into the idea that there needed to be greater specialisation within FEIs rather than just perpetuating the idea of a general education college, with any accreditation or badging system adopted by Academies (if rigorously developed and applied and not simply linked to the payment of a fee) being seen as *“something else to aim for”* by Colleges which were already achieving consistent Grade 1 assessments from Estyn for particular subjects. In similar vein, it was argued that Academies, if they existed, might usefully advise on the prioritisation of capital investments in the post-16 sector. Another interviewee believed that Academies (envisaged as specialised physical centres) might *“set a benchmark”* and, in effect *“lead the way”* for other providers by helping to develop and share good practice.

A number of interviewees also argued that the Skills Academies might also have a role in helping to create seamless progression routes in vocational subjects from lower levels to level 4 and 5 – a critical element in any attempts to really get to grips with the issue of *“parity of esteem”* between academic and vocational routes - and in driving HE/FE collaboration in responding to employers needs where there was still seen to be much room for improvement. Several interviewees argued strongly that employers did not distinguish between the two and did not see why there should be a cut off between Level 3 and Level 4 qualifications.

In this context, even one of the most sceptical interviewees agreed that something was needed to make the supply of learning more responsive to employer demand:

“the problem with our network is that it’s too supply driven ... teachers teach what they want to teach ... or what they’re capable of teaching”.

Two interviewees also stressed that Skills Academies, potentially at least, should play a role in shaping the demand for training as well as the supply, arguing that any Academy network also ought to have a role to play in driving demand from employers as well as meeting it – by offering provision which was really aligned to their needs, they should encourage more employers to engage.

But while the debate about Skills Academies was seen to play in to a number of key concerns in terms of current policy agendas, there was also a recognition that, in reality, the case for Academies ran counter to a number of major Welsh Assembly Government concerns. In particular, it was acknowledged that the Transformation agenda was largely about ensuring a wide choice of options **at the local level**, *“on strengthening local provision”* and that there was a very strong attachment, both within the Welsh Assembly Government, and even more at the political level of the National Assembly and the wider public, to local provision.

Many interviewees were doubtful that specialist, niche provision, particularly in the context of the 14 – 19 agenda and preparing new entrants to the workforce, was compatible with the geography of Wales – where, as one argued, learning markets tended to “*clear*” at a local level - and the commitment of Welsh politicians to putting equity at the centre of policy making. While one or two thought these concerns exaggerated (as noted above) or argued that they might be overcome (at a cost) by making residential accommodation available so that access to learning and jobs in particular sectors could be opened up to people from across Wales, most saw this as being a fundamental issue:

“it might be different in Manchester or Birmingham, but our terrain doesn’t lend itself to focusing provision in particular places”.

It was noted that the Transformation prospectus had led to only one sectorally-focused bid (Construction) – and this (according to one interviewee) had not been submitted with any serious expectation that it would succeed. Another interviewee thought that the proposals which had come forward had been quite disappointing in that they seemed to be driven by the idea of mergers for mergers’ sake, or to achieve economies of scale in terms of management, rather than being focused on really achieving excellence in terms of particular sorts of provision.

At the time the fieldwork with stakeholders was being undertaken, the consultation document, Investing in Skills, had not been published. However, a number of interviewees within the Welsh Assembly Government referred to an internal debate within DCELLS about the extent to which the Sector Priorities Fund could and should be top-sliced from FEIs budgets in order to provide a source of funding for employer-driven initiatives (which would be in line with the original proposals developed through the Webb Review and in Skills that Work for Wales). It was reported that strong arguments were being made against top slicing - on the basis that it would fundamentally destabilise the existing pattern of FE provision - and in favour of ring-fencing a share of each FEI’s allocation for provision which addressed local employers’ needs (the model which has, in the event, been adopted in the consultation document).

This was seen by several interviewees as a weather vane issue which would indicate the extent to which Welsh Assembly Government policy was prepared to force through a culture change even if it risked jeopardising the future of local FE provision. One interviewee pointed out that the recent experience of working with the FE sector to develop the Pathways to Apprenticeships model had shown that where the Welsh Assembly Government had a central budget, FEIs showed considerable flexibility, responsiveness and capacity to work together, but admitted that top-slicing existing FE budgets was politically unpalatable as “*every Assembly Member wants to safeguard their local College*”. Another interviewee, noting that “*World War Three broke out*” over what had been relatively minor cuts in FE funding earlier in the year, accepted that what was emerging from the internal discussions on the Fees policy represented a significant watering down of the original ideas:

“it’s pretty beige but you’ve got to go with what you can get away with”.

Another noted that the way in which the Sector Priorities Fund was now proposed to operate would undermine the prospect of using the resources to develop seamless progression routes between FE and HE, since it would continue to be allocated exclusively to FEIs.

Another way in which Skills Academies were seen as potentially fitting with broader Welsh Assembly Government policy was in terms of the focus of economic development policy on priority sectors. However, most interviewees who commented on this felt that in reality there was a huge lack of clarity about what the priorities were.

One interviewee with a good knowledge of these issues argued, for example, that while there was a general agreement across the Welsh Assembly Government (and through the Ministerial Advisory Groups and the WESB) that a sectoral approach to skills (and broader economic) development was broadly needed, there was also a lack of real clarity about what that meant. The Ministerial Advisory Group for Economy and Transport had now ended up with 14 priority sectors – while making it clear that this did not mean that other sectors were going to be denied support - and arguably this did not really represent a prioritisation at all – *“prioritisation is not the word”*. Moreover, the 14 sectors did not map in any way neatly against the current SSC structure which was an issue in terms of the skills dimension: *“it creates a level of complexity which is something to conjure with”*.

4.6 Skills Academies and Employers

All the interviewees took the view that any Skills Academies would need to be guided by strong employer input, either directly or mediated through the relevant SSC or other bodies.

There was however quite a variety of views about how *“hands on”* employers' engagement needed to be.

At one end of the spectrum, one interviewee argued that employers would need to make a significant financial contribution, brokered by the SSC, as part of the proof that there was genuine employer demand, in effect, *“getting them to put their money where their mouths are”*. This interviewee highlighted work on developing a *“chef's academy in Cardiff”*, which *“doesn't need any public funds because it really is demand led”* inasmuch as employers had indicated clearly that they were willing to pay for the right kind of training.

At the other end, one interviewee argued that employers should not be directly involved, with the SSC acting as the link between employers and providers and policy makers. A third interviewee argued that engaging employers in this sort of initiative was tremendously challenging, pointing out that there was a history of employers engaging with initiatives over the short term but letting go of them as soon as they picked up any hint that they were not top of the political agenda or were not going to allow them to access significant funding.

However, there was also a broad consensus that SSCs, as currently constituted in Wales, were generally (with one or two exceptions, with Construction Skills and

SEMTA being cited by a number of interviewees) ill-equipped to engage with and mobilise employers:

“in Wales, SSCs vary a lot in terms of quality, personalities and the number of staff ... with only one or two people in some cases”.

This in turn contributed to the scepticism from many interviewees that what was seen as a SSC-driven model of Skills Academies really represented an employers' perspective on what was needed, rather than SSCs' own views. One interviewee, for example, argued that employers were *“very sceptical”* as to whether SSCs could really represent their views and were suspicious of the extent to which SSCs were mostly about protecting their own jobs and functions.

This interviewee feared that, in the absence of a strong employer presence, Skills Academies might end up driven by cute providers who were skilled at operating in a *“darwinian system”*. This view was echoed by another who feared that Academies were unlikely to achieve a fundamental change to a system where instead of employers determining the provision, providers were simply *“hawking their products around”* to employers and being funded to do so.

The doubts as to the capacity of engaging with employers through SSCs led a number of interviewees to suggest that other employer-led organisations such as the various industry fora or representative bodies such as the CBI would need to be involved if Skills Academies were to be taken forward.

4.7 Skills Academies and the Provider Network

Although as noted in 6.2 above, many of the interviewees conceived of Skills Academies as stand-alone institutions which themselves provided at least some learning, there was very little enthusiasm for such a model of *“parallel provision”*, with one interviewee for example emphasising the importance of *“making use of what we have”* and another arguing strongly that the idea of Academies needed to build on and utilise the existing infrastructure.

A third interviewee was concerned that any attempt to create Skills Academies could have a destabilising effect upon the learning infrastructure, and upon the FE network in particular. This interviewee questioned where Academies would draw their learners from, given Wales' geography and small and distributed population and was concerned that any drive to specialised provision could lead to *“unutilised capacity”* within those institutions *“giving up”* provision, leading to a less efficient and less stable learning infrastructure.

There was some (though limited) interest in the idea of Academies to signpost employers to learning opportunities within the existing provider network.

Academies were also seen by some interviewees as a potential way of recognising and *“badging”* quality within providers and incentivising specialisation, which was seen as chiming with other strands of Welsh Assembly Government policy (see Section 4.5 above).

However, this model was also strongly contested by one interviewee (from a provider standpoint) for whom the prospect of providers being “kite-marked” by SSCs (or by SSC linked Academies) was extremely worrying. This interviewee explained that a “commercial relationship” existed between SSCs and providers inasmuch as providers buy qualifications from SSCs and believed that this would compromise SSCs’ ability to quality assess providers impartially. In this connection, this interviewee commented upon Construction Skills’ peculiar position, in that it was a levy raising SSC, a training provider and an awarding body, adding that this “all powerful” position raised questions about its ability to act as an honest broker in the interests of learners.

Finally, a number of interviewees noted the importance of ensuring that any model for Skills Academies which basically centred on brigading, signposting and quality assuring existing provision was capable of engaging with private training providers as well as the FE sector. These interviewees emphasised that employers often had closer relationships and more faith in these providers and demonstrated this by purchasing training from them: it was essential that Academies or other collaborative models did not ignore such providers and/or did not result in any tendency to divert resources from the direct procurement of provision from training providers by employers.

4.8 Barriers to Skills Academies in Wales

Interviewees identified a range of barriers to progressing Skills Academies in Wales. These included:

- At a fundamental level, the perceived lack of any real evidence that an Academy model was fitted to address real problems in the current learning and skills “offer” in Wales, with one interviewee arguing strongly:

“Don’t go there ... don’t do it because it’s sexy and fashionable at the moment”.

- The lack of political consensus (and hence leadership from the Welsh Assembly Government) around the importance or desirability of a selective approach, based on sectoral specialisation, when weighed against the stability of the general vocational provision through the FE network guaranteeing access to a local College: this was seen as related to the broader issue of the Welsh Assembly Government’s scepticism about the English “choice” agenda in public services, with a preference for prioritising universal services of an acceptable standard for all.
- Added to this, the potential difficulties caused in aligning Welsh and UK policy by the election of a Conservative Government in Westminster.
- The geography of Wales which made it difficult to generate a critical mass of learners for specialist training.
- Lack of employer buy in, related to the perceived structural weakness of SSCs in Wales.

- The high degree of autonomy of FEIs and the lack of political will to address this:
“There is a real issue with the FEIs autonomy of decision making: they do things as long as they are funded to work together but as soon as it stops it’s every organisation for itself”.
- Linked to this, the high risk of suspicion and hostility from providers, as well as rivalries between them – *“if you are going to say one college is the top dog where does that leave all the others?”* - and a view from at least one interviewee that there were just too many FEIs and HEIs in Wales competing for funding and learners.

However, the key barrier identified by most interviewees was the issue of funding. Many interviewees were strongly opposed to diverting resources from existing provision to facilitate the establishment of Skills Academies, and all recognised that, with the prospect of sharp falls in public expenditure, the opportunity to identify “new” funding was non-existent.

Although a small number of interviewees thought that the Sector Priorities Fund Pilot (SPFP) might offer some development opportunities for Skills Academies, this was seen by one interviewee more as an opportunity to build up collaborative relationships, while another felt that the delays and confusion surrounding the process had undermined its value.

In the longer term, a number of interviewees felt that the way in which the Sector Priorities Fund was developing – with funding continuing to be routed through, and ring-fenced to, individual FEIs - meant that it would not be able to be used to facilitate the development of Skills Academies and in particular would do nothing to enable seamless progression routes between FE and HE.

4.9 A UK or A Welsh Model?

As already noted in Section 6.2, interviewees generally had very little knowledge of the way in which Skills Academies had developed in England. There was a view from some of those who were more engaged with policy developments in England that the issue of Skills Academies had faded from the scene since the disappearance of the SSDA, with its successor body, the UK Commission on Employment and Skills (UKCES) showing no discernable interest (though, of course, the subsequent publication of the Skills Strategy suggests the UK Government retains at least some commitment to the model).

