

National Skills Academies

Prospectus 2005/6

An innovative approach to meeting
employers' needs for training

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Ministerial Foreword

There is nothing more important than having the skills that employers value if you want to get on at work and make the most of your working life. People denied the opportunity to develop those skills will not have the same chances in life and will struggle to better themselves and fulfil their potential.

In the modern global economy most employers know that they cannot compete with low skills, low wages and productivity. With no future in a race to the bottom, we must forge a consensus and build the momentum needed to tackle the UK's historic weakness in basic and intermediate skills.

Our vision of a modern economy comprises high performing workplaces, productive and profitable business employing confident, competent and ambitious staff. National Skills Academies are a big part of this. They will be iconic symbols of our determination to transform the quality and status of vocational education and training. But they will be much more than new buildings.

Contributing to the competitiveness of our industries and the modernisation of our public services, National Skills Academies will operate as focused networks providing local delivery, contributing to regional development and setting national standards of excellence. Offering opportunity to both young people and adults, they will help plug skills gaps, set high standards and encourage innovation and creativity.

Employers, with support from their Sector Skills Council, will be in the driving seat, ensuring National Skills Academies are designed to be fit for purpose and focused on the priorities of their sector. They will contribute to the bottom line, helping companies stay profitable and stay ahead of the competition.

In the past, Government has let down employers when it has tried to second guess what different sectors need. But equally, employers have been guilty of watching Government initiatives from the sidelines and expressing disappointment when they inevitably land wide of the mark. National Skills Academies are an opportunity for Government and employers to achieve common goals, to pursue a mutually beneficial endeavour and build a Britain of enterprise and opportunity.

A handwritten signature in black ink that reads "Ruth Kelly".

Ruth Kelly
Secretary of State for Education and Skills

- 1.1 This prospectus invites employers to work with the Government to establish employer led **National Skills Academies** – world class centres of excellence dedicated to delivering the skills required by each major sector of the economy.

- 1.2 Private sector industries have to achieve productivity improvements and sustain competitive advantage in an increasingly global economy for goods and services. Public sector industries have to respond effectively to the need to reform public services. This means they must work to increasingly demanding quality, cost and delivery requirements. People with the right skills are essential for organisations in both the private and public sectors to compete and to succeed and for the modernisation of our public services. At the same time, skills development helps individuals to realise their full potential and our communities to prosper.

- 1.3 We now want to take the delivery of skills in all sectors of the economy, private companies and public services, to a new level. Much of our existing provision is of a high standard and many colleges and training providers already work very closely with employers to meet their specific skills requirements. But we can and must do better.
- 1.4 That is why we gave a commitment in the Skills White Paper, published in March, to establish employer led National Skills Academies for all the major sectors of the economy which will:
- deliver high quality training;
 - provide first class teaching in a modern learning environment;
 - be centres of innovation and creativity, developing and re-shaping training programmes to meet the sectors' needs;
 - be flexible, sustaining the closest possible relationships with employers of all sizes;
 - build networks with a range of other learning providers, so that new thinking, new methods and higher standards are not limited to single organisations, but work to the benefit of learners and employers across the training and skills sector.
- 1.5 National Skills Academies will be positioned at the apex of a network of high quality skills providers with wider links, helping to drive up standards and accelerate the pace of reform in colleges and training providers across the vocational education and training system. They will also link with leading specialist schools, influencing and benefiting the development of vocational education from the age of 14.
- 1.6 We will involve employers and the Sector Skills Councils directly in all aspects of the design of National Skills Academies and the delivery of training they will provide. National Skills Academies will operate in partnership with the state education system, contributing to the public service of education and training. But we will not be prescriptive about what form the National Skills Academy or that partnership will take. It is what is right for the sector and what industries in that sector want that will determine its shape and focus.
- 1.7 Employers will have a key role as sponsors of National Skills Academies, providing a clear vision, and strong strategic leadership to deliver that vision and funds for investment.

- 1.8 We are clear about what is wanted from these centres of excellence. But we also recognise that we must be flexible. National Skills Academies must develop in a managed and sustainable way. A new organisation will not be able to do everything that might be expected of a well established, mature organisation. We see National Skills Academies growing over time, both in what each one does and in their networking. It is for the sponsors and their partners to determine their priorities.
- 1.9 The Government's commitment to develop National Skills Academies applies directly only to England, but Sector Skills Councils have a UK wide remit and employers may well wish to see National Skills Academies reach across the UK. We are in discussion with the devolved administrations in Scotland, Wales and Northern Ireland about how these initial National Skills Academies could link with developments in each country.
- 1.10 Our aim is to have a National Skills Academy for each of the major sectors of the economy. We have already started the development of the Fashion Retail Academy, covering part of the retail sector covered by Skillsmart Sector Skills Council, in a partnership between the Arcadia Group and the University of the Arts. It will open to students this autumn.
- 1.11 Through this prospectus, we are inviting expressions of interest by **9 September, 2005** which should lead to another four National Skills Academies opening for business during 2006. To achieve this, we will decide by October 2005 with the sponsors which National Skills Academies will move quickly in development. We recognise this will be challenging, but we know there are a number of employers and Sector Skills Councils who are excited about this approach and are already working up ideas.
- 1.12 If you do not feel that you are in a position to start detailed planning now, but want to start talking about future plans, you will have that opportunity.