In general, most interviewees believed that extending English based NSAs to Wales was not a model that should be completely ruled out (particularly when the scale of demand was likely to be very limited in Wales) and recognised that employers were more concerned with the relevance and quality of learning provision (preferably delivered on site) rather than the location of the training provider. At the same time, many thought that it might be politically difficult if this meant, in some instances at least, channelling Welsh demand for training to English based suppliers:

“you can see there is a political issue – though I don’t think there should be a presumption that it is unacceptable”.

A number of interviewees went further, with one arguing:

“there isn’t a good track record of things from England being implanted in Wales ... they’re usually seen as being too Anglo-centric ... and the language of, for example the LSC, is different”.

However, as we have seen, there was widespread scepticism that establishing a small number of Academies with very large footprints would have any credibility with employers. Several interviewees argued moreover that it was important not to try to develop a parallel model to that developed in England if resources were not available – with one arguing that this was what was happening at present with Foundation Degrees, and another strongly arguing that the lack of resources was a major argument against trying to develop a Welsh model:

“there is a real danger we ignore the border...the worst thing that could possibly happen is for Wales to try to create its own brand of Skills Academies without the right resources or the critical mass to do it properly...it would be a two bit scheme...if there is no money, why stoke the fire?”

4.10 Conclusions

Overall, policy stakeholders showed relatively limited knowledge of, and little support for, the concept of Skills Academies. In particular, there was:

- Little real knowledge of Skills Academies in England.
- Considerable scepticism as to whether a convincing case had been made for a network of Skills Academies in Wales, though recognition that there might be specific sectors or sub-sectors where there might be a genuine need: interestingly, the examples cited were not ones where models were currently being proposed.
- A view that, should Skills Academies be taken forward, they should be concerned with the flow of new entrants into targeted sectors, as well as development of the existing workforce, and with learning at all levels, though with particular importance being attached to the need to overcome the current barriers between level 3/level 4 and FE/HE provision.
- Little support for “bricks and mortar” Academies or Academies which created a parallel system of provision and a negative response to arguments that Wales needed broad-based Skills Academies covering a range of SSC footprints given the relatively small size of the labour force in Wales.
- A view that the concept of Skills Academies linked into a need to strengthen specialisation, particularly within the FE sector, but concerns that the geography of Wales made this problematic, particularly in terms of learners aged 16 – 19.
- A recognition that there were also strong countervailing policy pressures, above all the need to protect and expand the choice of learning options at a local level and a consequent reluctance to risk destabilising the current

FE network by pursuing the initial idea of the Sector Priorities Fund outlined in Skills that Work for Wales.

- A strong view that, in most cases, SSCs in Wales did not have the capacity to engage sufficiently with employers and that a SSC driven model for Skills Academies was therefore suspect.

5.0 Findings From The Case Study Research

5.1 Introduction

In this Section, we report on the findings of our five case studies which looked respectively at:

- The existing Photonics Academy, in the wider context of Manufacturing.
- The existing Skillset Screen Academy Wales (SSAW) and the emerging Skillset Media Academy Wales (SMAW).
- Proposals for a Welsh “hub” for the existing Sport and Active Leisure NSA on the part of Skills Active.
- Ideas around the development in Wales of a similar model to the Construction NSA already operating in England.
- Initial proposals for a Welsh Food and Drink Manufacturing NSA developed as part of the Food Industry Skills Project.

In reality, as the rest of the Section will make clear, the different “Academy” models are at very different stages of development and are operating within such widely differing contexts that attempting to generalise from their experience is, at best, difficult.

However, in the sections that follow we attempt to compare and contrast the different models and experiences by considering:

- The background to, and evidence of need for the organisation/proposal (Section 7.2).
- The scope (in terms of “footprint”) and focus (in terms of the balance between a concern with the supply of new entrants into a sector and CPD/training of the existing workforce) of each Academy (Section 7.3).
- The activities currently delivered or proposed (Section 7.4).
- The funding and management arrangements in place or envisaged (Section 7.5).
- The key relationships of the Academies with employers (Section 7.6).
- The relationships of the Academies with providers (Section 7.7).
- The relationships of the Academies with SSCs (Section 7.10).
- The relationships of the Academies with the Public Sector (Section 7.11).
- The extent to which the models examined are replicable and sustainable (Section 7.12).
- Some general conclusions from these case studies (Section 7.13).

5.2 Background and Evidence of Need

The five case studies represent extremely varied experience of developing Academy models.

In the case of the **Photonics Academy**, this has been developed largely independently of any wider discussion of the need for Skills Academies, as a result of an initiative linked to the North Wales Optoelectronics Cluster and in particular the OpTIC Technium in St. Asaph (now part of Glyndwr University). The Academy developed organically as a result of the interaction of the Technium, employers and academic institutions (notably Bangor University) rather than as a result of a developed business case.

The broad aim of the Academy is to make *“available appropriate expertise to support the development of new business emanating from the OpTIC Technium St Asaph”* through *“the enhancement of pertinent technical and managerial skills”*. While there is no formal link to the Manufacturing NSA in England, since this is essentially based on the model of accrediting and badging existing provision, interviewees believed the Academy might be a *“good element”* within the English Manufacturing NSA, inasmuch as it offered somewhere for the NSA to refer enquirers in search of specialised Photonics training.

By contrast, the **SSAW** and **SMAW**, established respectively in 2005 and 2009 are part of a concerted UK-wide initiative by Skillset to develop a network of Academies focussed (originally at least) on the supply of suitably qualified and experienced new entrants into the sector. However, elements of the approach have been distinctive, with the Welsh Academies involving collaboration across a number of HEIs/organisations (five in the case of SSAW, including a specialist training provider and four in the case of SMAW), whereas in England each of the seven Screen Academies and 22 Media Academies are hosted within one institution. This has partly been driven by the fact that funding in Wales was sourced from HEFCW’s Reconfiguration and Collaboration Fund, though was also partly the result of what was perceived as a fragmented picture of provision across Welsh HEIs.

Plans are in hand for a merger of SSAW and SMAW to form one Skillset Media and Screen Academy Wales (SMSAW), not least to secure economies of scale in the face of declining levy revenue for the Screen Academy. The merged organisation will cover the whole of the Skillset SSC footprint.

Skillset was widely recognised by interviewees as having high quality labour market intelligence and employer engagement. This was related partly to its levy system whereby employers in the sector automatically make financial contributions via the SSC to funding training, and partly to a unique relationship between Skillset and DCELLS whereby a small number of HRD Advisers have been specifically trained up by Skillset to work with the sector and feedback data from contacts with companies within the sector. This enables information to be *“shared with Skillset”* rather than *“just sitting on Optima”*, the Welsh Assembly Government’s business database. On this basis, Skillset was seen as having made a very strong case for repeated tranches of funding from HEFCW and (for related projects) to DCELLS.

In the case of each of the other case-studies, the proposals for or thinking about Academies in Wales had not progressed beyond initial scoping, though in each case thinking was informed by the existence of a NSA model already operating in England.

In the case of **Construction**, the NSA model in England is based around a series of site-specific Academies linked to major construction projects and there was some interest in considering whether and how a similar approach might be rolled out in Wales. Interviewees within Construction Skills were however quite clear that this was not being viewed as a priority in the absence of a clear steer from DCELLS as to whether Skills Academies in general were seen as a way forward for tailoring provision to sectoral needs, and that as such little progress had been made in assessing the need and developing the case for this model in a specifically Welsh context. Other interviewees were generally sceptical as to whether, particularly in the current recession in the construction industry, there would be many, if any, single projects of sufficient scale for the model to work. Interviewees were however clear that this was quite separate from the proposal – considered in Section 5 above - for a National Construction College to provide niche skills which, it has been argued, are not provided within the Welsh FE system.

In terms of **Sport and Active Leisure**, Skills Active has developed in England an Academy model based on a “*hub and spoke*” model, with each region having a regional hub to provide signposting of employers to quality assured provision available from existing providers. Ironically, perhaps, this model was developed in large part as a result of a pilot project funded by the Skills Development Fund in Wales in 2004, but has not yet been taken forward in Wales because of a lack of appropriate funding. Interviewees generally recognised however that the sector in Wales was significantly different than in England, not least because of a much stronger representation of the public sector, and that there was insufficiently up to date labour market intelligence to justify a case for applying the model in Wales at present, with further work being needed to build up the evidence:

“The current SSA for Wales is just too old now....We would need solid and very robust, real time LMI before going to the next stage.”

Interviewees outside the SSC were also neutral or in one case, unconvinced that the evidence of need was there, with one arguing:

“JJB are perfectly happy to go shopping for the training they need without having to pay extra for the help of an Academy. They already know what they want and they already know where to go for it.”

Finally, in terms of **Food and Drink Manufacturing**, as outlined in Section 5, the Food and Drink Manufacturing NSA was one of the first tranche of Skills Academies approved in England and is focused on quality assuring provision and acting as a portal for such provision for employers. In Wales, work on an Academy has been undertaken by the Food Industry Centre at the University of Wales Institute Cardiff (UWIC) as part of a wider Food Industry Skills Project (FISP) funded by HEFCW and involving a range of stakeholders (including Improve, the SSC) within the sector. As explained in Section 5, the scoping study produced by UWIC has argued that Welsh

employers do see a need for better signposting and information about training provision but has argued that Welsh providers are negative to the current English NSA, largely on the grounds of what is seen as the excessive cost, the risk of bias, and the degree of bureaucracy. It has therefore advocated a stand-alone Welsh model (though possibly with some sort of collective discounting arrangement with the English NSA) which would involve:

- “1. Searching tool - Website.*
- 2. Advisory assistance – Person in a central office.*
- 3. Training Forum Network – annual meeting and discussion boards.*
- 4. Quality Training – Verification.*
- 5. Marketing and PR.”*

The research report is based on limited fieldwork with around 30 employers⁴⁶ and eight Welsh based providers, as well as six providers who are currently members of the English NSA, and a second round of consultations with ten employers and ten providers to discuss the emerging recommendations. The majority of those we interviewed were sceptical as to whether this provided a sufficiently robust basis for a strong case to be made for the Academy, and argued that the main problems faced by employers in the sector were labour or skills shortages which the proposal was not well attuned to address.

5.3 Scope and Focus

In terms of scope, all of the Academies considered were within one SSC footprint. Indeed, in two cases (Photonics and the Skillsets Academies) the Academy models developed were focused on sub-sectors within individual footprints, while although in theory the Sport and Active Leisure NSA involved the whole of the Skills Active footprint, in reality discussions in the context of a Skills Academy seemed very focused on the sport and recreation and health and fitness elements in practice to the (relative) exclusion of other elements of the footprint, notably outdoors, playwork and caravanning.

Across all the five case-studies, there appeared to be very little appetite for trying to develop Academies across broader footprints.

⁴⁶ At one point the study says 30 employers were involved, at another 26

In terms of **Food and Drink Manufacturing**, interviewees were adamant that it would be impossible to merge this sector within a Manufacturing NSA and retain credibility with employers within the sector (though there was some recognition that some issues around leadership and management and supervisory skills were not sector-specific). It was argued (despite the title of the NSA in England) that employers saw themselves as food processors not manufacturers and that the specific requirements in terms of food safety were a unique distinguishing characteristic of the sector:

“if something goes wrong in most manufacturing industry, customers get annoyed; if something goes wrong in food manufacturing, people – may be hundreds of people – can die.”

Perhaps more surprisingly, and despite the existence of a cross-sector Training Sub Group under the Food and Drink Strategy Advisory Partnership, interviewees both from within the Improve footprint and from other SSCs tended to believe that there was little scope for a vertically integrated “*gate to plate*” Academy across the agri-food sector, arguing that the issues faced by food and drink processors were quite distinct (if sometimes overlapping) from those faced by farmers or the hospitality sectors.

Likewise, interviewees in respect of **Sport and Active Leisure** acknowledged that there might be some scope for dialogue with some related sectors/SSCs such as Skills for Health, but in reality this had not happened within the English regions and there did not seem to be a huge appetite for it from any quarter to explore this. Indeed, one interviewee when asked whether they thought a collaborative approach between Skills for Health and SkillsActive might work, replied “*not really*”.

In terms of **Photonics**, the advantages of a more generic approach was not explicitly discussed, although as has already been seen, the Academy was seen as potentially compatible with the broader Manufacturing NSA developed in England (though an extension of this to Wales is not being actively pursued. Partners are however involved in developing a related proposal for developing a Foundation Degree in renewable energy, including photovoltaic technologies which would have significance across a range of current SSC footprints, though again this has no explicit link to the Manufacturing NSA.

In terms of **SSAW/SMAW**, an English interviewee, aware of the UK Government’s recently published view about the need for a drastic reduction in the number of SSCs commented that there were “*straws in the wind*” which were probably blowing in the direction of merging Skillset with Creative and Cultural Skills⁴⁷ and Skillfast⁴⁸, but he believed that differences in the way in which each of these SSCs viewed the Academy concept would make it difficult to adopt a common approach to Academies across the wider footprint, at least in the short to medium term. Other interviewees clearly did not see any advantages in broadening out the current Academies beyond the existing footprint.

⁴⁷ Advertising, Crafts, Music, Performing, Heritage, Design and Arts

⁴⁸ Fashion and Textiles

However, in terms of **Construction**, some interviewees (though not those from within SSCs) were somewhat more open to the view that an Academy model might cover the broader built environment, and individual site specific projects in England were said to have involved other SSCs/bodies such as Summit Skills and ECITB. However, this needs to be seen in the context of this being the case-study with the least developed proposals and the fact that one interviewee (an employer who had a key role in the Forum for the Built Environment) who favoured a much more broad-based approach had not heard of either Summit Skills or Asset Skills.

In terms of the focus of the Academies' (actual or proposed) activities, it was striking that, in general terms, there was in three of the five cases a strong emphasis on new entrants into the sector, rather than on workforce development.

Thus the motivation behind **SSAW/SMAW** was to ensure that undergraduate and postgraduate provision in Wales was well designed to meet the needs of the sector and to equip potential new entrants with the appropriate skills and experience. In practice the focus of SSAW to date has been on undergraduate (and to a lesser extent postgraduate) courses and has had no involvement with provision below level 6 and little involvement with the provision of CPD or short courses for those already within the workforce. Although a significant element of the (newly established) SMAW's activity will also revolve around moving new graduates into employment within the screen/media sector, facilitating CPD for the sector's existing workforce will feature far more prominently within its portfolio and this is expected to be reflected in the new merged SMSAW. This is in line with developments in England where Skillset Academies' focus has been shifting increasingly towards greater engagement with the existing workforce, driven in part by HEFCE's agenda (in response to Leitch) and in part, by demand from industry. Academies have, with the support of HEFCE funding, been working on the development of "*credit bearing CPD*" provision at Masters level, with credits being transferable between institutions.

Similarly, in terms of **Photonics** a significant focus of activity has been on developing an Apprenticeship framework targeted specifically at optronics and on the promotion of the STEM⁴⁹ agenda within schools (including CPD for teachers), while the **Construction NSA** has to some considerable extent been driven by the increasing emphasis on Corporate Social Responsibility, and in particular the requirement of large public sector projects for labour to be sourced locally, with a strong focus of Academies' activities being on upskilling local labour to access employment opportunities at major developments. The parallel National Construction College proposal was also largely driven by concerns that Welsh education and training providers were not providing sufficient new entrants into construction and did not offer opportunities for new entrants to acquire specialist skills such as large building roofing and scaffolding.

In terms of **Food and Drink Manufacturing**, by contrast, both the English NSA and the UWIC proposal appear to focus largely on upskilling the workforce (with it being notable, for example, that the NSA website does feature sections for employers and providers, but not for learners). Interestingly, however, both the underpinning research for the feasibility study and interviewees for our case study suggested that

⁴⁹ Science Technology Engineering and Mathematics

employers were more likely to identify skills (and indeed labour) shortages than skills gaps, and several interviewees suggested that this meant that the focus of the proposed Academy might be misconceived, although another key element of the Food Industry Skills Project is aimed at addressing the shortage of highly qualified food technologists wishing to enter the sector.

Finally, the existing **Sport and Active Leisure** NSA is largely focused on the existing workforce.

5.4 Activities Delivered/Proposed

In line with the varied foci of the different Academies, there is also a considerable variety in terms of the activities actually delivered or envisaged by the different Academy models, though in general it is clear that the emphasis is less on direct delivery of new and additional provision and more on providing ancillary support, signposting or advice and guidance.

Thus **SSAW** involves adding value to a range of 16 undergraduate and postgraduate courses offered by the participating HEIs (themselves funded through HEFCW's usual funding methodologies) through:

- Pre-entry study bursaries (totalling £40k in 2009/10).
- Production and completion bursaries.
- Festival attendance awards.
- European MEDIA-funded training scheme scholarships.
- Short Course awards.
- Placement Facility and Post Graduate facility.
- Industry Panel member.
- Curriculum Enhancement Investment.
- Master-classes, delivered by industry professionals, often internationally renowned.
- Mentoring by industry professionals.
- Residencies/Film Labs.
- Visiting Professors (introduced in 2008).
- Technical investment (introduced in 2008).
- International Exchanges (introduced in 2008).
- Outreach work *“to encourage a more diverse representation”*.
- An all-Wales after schools Film Club (with Film Agency Wales).

A key area of activity for the SSAW executive team is co-ordinating work experience opportunities for under- and post-graduates across the four participating universities, using Go Wales as a means of securing financial support for work placements where possible. This is done by a full time Work Experience Co-ordinator, replacing a

system which was something of a free for all, with each HEI marketing opportunities direct to employers, and was described by one contributor as “*a heck of a job*”.

The services to be delivered by the fledgling **SMAW** differ slightly from those delivered by SSAW, though there are some areas of overlap, which will enable efficiency savings to be made. The main areas of focus for the SMAW will be:

- Helping graduates secure work in the “media” sub-sector through, for example, work placement opportunities after graduation (much in line with that done by SSAW).
- Facilitating Continuous Professional Development (CPD) opportunities for the existing workforce through the provision of a range of short and longer courses, with training needs identified in collaboration with specialist HRD Advisers and grants (for employers) or bursaries (for freelancers) being awarded to support activities identified in training plans drawn up. In effect, the SMAW will become the vehicle by which Skillset “*facilitates the Workforce Development Programme*” for the Welsh Assembly Government insofar as it applies to the screen/media sector.
- Researching the scope for the development of “apprenticeship” level qualifications in line with the Credit and Qualifications Framework for Wales.
- Providing for tutors at “member” institutions to undertake three weeks’ industry placement every year.

In terms of the **Photonics** Academy, activities to date have involved:

- Promotion of Photonics careers to young people: A central plank of the Photonics Academy at OptIC has been to “*to raise awareness among today’s school children and to encourage them to develop an interest in the subject*”, with a view to enthusing more young people to opt for STEM subjects at school and a career in the optronics field, through:
 - schools visits (to both primary and secondary schools) by Academy staff to promote the idea and study of physics;
 - arranging a two-day Conference on “*Education and Training in Optics and Photonics*” for young people in July 2009 (which it is expected will be repeated in future years);
 - organising a four week summer school for Sixth Form science students, which involved them working on the “*design and construction*” of products using, inter alia, lasers and electrical circuits; encouraging a number of extra-curricular activities linked to Science;
 - delivering a one-off InSET day for non specialist teachers “*having to teach electronics so they can deliver the GCSE curriculum*”;
 - using the Academy’s website to provide information about careers.
- Training new entrants to the sector: In 2006 the Technicians in Optoelectronics (TOPS) project was set up under the Photonics Academy banner with funding from DCELLS and participation from Deeside College

(as the lead organisation), Bangor University, SEMTA, OpTIC and the Welsh Assembly Government, amongst others in order to develop “an approved apprenticeship framework for the Optoelectronics sector”, with associated teaching and learning materials and to “provide a tailored apprenticeship programme to support employers and employees as well as developing a number of leadership and management short courses to support small companies in the sector. The Apprenticeship programme has now been developed and is delivered by Deeside College at its Connah’s Quay campus using standard DCELLS funding.

- Continuous professional development for those already working within the sector: This includes:
 - A series of technical and more general short courses for businesses on a self financing basis, with general courses such as “*Selling Naturally*”, “*Presentation Skills*” and “*Essential Leadership*”, delivered by a partner training provider, Learning to Inspire, and more sector specific or technical titles such as “*Optical Engineering*”, “*Optical Thin Films*” and “*Introduction to Optical and Infrared Sensor Systems*” delivered as part of a Cranfield University led Innovation and Knowledge Centres (IKC) programme.
 - An MSc Programme in Ultra-precision Technologies & Applications delivered by the IKC (which includes Cranfield, Cambridge University, University College London and OpTIC itself).

In terms of **Sport and Active Leisure**, the existing NSA in England (and hence the proposed Welsh hub) is very much focused on acting “as an impartial honest broker” in order to match employers seeking training provision with quality assured providers.

The English NSA website states that it offers its members a range of services, in order to “ensure higher standards, better career opportunities and a more professional approach to training in the sector”. These include:

- Access to a network of approved training providers (with the NSA offering a “badge” to approved providers.
- Special member rates off courses offered by accredited providers.
- Career resources and tools to help give them [employers] an advantage.

The NSA operates through nine regional hubs (supported by a central organisation) each of which has a small (usually three) staff of Business Development Executives who, according to an interviewee, “set up the regional provider network and get out there and sell it to employers”. The NSA aspires to generate efficiency savings by aggregating demand for training:

“We may know, for example, that several of our employer members may be in the market for health and safety training. We can arrange for this training to be delivered in a way that generates efficiency savings for these employers”.

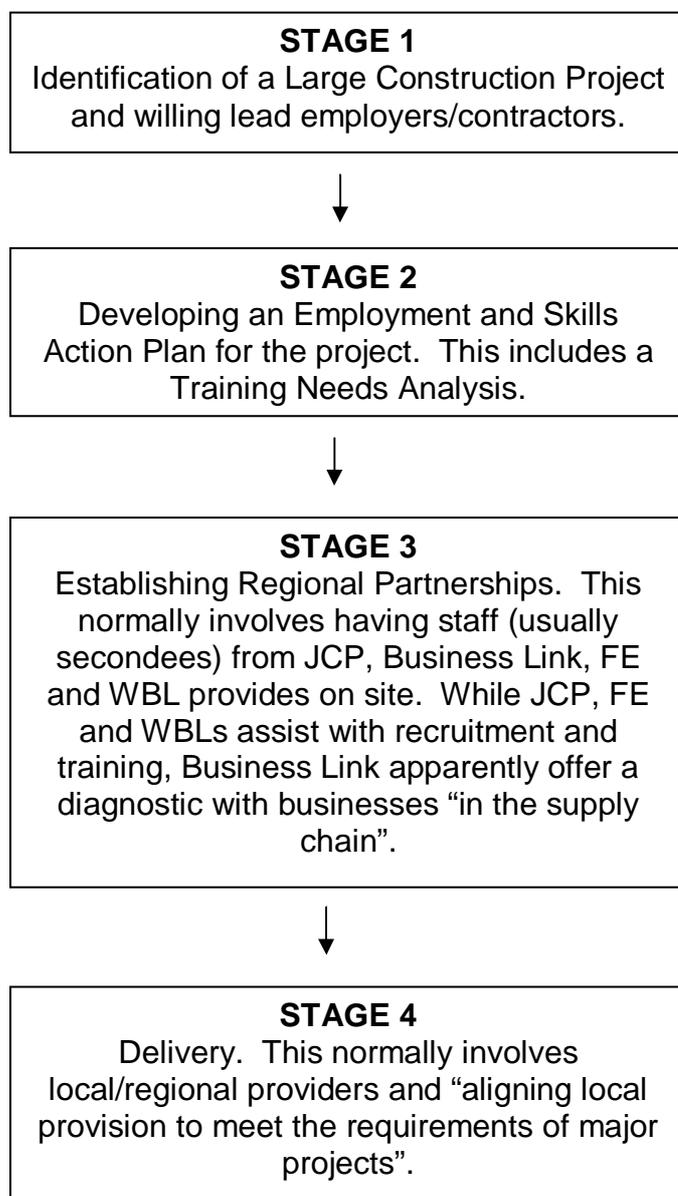
In many ways, the model for the **Food and Drink Manufacturing** NSA in England is quite similar to this also, although in the case of the Food and Drink NSA, it is Improve's own fieldforce who are expected to market the NSA to employers, with the staff of the Academy concentrating more on provider accreditation and relationships and managing a central information function. The NSA provides a training directory and portal (though this seems to allow only limited search facilities – e.g. either by region, by sector or by type of training rather than by a combination of these: the UWIC feasibility study suggests that some providers were unhappy with the functionality of the website). It also only admits providers who have been through its quality assurance processes, which include an application process (covering issues such as latest Ofsted inspection results; accreditation by specialist bodies such as the Chartered Institute of Environmental Health, British Retail Consortium etc; and references from at least two employers who have used the service) followed by a visit from one of the NSA's Business Relationship Managers.

The model proposed by the UWIC feasibility study suggests a similar focus on accreditation of provision and signposting, defining the anticipated activities of the Welsh NSA as follows:

- An online directory of appropriate provision with a search engine to enable employers to navigate it.
- An *“advisory person”* who *“would work as a platform for all the other attributes to sit”* [sic]. The postholder would:
 - Design, implement and promote a food and drink industry directory online.
 - Create and maintain a training matrix.
 - Design and implement and oversee a training forum.
 - Attend the steering group.
 - Organise and lead annual training and qualification meetings.
 - Advise industry on any training queries.
 - Support Marketing of providers and training courses.
- Biannual a training forum for employers.
- Independent quality assurance.
- Marketing and PR.
- Improved collaboration between providers.
- *“More work based training opportunities.”*

The study does not, however, identify in any detail how the three last of these would be achieved by the Academy.

Finally, in terms of **Construction**, as will already be clear this is the case-study where there has been least progress (or indeed effort) to describe how an Academy might operate or what role it might fulfil. However, in England, the model is based on the following process which is undertaken separately for each major project/site:



5.5 Funding and Management Arrangements

One of the most striking variations between the different Academy models examined by the case studies is the huge range in terms of their potential costs, and the requirement for external funding to help establish them in Wales.

Thus, **SSAW/MAW** have already benefited from a funding package which totals over £2million (which does not include the costs of the provision of undergraduate and postgraduate courses). This package includes:

- Skillset levy funding: £1.2m allocated in 2006 for a three year period.
- UK Film Council (lottery funding): £350k allocated in 2007 for an 18 month period.
- HEFCW Reconfiguration and Collaboration Fund: £620k allocated in 2006 for a two year period, to part match the Skillset levy funding grant.
- HEFCW Strategic Intervention Grant: £500k allocated in 2007 for an 18 month period.

Skillset is currently bidding for further monies from DCELLS' Sector Priorities Fund, to explore cooperation with FEIs. It has also recently submitted a bid for £440k (to be matched by contributions by partners) over 18 months (until February 2011) under HEFCW's Economic Support Initiative, under the title "*Skillset Academi +*". This funding is intended to add to the services which the embryonic Skillset Screen and Media Academy Wales will deliver to the wider Creative Media sector during "*a time of economic difficulty*". The project is designed to:

- "*treble the amount of new entrants training schemes for graduates finding it difficult to enter the sector and actually find posts for these individuals during a time of economic difficulty*";
- "*provide direct high level CPD training for businesses and freelancers*";
- "*deliver careers advice and guidance which is led by industry to those wishing to enter and progress during the recession*".

Similarly, the **Photonics Academy** has benefited from substantial grant funding from DCELLS, though this has largely been focused on the TOPS project to develop and pilot an apprenticeship Programme tailored to the optronics sector and has been delivered via Deeside College as a member of the Academy. Specifically, an initial grant of £20k in 2005, to examine American specifications for level 3 – equivalent technician training and convert them into a form compatible with CQFW was followed by a much more significant grant of £600k over a three year period which funded:

- Some of the core costs of the Academy including the salary costs for the Director until July 2009 (it is unclear how his input is paid for now).
- Developing and piloting the Level 3 Apprenticeship Framework: this included meeting the costs of full time students undertaking the then draft qualification prior to its being approved within the MA Framework (and thus becoming eligible for funding under 'Schedule 96' of the NPFS).
- A feasibility study into "*Leadership and Management knowledge transfer*" among OpTIC companies.
- A subsidy for OpTIC members for accessing the delivery of Leadership and Management short courses delivered by Learning to Inspire.

Other sources of funding accessed by the Academy include:

- NPFS funding in respect of participating Apprentices (both part and full time).
- Funding of some salary costs by OpTIC.
- KTP funding which is used to enable the promotion of STEM and photonics to school children.
- Small grants from organisations such as Engineering UK and the Nuffield Foundation to support specific activities.
- Fees received from employers and/or individuals participating in courses put on at OpTIC.

By comparison to these actual examples of the costs of delivering Academy approaches, interviewees from the three other case-studies tended to play down the potential costs of developing an Academy model in Wales.

At the most extreme, the UWIC feasibility study for the **Food and Drink Manufacturing** Academy argues that its model would require minimal set up costs, estimated at £1,000 to cover the costs of setting up a search engine (which it is believed could be funded from within the FISP budget) and very modest ongoing running costs for the NSA viz:

- Maintenance of a search engine (which the report suggests could *“if keep [sic] relatively simple...be carried out internally”*).
- The costs of convening a training forum for employers on a bi-annual basis – costed as *“£650 x2 (based on past events)”*.
- The costs of one full time advisory post *“£35,000 per annum”*.

The feasibility study suggests that the most likely source for this would be the Sector Priorities Fund Pilot (SPFP). In practice at the time of this report (December 2009) the idea of bidding to the SPFP for funding for a Skills Academy in Wales had been put on hold because of disagreements between partners over its appropriateness in its current format.

The realism of these estimates is open to question. In particular:

- Little thought appears to have been given as to how to market and raise awareness of the Academy should it be approved. Given that there was a widespread perception from interviewees that employers were confused by the plethora of different training offers, the Academy would clearly need strong positioning to establish itself as the first port of call for Welsh employers in the sector. Simply creating an online directory would be unlikely to prove effective without a clear and funded marketing strategy, but there is no budget for this.
- More generally, the resources envisaged do not seem equal to the task. The *“field force”* of one officer is unlikely to be sufficient to provide

dedicated advice and support to employers, given the requirement for the postholder to fulfil a number of other roles including quality assuring provision. There is no consideration of overheads or other costs.

- There is no consideration of longer term funding or suggestions as to how to make the service sustainable, with the feasibility study merely ruling out employers' contributions and noting that Welsh providers are unprepared to pay the high membership fees demanded by the English NSA.

It is not clear, by comparison, what the overall budget for the existing NSA in England, though it does only employ a core staff of five (with engagement with employers being delegated to Improve staff). The NSA was one of the first four to be funded, and has LSC funding until mid 2010 and additional public sector funding has been accessed via a number of RDAs. However, the main source of income going forward is expected to be from approved providers who pay a membership fee – varying from £2,500 for core membership for *“organisations that deliver a broad range of subjects into a broad range of food and drink businesses”*, to £5,000 for Specialist members - *“Organisations who offer specialist solutions to the needs of a sub-sector (Dairy, Seafood etc), or functional capability Leadership and Management, Lean Manufacturing etc)”* to £10,000 for so-called Specialist Champions (one for each sub-sector or theme) – *“those who demonstrate a pro-active approach to engaging regionally and nationally with employers”*. There is no membership fee for employers.

Turning to **Sport and Active Leisure**, while there is currently no firm proposal or business plan for a Welsh “hub”, SkillsActive interviewees noted that the current proposals for a hub in South West of England (the one region where a hub is not already operational) would require some £120-£150k p.a. for the first three years. It was thought that the costs for Wales might be somewhat lower – though this was based on having only one Business Development Officer, which may well not be realistic, and a contribution to overhead/office costs. It was argued that there was no reason why the officer could not be line managed within the England/UK structure and all the associated back office services already set up in England (e.g. the finance/revenue/membership functions could be handled centrally). *“Why would you want to re-invent the wheel and create extra overhead costs when the central team already exists and could cope with an extra region like Wales?”*

The financial model of the NSA in England brings together initial core funding from the LSC (due to run out in 2011), additional funding sourced from a small number of RDAs and contributions from both providers and employers. Training providers are required to pay a *“flat fee”* of £2,000 per year to *“get the NSA badge”* and the fee for employers depends on size as follows:

- Small £100 p.a.
- Medium £350 p.a.
- Large £1,000 plus.

Finally, few interviewees were able to provide much detail in terms of the likely funding of a **Construction** Academy model in Wales. However, one interviewee with

good knowledge of the approach in England argued that, given that Construction Skills themselves benefited from a levy system, and that construction companies who had been awarded major contracts were themselves able to fund training needed to deliver those contracts, the public funding needed would be small, possibly as low as £40k p.a. to part-fund a coordinator and translate existing marketing materials into Welsh. Indeed, it was argued that *“there’s already intent from an employer point of view for this to happen in Wales anyway”* and that *“we could probably do this in Wales anyway – even with out WAG”*.

Another interviewee, with an employer perspective, also argued that the costs of the training provision themselves could (and arguably should) be absorbed into the overall tender specification and hence contract price for the sort of large projects which the approach was relevant for:

“it’s all coming from the public sector purse in one shape or form anyway on most of these projects in Wales”.

However, there are no current plans to put together a funding package for any Construction Academies in Wales.

Of course, as already noted, the discussion of a Skills Academy was considered separate to the proposal for a National Construction College. The SOP submitted for this did not contain any cost estimates for this development.

In terms of management arrangements, the case studies again show a range of models. At one end of the spectrum, in the case of both the **Sport and Active Leisure** proposal, and the NSAs for **Construction** and **Food and Drink Manufacturing** in England, the relevant SSCs have a dominant role, with both the Sport and Active Leisure and Food and Drink Manufacturing NSAs being wholly owned subsidiaries of their respective SSCs, albeit with separate Boards made up of a mix of employers and stakeholders. Indeed, in the case of Sport and Active Leisure, one interviewee admitted that the separation between the NSA and SkillsActive was largely artificial and driven by the requirements of the LSC funding regime: once the LSC funding came to an end, it was quite possible that the two would be merged, albeit while retaining the NSA Network branding.

By contrast, **SSAW/SMAW** are formally consortia of HEIs, with SSAW staff on the payroll of the University of Glamorgan as the lead partner. However, close relationships with Skillset are maintained by a system of licensing (with each Academy being relicensed by Skillset every two years), by the fact that staff are co-located with Skillset and by the input from the SSC into the Management Board which comprises senior figures from each member institution and representatives of Skillset Cymru, the Film Agency for Wales, Creative Business Wales (an arm of the Welsh Assembly Government), TAPS Cymru (the screenwriters association), Glassworks (a post production company) and Barcud Derwen (a television facilities company).

The Management Board is also advised by an Industry Liaison Panel (ILP), which is chaired by a Management Board member and comprises representatives from firms operating in the various specialisms served by the SSAW (e.g. animation,

cinematography, direction, production, screen writing and so forth) and latterly SMAW. Industry Liaison Panel members contribute to the work of the SSAW/SMAW in three main ways:

- Bringing their practical industry experience to the table in order to guide the development of the curriculum.
- Giving talks at SSAW organised “*master-classes*”, some of which also involve world renowned specialists in their fields.
- Mentoring under and post graduate students.

At the other end of the spectrum, **the Photonics Academy** is now to a considerable extent provider led, with Bangor University and more recently, Deeside College playing a key role in driving the Academy forward, albeit with input from a broad based Steering Group including SEMTA and employers within the sector.

Interestingly, the UWIC proposal for a distinctive **Food and Drink Manufacturing Academy** in Wales is also predicated on the Academy being located within a provider organisation viz. UWIC itself, albeit with a Steering Group based on the current Food Industry Strategy Steering Group (responsible for managing the FISP), bringing together providers, employers and the SSC. In this sense, the conflict with the English NSA is in some ways symptomatic of a struggle between providers and SSC for strategic direction of the Skills Academy agenda.

5.6 Key Relationships: Employer Engagement

Employer engagement (or the lack of it) is clearly a critical issue in the debate about Skills Academies, and indeed SSCs and the case-studies again reveal a very wide range of experience and large differences in terms of the context in which Academies are operating or might operate.

On the one hand, there was wide recognition from interviewees that the Academies related to the two SSCs with levy powers (**Construction Skills** and **Skillset**) were significantly better positioned in terms of employer engagement than the other Academy models.

Interviewees in the **SSAW/SMAW** case study were very complementary about the extent to which the Academies (and Skillset) had very close relationships with employers within the sector, although we were not able to talk directly to employers. One public sector interviewee noted that Skillset were “*streets ahead*” of most other SSCs in terms of their employer engagement, and another noted that employer members of the Industry Liaison Panel had been very active and vocal in their support of a recent funding application to take forward the work of the Academies. Overall, there seemed considerable confidence that even if these Academies were consortia of providers, the strong employer input meant that their approach was likely to be attuned to employer needs.

Similarly, there was some (if limited) evidence that the **Construction Skills Academy** model as rolled out in England was based on relatively strong employer engagement – at least from larger companies many of whom are actively engaged in supporting the Academy in England. The Welsh based employer interviewed for the case-study

had some experience of the Academy model in action and was strongly supportive of the concept, though interestingly seeing engagement with it as a way of burnishing CSR credentials and strengthening the competitive edge in tendering for public sector contracts:

“Offering to play a key role in the establishment of an academy puts one extra really sharp tool in my box.”

Interviewees were far less sure that the Academy models put forward in terms of **Sport and Active Leisure** and **Food and Drink Manufacturing** commanded the same degree of employer support.

In terms of the former, as has already been seen, all interviewees emphasised the need for new research to gauge employer interest in subscribing to a Welsh hub, and there was some scepticism expressed as to whether employers really needed (or would pay for) the sort of “*brokerage*” which the Academy model offered. One employer interviewee - though on balance in favour of the idea - stressed that the sector in Wales was much more reliant on the public sector, whereas in England there was a higher proportion of private sector employers – and argued that this had implications on price sensitivity and the willingness to pay at all for this type of service which, in turn, could have quite major implications on the potential viability and on-going sustainability of such a project in Wales. Another interviewee, recalling the original Sector Development Fund pilot thought that “*the brokerage function was quite a good concept I guess*”, but added “*I don’t think it was heavily used to be polite about it*”.

In terms of **Food and Drink Manufacturing**, a strong theme to emerge from all interviewees was that, with only one staff member in Wales, Improve as the SSC found it impossible to engage in a structured way with smaller employers, while many of the larger employers were not particularly interested because they already had suitable training provision (including arrangements with HEIs to help recruitment of Food Science Technologist) in place. Arguably, this rather begs the question of how a one-man Skills Academy would be able to engage with employers in any effective manner (and the extent to which Improve staff in English regions are succeeding in drumming up business for the NSA in England).

It was noted that while employers had originally been recruited to the Food Industry Skills Strategy Group they had not been regular attenders and had now virtually dropped out of sight. One interviewee drawing on this experience thought that any attempt to engage the larger employers in the oversight of a Wales-based Academy was “*just a waste of time*”.

More generally, none of the interviewees outside UWIC were firmly convinced that the “*solution*” prescribed by the feasibility study was one which would succeed in mobilising employers. In this context, it is interesting that there is no consideration at all in the feasibility study of how the Academy should engage with other employer-facing resources, notably DCELLS HRD Advisers, the Food Business Development Advisors funded by the Rural Affairs Department or the DET Business Relationship managers: indeed, the lack of any mention of the WAG field force in the study is striking. The proposal also appears to do nothing to address one of the

major skills issues identified as facing the sector viz the lack of new entrants into the sector.

Finally, in terms of the **Photonics Academy**, the Academy clearly has a good relationship with the Wales Opto-Electronic Forum, which was centred on the north east Wales opto-electronics 'cluster'. Interviewees believed that the Academy had succeeded in engaging with this cluster, including the 20 or so firms based at OpTIC, on the development of the Apprenticeships. The Academy also appears to have good links with employers across the border, not least through its involvement with the Cranfield University led IKC.

5.7 Key Relationships: Providers

It seems fair to say that - perhaps unsurprisingly, since the concept of Academies presupposes a degree of market failure in existing provision – many providers interviewed across three of the case-studies⁵⁰ seemed at best sceptical about the Academies, although there were clearly examples of providers trying to wrest control of Academy proposals as a way of buttressing their own position.

Even in the case of **SSAW/MAW** where the HEIs are the key partners in the delivery of the Academies, and where the consensus view was that the model was based on strong employer engagement, there was some doubt as to whether it was an optimum use of resources. Though providers generally recognised that the partnership approach (which is distinctive to Wales) had yielded benefits in terms of *“breaking down barriers and making things less competitive”* between institutions and in increasing the number of bilateral agreements between institutions, enabling them to *“play to their strengths”*, it was also argued that the collaborative model had principally been funding led (in particular because of the need to access HEFCW's Reconfiguration and Collaboration Funding). There seemed to be a consensus among those stakeholders most closely involved with the Academies that this might not have been the most ideal approach, and that it would have been considerably easier to establish smaller, single institution based Academies for each main discipline, according to institutions' particular areas of expertise. One interviewee claimed that the member institutions found it difficult to understand the reason for establishing the Academy in the early days and another argued that it could still be difficult for industry and learners to *“understand what they are part of”*, particularly when different institutions were involved in delivering various options to the same individual or firm. Furthermore, it was argued that *“the Academy spreads things too thinly”* and *“a lot of resource is used in making the partnership work”*.

In terms of **Sport and Active Leisure**, the provider interviewed who was fully aware of and actively engaged in the NSA in England was generally negative about the experience to date of the hub and spoke model (although it needs to be acknowledged that the Academy is still quite new):

“Initially we thought we might get a bit of business from it, but that's not been the case at all... The thing is, as private providers, we can't just sit back and expect business to come to us. We've got to be aggressive in our marketing.”

⁵⁰ We were not able to interview any relevant providers in the case of Construction

On the basis of his experience with the English NSA, he concluded *that “I don’t believe there’s a real gap in the market to be honest with you”*.

Similarly, turning to **Food and Drink Manufacturing**, the UWIC feasibility study reports some evidence that providers in England have yet to be convinced of the value of the NSA in England, noting (albeit on the basis of a small sample) that while *“NSA members were generally happy with the current relationship with the NSA England... Network members discussed the future benefits of being a member of the NSA: however, few discussed any gains they had made to date. Network members expressed concern with the Network e.g. not working to its full potential, not being cost effective, not adding value, they also believe that the NSA is experiencing resourcing problems and most respondents believe the website had room for improvement”*.

At the same time, it needs to be recognised that the NSA Academy has already signed up some 51 members, and is thus well on the way to reaching its target of 60 providers by mid 2010.

However, provider interviewees outside of UWIC were equally unconvinced that the model of a Wales-specific Skills Academy proposed by the feasibility study would add value. Several argued that larger companies were in any case well set up to identify their own training needs and solutions (*“bigger companies have got it sown up”*) and that they would not have any use for a *“directory of training”* or portal; and that for smaller companies having an additional organisation jostling for their attention would just add to the confusion (*“people are already tripping over each other and it could just add another level of confusion”*). One interviewee argued forcefully that what smaller businesses needed was objective advice and support in identifying providers and did not see this as part of the current proposals⁵¹.

Moreover, stakeholders outside Food Network Wales (a loose branding bringing together UWIC with two other providers of support and training to food businesses, the Food Technology Centre at Coleg Menai and the Food Centre Wales at Horeb in Ceredigion) were sceptical of the extent to which other providers would be included on a level playing field. One argued that any attempt to give a SSC-related Skills Academy a role in quality assurance would be disastrous given potential conflicts of interest with the SSCs role in selling qualifications. Others also were sceptical of the basis on which a QA process could be implemented, and worried that in the end, Skills Academies would end up being reliant on providers’ fees which would undermine any attempt to enforce high standards.

However, the **Photonics Academy** appears here to be something of a special case (perhaps reflecting the very specialist nature of the sector) and is interesting in that a range of education and training providers are involved with it in different ways.

⁵¹ Though in fact the Feasibility Study is advocating having one full time position to provide this sort of advice

In terms of HEIs:

- Bangor University was instrumental in its establishment, but its involvement in its day to day functioning seems to have waned.
- Since the transfer of Techniums to HEIs, OpTIC has come under the auspices of Glyndwr University which therefore now is responsible for the Academy.
- It works alongside Cranfield and Cambridge Universities as well as University College London to deliver higher level CPD.

In terms of FEIs:

- Deeside College has worked intensively as a core member of the Photonics Academy in developing and delivering apprenticeship training designed specifically for the sub-sector. Deeside College sees itself as the only provider capable of delivering relevant technician training to the sub-sector in Wales, and possibly in the UK.
- Llandrillo College is ostensibly a partner in the TOPS project, though in reality it has not played an active part as yet. Its profile within the Academy may well become higher, however, if it badges its foundation degree in renewables a Photonics Academy product (see above).

In terms of other learning providers:

- OpTIC effectively provides the facilities and customers for Learning to Inspire's general management courses.
- OpTIC provides facilities in the north west for the delivery of Cranfield University's MSc programme.

There appears to be good relationships between these providers.

5.8 Key Relationships: SSCs

All the Academy models within the case-studies are based on very close relationships with the relevant SSCs, with the partial exception of the **Photonics Academy**, though even here SEMTA plays a relatively active role on its Management Board.

As already noted, the **Sport and Active Leisure** NSA is effectively a construct of SkillsActive and the proposal for a Welsh hub is largely being championed by the SSC. Similarly, the English NSA for **Food and Drink Manufacturing** is effectively a creation of Improve, though the model proposed by the UWIC feasibility study is somewhat different (and thus providing a source of some conflict between Improve headquarters and the at least some of the FISP members), while the site-specific **Construction** Skills Academy model is very much the product of Construction Skills.

The **SSAW/SMAW** model – albeit distinctive because of its collaborative nature – has also arisen from very active championing from Skillset, as part of a UK wide approach.

In general, case-study interviewees from “sponsor” SSCs were, unsurprisingly, generally supportive about the Academy models, though some Welsh Managers appeared less convinced about the successes of the English Academies to date than their headquarters colleagues.

That said, our case-study fieldwork with SSCs also confirmed work undertaken in Stage 2 to consider the overall landscape within Wales with regard to Academies. Several of the “bordering” SSCs who we spoke to were frankly unconvinced and uninterested in pursuing Academy models with one for example saying:

“I don’t know anything about Academies. I’m not sure where we’re at with them at a UK level. I know it’s certainly not a priority for us in Wales – it’s not even on my radar.”

5.9 Key Relationships: Public Sector

In general terms, public sector interviewees were not closely involved in the delivery of, and plans for, Skills Academies, even where they were providing key sources of funding. Thus, for example, although DET were represented on the Photonics Academy Steering Group, they were said not to have attended meetings “for some time”.

While there were generally more positive perceptions of **SSAW/SMAW**, Welsh Assembly Government interviewees were generally quite sceptical about the extent of momentum behind the Academy agenda, with one for example arguing “*the jury’s still very much out on the whole Academy concept...they’ve [the SSC] said that they want to put something in but I’ve not seen anything from them as yet. You’d have to wonder really how much of a priority this really is for them if they haven’t been able to put a coherent case together yet*”.

This interviewee – echoing the comment of a provider about the Food and Drink proposals – wondered whether an extra tier of bureaucracy was needed – or whether “*making what we’ve got work better*” was the more sensible way forward in the current climate.

Another, speaking of a different Academy proposal said:

“We have real concerns about whether applying this model in Wales would be truly responsive and whether it would be sustainable in the long term.... I’m not convinced it would add anything. As far as we’re concerned we haven’t seen evidence that there’s a compelling case for this to happen in Wales.”

5.10 Replicability and Sustainability

In terms of developing a potential network of Skills Academies in Wales, the questions of replicability and the sustainability of proposed models being developed are clearly vital ones.

It is unfortunate therefore that the two extant Academies within Wales examined as part of this case-study, both of which have clearly had some success, are only replicable to a limited extent.

Thus, in the case of **SSAW/SMAW**, most interviewees were doubtful that the model could be replicated in many, if any other sectors, because:

- It has been driven by a well organised, well respected and well resourced SSC which is close to its sector and has developed a strong interface with the Workforce Development Programme and, therefore, has a means of accessing and communicating information.
- It has benefited from SSC levy funding to “kick-start” things, other SSCs do not have this luxury.
- It has benefited from very significant levels of HEFCW funding on two (now three) occasions, thanks in no small part to the SSC’s skills and energy in developing “*well researched and well evidenced*” applications.
- Partly as the result of HEFCW funding, it has succeeded in drawing together a network of providers to take on and drive forward the day to day delivery of the initiative, on the basis of clear quality control by the SSC.
- The industry recruits graduate level workers, which narrows the Academy’s focus to a more manageable level, with the work to date having only involved HEIs. It is questionable whether any other sector could deliver its Academy-type goals with such a single minded focus on level 6 and above.

However, one stakeholder did argue that, given the agenda for HE in Wales set out in For our Future (see Section 3), it might be possible to develop regional collaborative models bringing together HE and FEIs within sectorally focused clusters which might take forward the Academy concept.

Similarly, the **Photonics Academy** which, of course, was an initiative taken forward separate from the mainstream SSC-led push for Academies, is distinctive in the sense that it is narrowly focused on a specific sub-sector of manufacturing, has been “*embedded*” within the OptIC Technium, and is also characterised by a strong contribution from a small number of key providers (albeit with strong employer engagement) in terms of delivering specific initiatives. It is doubtful that this sort of model could be rolled out to cope with a far larger footprint (even of one SSC) where a far broader range of provision is needed. However, it is possible that this model could serve other manufacturing sub-sectors and one interviewee told us that in fact the Photonics Academy model was already being used as the blue-print for an “*Advanced Materials Group*”, which involves Deeside College and Glyndwr University (two key partners within the Photonics Academy, as well as Swansea, John Moores and Wolverhampton Universities, DCELLS, DE&T, SEMTA, Airbus and a number of its suppliers. The Group had been formed to consider the implications of Airbus’ shift towards the use of new composite materials in the construction of aircraft. A key element of its consideration was likely to be the skills needs of the Airbus itself and its supplier chain companies.

In terms of the distinctive Welsh model for **Food and Drink Manufacturing**, there are at present too many question marks over its design (particularly the small scale of resources envisaged relative to the job expected of it), ownership and viability for it to serve as a blueprint for other sectors. There are also serious question marks over the appropriateness of, and buy in to, the **Construction NSA** model in the Welsh context, and this too is unlikely to be replicable given the focus of the model on large, one-off projects (though there may be some parallels with the Skillsmart Skills Shops model).

In terms of the rolling out the essentially English model of the **Sport and Active Leisure** (and also the existing Food and Drink Manufacturing NSA), the evidence from the case-studies suggests there is limited enthusiasm from most stakeholders for an initiative which is at present focused on improved “badging” of and “signposting” to existing provision. The admittedly limited evidence gathered in the case-studies about the current operation of these NSAs in England echoes the findings of the desk review in Section 4 that, at best, it is too early to assert with any confidence that the models have demonstrated any added value.

In terms of sustainability, while it needs to be acknowledged that to expect any initiative which deals with the provision of learning – particularly given the focus of several of these models on new entrants – to “break even” is to set a high bar, it is nevertheless clear that for most of these models examined, sustainability will be hard to achieve.

Again, this is perhaps less the case for the **Photonics Academy** since – following on from the development work funded by DCELLS – the bulk of the costs are now met either by the NPFS (for the Apprenticeship programme) or by employers paying the full costs of the training (for the MSc programme and Short courses). However, even here, the core costs of the very small Academy team are reliant on Glyndwr University as the new owner of OpTIC continuing to provide core funding while some of the pupil engagement activities are reliant on piecemeal funding and are not sustainable unless sponsorship or grants can be found one year after another.

While the costs of provision of undergraduate and postgraduate courses has never been met by **SSAW/SMAW** and thus is sustainable without ongoing additional funding, the current model is unlikely to be sustainable without ongoing funding to support the employment of central staff. It is this staff that acts as the glue between consortium members and effectively prevents (or at least reduces the likelihood) of institutions competing against each other e.g. for student placement opportunities and also adds considerable value to the undergraduate and postgraduate experience by securing industry placements, for example. While interviewees outside the providers believed that *“it’ll be a disaster if they [HEIs] don’t prioritise their own funding”* to maintain the arrangements developed, it is too soon to be confident that, in the longer term, with likely tight constraint on HE funding, this will not seem like an easy cut to make.

In terms of the English-based NSAs in **Sport and Active Leisure** and **Food and Drink Manufacturing**, interviewees recognised that achieving sustainability after three initial years of LSC funding was likely to be a challenge, with one closely

involved with one of the Academies admitting that there were “*real question marks over the realism of this*”. In practice, these NSAs are working on the basis of mixing charges to providers for inclusion (which arguably in the longer term may undermine the willingness on the part of the Academy to apply great rigour to the quality assurance and is also dependent on the providers believing there is a sound commercial basis for making these payments) and, in the case of Sport and Active Leisure, to employers, with attempts to gain (still public) funding from RDAs. By apparently eschewing the option of charging either providers or employers for the (admittedly very limited) core costs of the model proposed in the UWIC feasibility study, it seems clear that there is an expectation that these costs would have to be met by Welsh Assembly Government funding.

Finally, in terms of **Construction**, it seems possible that the bulk of the costs of implementing the Academy model might be covered in the longer term by principal contractors delivering major contracts (with the costs effectively rolled up in the contract price) but the concerns about sustainability are more related to the lasting impact of the approach, with one interviewee arguing, for example, that the model was flawed because:

“it just deals with the skills you need now. Because it’s based on projects, it doesn’t really tackle the issues of preparing people for future skills needs.”

5.11 Conclusions

The five case-studies which we have examined are clearly very diverse and it is difficult to draw any consistent lessons from them. However, it does seem possible to conclude that:

- There is no one model which can yet both clearly demonstrate success (either in England or in Wales), certainly in terms of outcomes, and is easily replicable within the Welsh context to other sectors.
- More successful approaches to date appear to be characterised by strong engagement with providers who see significant benefits in engagement with a specific (often niche) market. However, providers may be quite sceptical of the added value of Academy models which are driven from elsewhere.
- Those SSCs with levy raising powers clearly have a huge advantage in driving forward initiatives – if they chose to do so.
- The proposals currently on the table but not yet implemented are quite contested and are far from commanding wide support.
- While SSCs are often the cheerleaders for Academy proposals, enthusiasm varies greatly between SSCs and even within them.
- There is a perhaps surprisingly strong focus in practice of some of the Academies which are operational on new entrants to the workforce rather than on workforce development as such.
- There is a strong focus in some of the models on correcting what is seen as a market failure in terms of linking existing supply and employer

demand, with surprisingly little emphasis (as yet) on reshaping provision: outside SSCs, many stakeholders are sceptical about whether this adds value, or just adds to confusion.

- Employer engagement (and hence Labour Market Intelligence) is a real problem for less well resourced SSCs and there is still limited interface (and limited connections being made) between the Welsh Assembly Government's business-facing fieldforce(s) and SSCs and their Academy proposals: the exception here is Skillset, where there is an embedded relationship between HRD Advisors and the SSC which helps inform the provision by the Academy.
- There is little (if any) appetite for very broad-based approaches, with Welsh Academies structured around the aggregation of a number of SSC footprints: if anything, stakeholders tend to believe Academies have greater credibility with employers the more narrow and specific their focus (whether on a sub-sector or in the case of Construction the challenges of a specific project).
- Proposals on the table are generally thought to be relatively inexpensive to deliver: but in practice the two models already operating have absorbed quite significant public funding to get them to their current position and, in all likelihood, will continue to need public support to maintain the level of service currently being provided.
- There are real question marks over the financial sustainability of any of the models and there may be a tension between the avowed aim of some of the Academy models to quality assure and badge provision, and the need to generate income from charging providers "membership fees", particularly as public funding is reduced.

6.0 Conclusions And Recommendations

Overall, this study suggests that there is no straightforward answer to the question of whether Wales needs a network of Skills Academies and, if so, what such a network might look like.

While international experience certainly suggests that sector-based approaches to defining and delivering learning can yield significant benefits, the success of such approaches seems also to be strongly related to the extent to which sectoral bodies both operate effectively within the context of a country's institutional make up (including the relationship between political authorities at different levels of the state), for example by building robust partnerships with providers and other key bodies, by coherent and appropriate employer engagement and by having clearly defined priorities, and also are empowered with levers (most notably funding) to reshape the pattern of provision.

There is as yet insufficient evidence for the effectiveness of Skills Academies in England, but the review of the Welsh policy context and the fieldwork which has been undertaken for this study suggest that, in Wales at least, many of these preconditions are not in place. SSCs – which have largely been the drivers for Academy proposals – do not in many cases command much authority within the learning system, and often have limited employer engagement as a result of their very limited resource base.

Crucially, the opportunity which appeared to be offered through the original conception of the Sector Priorities Fund for SSCs and other employer fora to exert direct control over at least a modest proportion of the funding which is currently routed through providers seems to have disappeared with the current proposals for the Sector Priorities Fund (FE).

In reality, given the strong commitment to universal access to a wide range of academic and vocational provision at a local level (certainly in the context of young people), it is far from clear that there is the political will to introduce significant changes to the planning and funding system if this risks destabilising the current FE network - as it almost certainly would, given the prospect of falling public spending over the next few years.

Moreover, the fieldwork both with strategic stakeholders and through the case-studies suggests that there is only limited understanding for, and sympathy with, the idea of Skills Academies, with many of those most closely involved wholly unconvinced that a robust evidence base exists for many of the (often as yet sketchy) proposals which have been floated. Even within SSCs, there are very mixed views about the prospect of Skills Academies.

There is certainly a strong view that there is no scope within the current financial envelope for funding parallel learning provision to that available through the current network of providers, though in practice few Academy models involve this.

Rather the focus of many of the Academy models appears to be on what might be termed “*brokerage*”, that is, quality assuring and “badging” existing provision and

raising awareness of, and signposting employers to, this provision, albeit that many Academies also aim to shape the nature of provision in the longer term. This is based on an assumption that there is a market failure in terms of employers' awareness of and trust in, the current "offer" from providers (rather than, say, any belief that the provision itself is fundamentally poorly attuned to employers' needs).

However, many of our interviewees were unconvinced that this really was the problem, and, if it was, that Skills Academies offered a solution rather than just adding an additional layer of complexity. Some of the models under discussion seem not to have addressed with any degree of conviction how Academies could successfully compete for the attention of employers (particularly given the limitations of SSC employer engagement and the often limited resources which are envisaged) and in particular, with the notable exception of the Skillset Academies, little thought has been given to the engagement with the Welsh Assembly Government's own employer facing fieldforces, notably the HRD Advisers as a "route to market". Many of the interviewees (and not just providers) clearly believed that effective providers were better at engaging with employers than Academies were likely to be.

Moreover, from the limited evidence available to date about the operation of NSAs in England, it is unclear how far Academies' quality assurance processes are really adding value to the statutory and regulatory systems in place (though this may change in the event of a Conservative Government in Westminster), while some interviewees clearly believed that the pressure to become financially self-sustaining might lead "*pay to play*" NSAs to give less attention to quality criteria and more to the willingness of providers to make a financial contribution.

In terms of funding, the experience of our case-studies suggests that some of the cost estimates of putting Academies in place are very low in comparison with the actual costs incurred to date by those which are operational. Moreover, the realism of Academies achieving genuine financial sustainability after an initial period of pump-priming (the model underpinning the English NSAs) is also still in doubt, with several of the existing Academies in England looking to funding from Regional Development Agencies to keep them afloat. Having said this, once the initial tranche of LSC funding has come to an end, and where Academies genuinely become self-sustaining through fees levied from providers and/or employers, there seems no intrinsic reason why Welsh providers or employers should not subscribe voluntarily, with genuinely successful Academies thus permeating Wales by osmosis.

While much of the evidence of this report suggests that the evidence for Academies is not compelling and the climate for their adoption in Wales is unfavourable, this is not to say that no Academies or Centres of Excellence are working well: the case-studies suggest that both the SSAW and the Photonics Academy have considerable strengths. However, it is highly doubtful that either of these represents a model which can be easily replicated, and it is notable that in both cases, providers are playing a key role in driving the initiatives forward. Moreover, the Photonics Academy is very narrowly focused on a small (though important) sub-sector of manufacturing.

In this context, it is also important to note that there was no support at all for the view that Wales might create its own network of a small number of Skills Academies

covering broad footprints (in order to offset the small scale of many sectors in Wales). While many interviewees were unconvinced that simply extending English NSAs to Wales was a sensible or politically acceptable policy option, most thought that trying to mimic the English model but with fewer, more general Academies would lack credibility with employers – although the announcement in the UK Government’s Skills Strategy of the intention to move rapidly to a rationalisation of SSCs, if taken forward after the General Election, may well push NSAs in England in this direction.

While the verdict on the case of Skills Academies in a Welsh context is thus, at most “not proven”, it remains the case that the Welsh Assembly Government is strongly committed to increasing the flexibility and responsiveness of the learning system to employers. Moreover, many of the policy stakeholders interviewed believed that the current learning system still does not provide sufficient sectoral specialisation to meet the needs of the Welsh economy. If the Skills Academies as currently conceived do not seem to offer a convincing answer to this problem, then it is important to try to find other ways – possibly through reverting to the concept of encouraging Networks of Excellence between providers - of encouraging and rewarding specialisation.

Even such a model, however, which we would expect to be more driven by consortia of providers (albeit with strong input from SSCs, employers and the Welsh Assembly Government) would be more easily facilitated by a policy which recognised that funding is the most potent lever to achieve change in provision and that providers are able to show considerable flexibility and responsiveness when funding encourages them to do so. In our view, in the light of budgetary pressures and the need to lever greater specialisation, there is a strong case for routing at least a proportion of funding which is currently allocated through the NPFS to FEIs and work-based learning providers either through employers themselves or through collaborative models which ensure that providers complement rather than duplicate each other, rather than through individual providers. From this perspective, we believe the proposals for the Sector Priorities Fund (FE) are a missed opportunity.

Nevertheless, in formulating our recommendations, we have assumed that the proposals in Investing in Skills are unlikely to be reversed. Moreover, we have reflected on the signs from the Transformation agenda, and more recently, the Higher Education Strategy and Action Plan that the Welsh Assembly Government is determined to take a more directive approach towards encouraging collaborative working to address regional and sectoral needs (including bringing together Further and Higher Education), and have tried to identify ways in which this approach can be embedded in addressing some of the real concerns with the current pattern of provision which are at the root of the discussion of Skills Academies.

In the light of these conclusions, we make the following recommendations:

In terms of Skills Academies themselves

Recommendation 1: The Welsh Assembly Government should not proactively seek to develop a network of Skills Academies: there is little support amongst stakeholders for organisations (even virtual ones) which have a separate existence

and identity; there is no evidence as yet of a clear model which would work effectively when rolled out across a range of sectors; the case for many of the existing Academies has yet to be proven in practice; and, crucially, the resources are not available to fund such an experiment.

Recommendation 2: At the same time, the Welsh Assembly Government should consider (for example, for funding from the Sector Priority Fund Pilots [SPFP]) on a case-by-case basis individual cases for Academies or Academy like structures where there is clear employer demand, an evident gap in the market and clear provider buy-in and where it is clear that such proposals will add value.

Recommendation 3: The Welsh Assembly Government should keep the development of Skills Academies in England under review, in particular in light of the forthcoming evaluation of the first stage of the NSA network, potential reconfiguration of the SSC Network, and potential changes to the quality assurance systems for providers which might flow from a Conservative Government at Westminster. Where individual Academies are functioning well, and where the initial LSC core funding has come to an end, the Welsh Assembly Government should press SSCs and Academies to ensure that Welsh providers and employers can be admitted on an equal basis to those in England, where they choose to apply.

In terms of alternative ways of strengthening the sectoral perspective

Recommendation 4: In order to strengthen the sectoral perspective within the current learning system, and in advance of the launch of the SPF (FE) from September 2011, the Welsh Assembly Government should consider the utility and appropriateness of developing Networks of Excellence based on voluntary partnerships between providers. In the first instance, and in light of the commitment in One Wales, this effort should focus on relevant manufacturing sub-sectors and might draw on the experience of the Photonics Academy. Practical steps to taking this forward would be for the Welsh Assembly Government to:

- start early in 2010 discussions with FEIs to clarify their views on their likely priorities for the use of the SPF (FE), their more general aspirations in terms of sector specialisation and their views of potential partners in working with these specialisations.
- working with SSCs, map likely priorities of each FEI against the emerging Key Sector Qualifications (Wales) list to identify gaps and overlaps which are likely to emerge on a regional basis.
- where clear gaps exist in addressing the needs of strategically important sectors, consider what levers (either through the final format of the SPF (FE), through variations to the funding methodology or through other mechanisms) it can use to influence – or direct – individual FEIs to apply at least a proportion of their SPF (FE) to meeting these needs.
- on the basis of this mapping work, work with FEIs with a focus on particular sectors or sub-sectors, together with the relevant SSCs and employer fora and with HEIs and private training providers with experience and expertise in these sectors, to consider the utility and appropriateness of developing a Network of Excellence.

Recommendation 5: Any scheme to quality assure or badge existing specialist provision in a particular sector should be led by the Welsh Assembly Government (and HEFCW), though with clear input from the relevant SSC, and based on clear and objective criteria, notably Estyn Inspections and relevant sector-specific accreditations.

Recommendation 6: In order to address the concerns about what is perceived as the lack of clear signposting of employers to appropriate provision, the Welsh Assembly Government should work with SSCs to roll out the model of collaboration between SSCs and the Workforce Development Programme, at least for key sectors, ensuring that a small cadre of HRD Advisers are trained and kept up to date with intelligence on specialist training provision within each sector and, where possible, enabling information to be fed back to SSCs to inform their understanding of employers' needs and requirements.

Recommendation 7: In working with HEFCW to take forward the proposals in For our Future for much closer HE/FE collaboration, and in further developing the proposals for the SPF (FE), the Welsh Assembly Government should consider how funding systems can be aligned to support seamless progression routes between FE and HE within sectors.

In terms of other related issues

Recommendation 8: In appraising SPFP bids, the Welsh Assembly Government needs to be very conscious of the discontinuity between the mechanisms for the SPFP (with resources flowing via the SSCs) and the full Sector Priority Fund (FE) [SPF (FE)] as envisaged in Investing in Skills (with resources ring-fenced to individual FEIs). It is essential that the Welsh Assembly Government does not fund "pilots" which have no prospect of being self-sustaining unless it is clear that there is likely to be at least one FEI which is prepared to take ownership of the project as it is mainstreamed into the SPF (FE).

Appendix 1: Developments In England

A1.1 Introduction

In this Appendix we discuss:

- The background to the development of Skills Academies.
- Differing approaches taken to Skills Academies in England.
- The processes used to approve and fund Skills Academies.

This is based on a combination of literature reviews and consultations with key stakeholders in England. It must be recognised that, as yet, there is very little published information regarding the success of the Skills Academies in England. The information presented here should therefore be regarded as contextual, providing information on the variety of approaches that have been adopted. More information on the relative strengths of the different academy models and their potential applicability to Wales is presented in the context of the case-studies in Section 5.

A1.2 Background to Skills Academies in England

Skills Academies were first proposed in the 2005 Department for Education and Skills (DfES) White Paper, *“Getting on in Business, Getting on in Work”*⁵². The paper suggested that in order to successfully implement skills reform in England, exemplars of *“real excellence”* were required to demonstrate effective practice to the rest of the sector. DfES envisaged a close working relationship between providers in a given sector, which would stimulate increased sharing of excellent practice.

The original intention was that there would be at least one Skills Academy for each vocational area, with close links established to the relevant SSC. Skills Academies were regarded as a mechanism to transform the supply of skills to meet sector-specific needs. Whilst it was not an explicit aim, the White Paper also recognised that Skills Academies had potential strategic influence through employer engagement to build the intelligence base. However, the extent to which this strategic influence would be achieved depended to a significant degree on the links between the academy and the SSC and the strategic influence and employer engagement of the SSC.

DfES did not provide any strict guidelines on how Skills Academies should operate in practice. The onus was on employers in a sector to take the initiative in deciding how they wanted their Academy to operate to best meet their needs. The extent to which this could be achieved was clearly dependent on the established structures within a particular sector to enable employers to work together to develop Academies, particularly linked to the role played by the relevant SSC.

Skills Academies were expected to engage with the range of providers in their sector to develop stronger links and improve provision across the board. For example, in order to support the delivery of the new lines of learning for 14-19 year-olds, it was

⁵² <http://publications.dcsf.gov.uk/eOrderingDownload/SkillsPart2.pdf>

originally expected that Skills Academies would link with the existing Centres of Vocational Excellence (CoVEs) in colleges and with Specialist Schools. In addition, Academies were also expected to develop strong links with HE providers to share expertise and support progression routes to HE. However, the Leitch Implementation Plan set out the intention to phase out CoVEs by summer 2010 with a New Standard for Employer Responsiveness as an indicator within the Framework for Excellence.

Priority for the development of the first 12 Skills Academies was to be given to sectors where employers came together to co-fund and co-sponsor an Academy. Government funding has been provided for the first three years of Skills Academy development and activities, with each Academy receiving an average of £3.5 million over this period. The National Skills Strategy, "*Skills for Growth*" published on 11 November 2009 confirmed that a fifth competitive bidding round of the NSA programme would take place, with £16 million of revenue funds available for the NSA programme as a whole during 2010-11.

Following the three years of public funding, NSAs are expected to be self financing, with the intention being, therefore, that government support would pump-prime the development of the Skills Academies. Their future sustainability relies on their ability to generate commercial income.

It is clear that in practice, in some cases at least, there is a tension regarding the level of skills which is the focus of an NSA and the apparent needs of their sectors. For example, in the sports and active leisure sector, Skills Active have been seeking to change the focus of qualifications in the sector as the sector needs predominantly Level 2 skills/qualifications, but people are achieving Level 4 qualifications at university for which there are limited job opportunities. There is therefore an important role for the Academy in influencing the availability of suitable provision. In hospitality, the NSA has focused to a significant degree on high level management and chef skills, although the volume skills requirements are at more basic levels.

A1.3 Skills Academies within the Learning and Skills System

This section describes how Skills Academies 'fit' within the Learning and Skills system in England, with particular reference to:

- Approval processes.
- Funding.
- Quality Assurance.
- Governance.
- Networking.
- Evidence of Effectiveness.

Skills for Growth describes National Skills Academies as “a particularly successful example of collective employer action and co-investment” and says that Academies will:

“continue to enable us to support employers to drive and shape training provision in key areas of the economy to meet the specific needs of employers”.

As already noted, the Strategy confirmed that a fifth round of licensing of National Skills Academies would take place in 2010/11.

At the same time, the Strategy flags up the need for a new review of SSCs (despite the fact that the current round of relicensing is only just coming to an end) in order to “bring forward proposals for a substantial reduction in the number of separate Sector Skills Councils by 2012”. Given that the original model for the Skills Academies was based on an assumption that Academies would be developed mostly within the footprints of existing SSCs, it will be interesting to see how these proposals link to existing Academies.

A1.3.1 Development and Approval of New National Skills Academies

The National Skills Academy Network encourages employers within a given sector to bid to form a Skills Academy for their sector in partnership with their SSCs, although in practice, it is evident that the development of nine of the 12 current NSAs has been specifically led by the SSC.

Proposals for Skills Academies are initially assessed by the Learning and Skills Council (LSC)⁵³ (with input from other government agencies and departments) against the following criteria:

- Vision.
- Market analysis.
- Business model.
- Employer commitment and capability.
- Development plan.

Bidders who are successfully short-listed are then invited for interview to discuss the proposals in more detail. Following the interviews, the LSC recommends to Ministers which applications should proceed to full business plans; Ministers will then announce their decisions based upon the business plans developed.

A1.3.2 Funding

Skills Academies are supported through a combination of public and private sector funding. Public funding is channelled through the LSC and, potentially, through the Higher Education Funding Council for England (HEFCE) for academies addressing higher level skills needs.

⁵³ From April 2010, this responsibility will pass to the Skills Funding Agency

Private sector support is expected at “*significant*” levels to help establish skills academies, with private sector “*sponsors*” being either individual employers or groups of employers. The investment they provide has to include cash to help set up a National Skills Academy, to fund development costs (including capital) and to ensure that a skills academy is sustainable. It is for each sector to determine with its employers the level of investment required.

Where a capital investment is required for the development of a Skills Academy, it is expected that 50% of the capital cost would come from employers in the sector, 35% from the LSC and the balance from other sources: there is no published evidence to indicate whether this level of employer contribution has been achieved in practice.

Public revenue funding for NSAs is available for three years, following which activity has to be sustained through employer contributions, funding via Regional Development Agencies (RDAs) and income generation (including fees paid by publicly funded education and training providers). A key consideration in the assessment of NSA proposals has been their potential for sustainability beyond the initial funding period.

Encouraging employers to contribute to the development of Skills Academies is perceived as ensuring, literally, that employers have bought in to their development. As sponsors of the Academies, employers will often sit on the governing boards; they will have the opportunity to increase productivity and performance in the sector, and to drive through change.

A1.3.3 Quality Assurance

Any qualifications developed by Skills Academies or provision directly delivered by them, is subject to the same requirements as any other provision funded by public funding, in terms of the Qualification and Curriculum Development Authority’s (QDCA) accreditation of qualifications and OFSTED’s inspection role.

However, some Skills Academies have seen a key part of their role as being to provide an additional level of quality assurance in respect of the suitability of provision available from existing learning providers to meet the specific needs of employers and the workforce in a particular sector. They thus confer their branding to providers who meet their quality standards, and in turn market this quality mark to employers within the sector. This might be seen as duplication of the role of existing statutory agencies, though it is interesting in this context, that the Conservative Party, in its Green Paper, “*Building Skills, Transforming Lives*” suggests radically reducing the role of such statutory bodies and increasing the funding of SSCs by £35 million a year in return for giving them an explicit role in licensing and assuring training provision within their sectors.

A1.3.4 Governance

Governance of Skills Academies is provided by the sponsoring employers and the associated SSC. In most cases, NSAs are wholly owned subsidiaries of SSCs, with a requirement that the management model provides for effective working between

the NSA and the SSC. Regional steering groups, which are also employer led, may also be in place to guide the development of the NSA at a local level.

A1.3.5 Networking

A NSA Network has been established, involving the chief executives or equivalent of each of the Academies. The Network meets every two months, providing the opportunity for:

- Information sharing.
- Identifying opportunities for shared working.
- Carrying out specific projects: these have included consideration of potential awarding body developments, teaching qualifications and work related to the simplification of the skills infrastructure.

The NSA Network also provides a collective voice for the Academies, reflecting the cross-cutting issues of their development and operation.

A1.3.6 Evidence of Effectiveness

As yet, and despite the continued commitment from the UK Government to the role of Skills Academies in England, little evidence is available with regard to the effectiveness of Academies. An evaluation of the NSAs is currently being undertaken on behalf of the LSC by the Institute of Employment Studies and Ipsos MORI, although no results have been published to date. The evaluation is intended to establish the added value of the NSAs individually and collectively.

The NSA Network itself believes the impacts achieved by different Academies are variable, reflecting the different levels of maturity of the NSAs. However, there is some anecdotal evidence of successes from the Academies programme, including:

- As reported in the Skills Strategy, the NSA - Nuclear having secured 55 employer members, with the development of a community apprenticeship programme, the development of Foundation Degrees with the Universities of Portsmouth and Central Lancashire and the creation of a Certificate of Nuclear Professionalism to demonstrate the competence of graduates to work in the industry.
- The development of a graduate leadership programme by the Health and Social Care NSA, in a very short period following its establishment.
- Influencing the development of new Dairy training facilities by the Food and Drink NSA, creating a step change in the provision available.
- The Manufacturing NSA having had a significant impact on the investment in training by a number of employers, with examples of significant bottom-line benefits as a result.

However, it will be important – not least in the context of the IES/Ipsos Mori evaluation - to be able to establish the extent to which the establishment of NSAs has been critical to the achievement of these benefits or if other approaches could have been used.

A1.4 An Overview of England's Skills Academies

Twelve Skills Academies are now in operation in England⁵⁴. Each of the academies has a slightly different structure or mode of operation, depending on the needs of the sector.

A1.4.1 Geographic Coverage

There is some uncertainty regarding the geographic coverage of Skills Academies in general and the term “National”, used as a pre-fix to Skills Academies may be confusing to employers and other stakeholders. This confusion is compounded by the fact that the Academies themselves are not consistent in the geographical spread that they have or aspire to. Some have clearly stated that they are ‘England-only’ (such as Hospitality), while others have a presence in the devolved nations (such as Nuclear and Construction). We understand, however, that ten of the existing Academies are working towards operations in Scotland over the next year.

Within England, many of the Academies have regional arms within the national set-up. These regional branches are designed to address sub-national need within the framework of the national picture. However, there is clearly a need to ensure that work across the regions is coordinated effectively, especially in those sectors where businesses are operating on a UK-wide basis, or across two or more of the nations.

A1.4.2 Models of Delivery

The current Academies can be identified as operating through four broad models of delivery, with some combining different elements of these delivery models:

- **Stand-Alone Centres:** new, purpose built centres which deliver the majority of the academy's provision (e.g. Creative and Cultural Academy).
- **Courses Delivered by Existing Training Providers:** existing training providers are supported to develop learning materials and approaches which better meet the needs of the sector. These academies include the development of a “*re-assuring brand*” or a network of approved providers (e.g. Manufacturing or Financial Services).
- **Site Based Training Centres or Work Based Training:** Academies are not physically located in one place, but move to different sites, depending on need. This makes the Academy more accessible and can help SMEs to engage more effectively (e.g. Construction).
- **Courses Delivered Online:** web-based delivery will be used in most sectors because of its flexible nature. However, all courses require some face to face contact; fully online courses are not considered appropriate by the Skills Academy Network (e.g. Food and Drink).

⁵⁴ Academies have been set-up in: Construction; Creative and Cultural; Financial Services; Food and Drink Manufacturing; Hospitality; Manufacturing; Materials, Production and Supply; Nuclear; Process Industries; Retail; Social Care; and Sport and Active Leisure

A1.4.3 Existing Academies

The existing Academies are described briefly below. The information on each of them has been generated through a desk-based review of websites and other documentation. It therefore provides illustrative evidence of the broad models adopted. We do not provide an assessment of the appropriateness or effectiveness of the different models (though this is addressed to some extent in respect of the case-study sectors in Section 7). There is clearly a need to consider how any development of Academies or equivalent bodies in Wales should align with these established structures.

Construction: The Construction Skills Academy combines the development of a National Centre (which will include a Centre of Excellence for Assessor best practice; a Centre for Innovation; and a Residential Training Centre) with the establishment of structures to deliver training linked to major construction programmes, including, for example, the 2012 Olympics development. Regional partnerships have also been established to help to meet the needs of employers and employees in all regions.

The construction model has been developed to address the recognised lack of engagement of sector SMEs in training and development. Developing delivery through major construction projects provides the potential to deliver on-site training and to use the supply chain from major contractors to influence training take-up by smaller sub-contractors.

Creative and Cultural: The NSA for Creative & Cultural Skills is based on networking creative and cultural employers and training providers to develop, improve and recognise skills in the sector. Most of the work of the Academy will occur on a local level, with “clusters” of employers working with their local college or training provider to adapt and improve the existing curriculum to meet their specific requirements.

The skills development provided by the NSA will include both pre-entry support and CPD, based on National Occupational Standards. A network of 19 “*Founder Colleges*” has been identified. These founder colleges are working to broaden the base of appropriate provision for the sector. NSA approval is intended to provide a demonstration of providers and programmes that are appropriate to meeting the needs of sector employers.

In addition, a Centre of Excellence is being developed in Thurrock in Essex, and is due to open in 2011. This is intended to provide a facility offering technical training that cannot currently be provided locally and regionally. There is an indication that the English NSA will also link to the planned Skills Academy in Scotland and, potentially, a Centre of Excellence initiative in Wales.

Financial Services: The NSA for Financial Services is based on the identification of approved training providers and courses that meet the requirements of the sector. This is achieved through the establishment of Regional Employer Boards, which involve employers, providers, the relevant RDA and the LSC which are responsible

for identifying the skills needs of employers in their regions and working with providers in the region to shape their offer to meet the needs of employers.

Lead training providers have been identified in each region, with responsibility for supporting the development of the NSA in their region, and training is provided by accredited public and private sector providers. The NSA is therefore fundamentally about shaping and quality assuring provision. It is not clear whether accredited providers pay for their engagement with the NSA.

Food and Drink Manufacturing: The Food and Drink Manufacturing NSA has established a network of accredited training providers who specialise in training in the industry's sectors. The training providers selected are identified as having a proven track record of working with the industry. Providers undergo an assessment process, which includes taking up references from employers, a financial review and a review of OFSTED inspection results. Approved providers pay a fee to become part of the NSA (ranging from £2,500 to £10,000 per annum).

The industry has been divided into sub-sectors and themes. The NSA has 51 member providers, including champion providers in each specialist area (selected by employers) and general providers. It is understood that around one in four of providers applying for NSA membership are successful in becoming members.

Hospitality: The Hospitality NSA is also based on accreditation of specialist providers, with the intention that the Hospitality NSA brand applied to programmes or providers will inspire confidence about the quality and standards of provision. The operation of the NSA is linked to the role played by the SSC, People 1st. People 1st are responsible for assuring the content of programmes, whilst the NSA is responsible for quality assuring delivery. There is no specific membership of the NSA. Rather, the NSA seeks out and quality assures appropriate provision.

The NSA is focusing on Management and Leadership, Customer Service and Chefs, with coverage of delivery in education and training providers and work-based provision.

Manufacturing: The Manufacturing NSA is also based on delivery through a network of approved providers. All training providers are reported to have been assessed against world class standards for training content and delivery. The NSA is therefore described as providing an "*independent national standard for manufacturing training content, advice and delivery*". It is not clear whether providers pay for the assessment and registration with the NSA but employers are said to be directly engaged in the development of NSA branded programmes.

Materials Production and Supply: The NSA for Materials Production and Supply is described as the commercial arm of Proskills, the SSC. The operation of the NSA is based on a web-based portal, offering access to provision that is quality assured to meet the needs of the sector. The Academy has developed a range of products and services, including tools to support the effective management of workforce skills and business diagnostics. The NSA has also identified a network of quality assured training providers. Membership of the NSA is free to the quality assured providers.

Nuclear: The NSA – Nuclear is a wholly owned subsidiary of Cogent SSC. It is structured around the five main areas of where the nuclear industry is based across the UK (Northwest/Northeast, Southeast/East, Southwest, Scotland and Wales). A Regional Training Cluster (RTC) is being established in each region. Within each Regional Training Cluster there will be a hub which will support the development of, and delivery by, quality assured providers. The aim is that the Skills Academy will build on existing good provision in the regions, working with current providers to raise the standards and ensure they are responding to employer demand. The specific approach to NSA delivery will vary across the regions depending on specific employer requirements linked to the operations of the nuclear sector in the location and the specific skills required. Approved quality assured providers pay a fee to the NSA based on the scale of relevant learning delivery.

Process Industries: The Process Industries Skills Academy describes its main aim as encouraging employers *“to engage in frontline staff training so that their current workforce can achieve accredited qualifications to an industry-wide Gold Standard”*. The Process Industries NSA is also developing an accreditation system for providers, based on their ability to meet the needs of chemicals, polymer and pharmaceutical employers. This will lead to the creation of a network of providers with specialisms across the sub-sectors. This will include a number of Centres of Excellence, Academy Centres and Industry Learning Centres. There is no apparent charge to providers for accreditation.

Retail: The NSA for Retail is based on a network of retail *“Skills Shops”* in shopping centres and high streets which are operated by retailers, developers and training providers. Through this network, the NSA aims to create a consistent national approach for training and skills. There are currently 24 Retail Skills Shops with membership of the NSA, delivering advice and guidance and learning opportunities. The Skills Shops are all independently operated, paying an annual membership fee (which for 2009/10 is £5,000 per Skills Shop).

Social Care: The NSA for Social Care is receiving funding from the Department of Health to match the LSC funding recently approved. Its aim is to provide a world-class centre of development, learning support and training practice in the adult social care sector in England. The NSA’s corporate plan sets out the key activities as:

- Delivering leadership and management programmes.
- Developing quality indicators for excellence in education and training in social care (based on a synthesis of criteria to be found in quality marks currently in use across the post-16 education sector).

- Training for purchasers and providers of personalised care services.
- recruitment, retention and career development programmes.
- advocacy and policy work.

Sport and Active Leisure: The Sport and Active Leisure NSA is a subsidiary of SkillsActive, the SSC for Sport and Active Leisure. The NSA operates through a national centre and nine regional hubs, with the aim of providing a single, coherent approach to skills training in the five sub-sectors - sport, fitness, outdoor activities, play work and caravanning. The NSA is based on employer membership, which provides access to online and other services. As with other NSAs, a network of accredited training providers is being developed, including HEIs, FE colleges and private providers. All providers are subject to assessment by the NSA, through a tendering process which takes place at set points in time. Both employers and providers pay a fee for membership.

A1.4.4 NSAs in the Planning Stage

There are also a number of NSAs currently in the planning stage:

IT: this NSA will be based around an online portal, which will be the starting point to access learning and development options. Much of the training will be virtual, but there will be face-to-face delivery too. Training will be delivered through a network of clustered local provision situated in colleges, universities, private training companies or employers themselves.

Power: this NSA is the result of collaboration between Power Sector employers and Energy & Utility Skills – the SSC for electricity, gas, waste management and water. The NSA is working closely with training providers to ensure quality and consistency of skills development across the UK. It will develop a network of high-quality, employer-responsive training providers, who will offer bespoke training and support where it is required.

A1.4.5 Summary

Across all the NSAs, a key feature is the accreditation of training provision which is seen to meet sector needs. The extent to which this creates a benefit to the sectors concerned depends to a significant degree on the success of the NSAs in engaging with both employers and training providers.

In particular, it is essential that NSAs are seen as credible by a critical mass of employers: if employers are not aware of or do not value the role of the NSAs, then it is likely that NSAs will fail to survive once the initial public funding comes to an end. NSAs will depend either on direct contributions from employers or representative bodies – which clearly is unlikely to be forthcoming unless the NSA is perceived as doing a good job – or from membership fees from training providers – who will only be inclined to pay them if they believe that membership is likely to generate additional learners as a result of the NSA's influence on employers.

There is also a potential risk that there is duplication of activity between each of the NSAs as they develop different approaches to provider assessment and quality assurance, with a need also to coordinate actions with the role played by OFSTED. In this respect, it will be important to identify the added value generated by the establishment of the NSAs given the costs associated with their establishment and operation. In particular, the role played by the NSAs in relation to the New Standard for Employer Responsiveness within the Framework for Excellence⁵⁵ will be an important area for future developments.

⁵⁵ The Framework for Excellence is the Government's performance assessment framework for further education colleges and post-16 education and training providers in England. It is formed of a set of key performance indicators, covering success rates, the views of learners and employers, learner destinations and finance. Together, these provide an independent, quantitative assessment of the performance of individual providers and the sector as a whole. The scope of the FFE measures has recently been expanded in relation to the responsiveness of providers to employer needs.