2.1 National Skills Academies will help deliver the skills needed for raising productivity and competitiveness and improving public services, sector by sector. They will create powerful new employer led centres of excellence to set new standards of how to design and deliver skills training.

2.2 National Skills Academies, when fully developed, will:

- provide up to date, flexible, accessible, responsive, high quality and cost-effective solutions to skills needs;
- working with Sector Skills Councils, design and deliver excellent skills programmes, qualifications and curricula that meet current and future sector needs;
- be centres of innovation and creativity for the design and delivery of the programmes which best develop the skills that employers are looking for in each sector;

- create and integrate learning technologies in the design of learning programmes where appropriate;
- link with existing national, regional and local networks of colleges and training providers within their sector;
- build on good practice to reshape curricula, teaching, learning and assessment methods and trainer, teacher and assessor capacity;
- promote equality and diversity, broadening the base of recruitment into the sector by tackling the obstacles and barriers faced by some groups in gaining access to training and jobs in different sectors;
- attract significant employer investment in skills, as part of the partnership between the state, employers and learners to raise our national game in skills.

2.3 National Skills Academies will evolve as they become embedded within the system and their operations grow. The starting point will be decided by the sponsors and their partners. They may choose to concentrate initially on a part of a sector with particular skills shortages and gradually increase coverage to embrace all the sector. They may start with a single centre for delivering learning and steadily build up a network of linked centres.

2.4 National Skills Academies will prioritise those skills that are most important to employers. But we would expect them in time, to address the full range of skills needs in the sector, including functional and employability skills, intermediate skills, higher skills and, where necessary, leadership and management skills at level 3 and above. There will need to be clear progression routes to Foundation and first degree level. Where there is demand within the sector and suitable partnership arrangements can be developed, a National Skills Academy might wish to deliver appropriate higher education programmes. However, they may choose initially to focus on a target group (e.g. young people or adults) or a specific skills level such as National Vocational Qualification (NVQ) level 2 (equivalent to five GCSEs at grades A* to C) or technician/advanced craft skills at NVQ level 3 (equivalent to 2 A levels).

2.5 National Skills Academies will be at the apex of training networks, working closely with partners and other organisations to drive up quality and standards. It is important that, in return for the public investment in National Skills Academies, we see benefits flowing back into the wider vocational education and training system. That means we do not want National Skills Academies to operate in isolation, benefiting only their own directly-enrolled students. Their “national” status derives from the benefits they can bring throughout their sector network, enriching the education of learners across that network. In order to achieve that, we will look to National Skills Academies to:

- support Sector Skills Councils and the Qualifications and Curriculum Authority (QCA) in developing and piloting the new Diplomas as part of reform of 14-19 year old education;
- act as testbeds for delivering new credit based qualifications using the sectors’ National Strategies and the new, employer-led vocational and educational training programmes being developed by Sector Skills Councils and the QCA;
- advise on and act as a resource for the development and delivery of Apprenticeships through innovative, high quality and employer-focused provision, including sharing best practice with other providers;
- play a leading part in developing careers guidance materials for use throughout their sector’s network on the skills and qualifications needed for successful employment in that sector;
- support through sponsorship, if they wish, a number of specialist schools, helping build links between National Skills Academies and vocational leading specialist schools on teacher and curriculum support, the trialling of Diplomas and ensuring a seamless transition from school to work;
- strengthen existing links between Centres of Vocational Excellence (CoVEs), colleges, private training providers and schools as local 14-19 networks develop.

- 2.6** CoVEs, which focus mainly on local and regional skills needs, will be key partners and an integral part of National Skills Academies networks. We are currently reviewing the future development of the CoVE programme. One of the key aims of the review is to ensure we are in a strong position to link CoVEs into networks led by National Skills Academies.
- 2.7** National Skills Academies have an important role in helping each sector spread best practice. That includes developing cost effective skills programmes to help small and medium sized employers in the sector to drive innovation and changes in performance. There will be support for National Skills Academies' quality improvement and workforce development strategies, for example from the Government's Standards Unit and its teaching, training and learning resources.

3.1 It is important that each sector comes forward with its own ideas for the form and structure of the **National Skills Academy** that best meets its needs. We do not want to be prescriptive about the model or approach to be adopted. **National Skills Academies** will vary in scope and structure between the sectors. But there must be a common set of accountability and financial principles underpinning their operations, in order to meet normal expectations of value for money in the use of public funds.

3.2 National Skills Academies must be:

- proposed by employers with the formal endorsement of their Sector Skills Council. We will give priority to proposals which enjoy wide-ranging support and backing from employers in their sector;

- deliverers of learning and training - that is, they cannot just be administrative centres, influencers or designers of training programmes. That training must be available to the full range of students able to benefit, using standard student recruitment procedures, and must not be restricted to particular employers;
- able to demonstrate strategic fit with wider sector priorities backed by clear evidence of skills needs within the sector, including Sector Skills Council/Sector Skills Agreement data where available;
- committed to developing national reach through networking and meeting the needs of employers of all sizes;
- based on a sustainable business plan;
- subject to the usual inspection, accountability and audit arrangements that apply to organisations receiving public funds to provide a public service in education, training and skills; and
- able to comply with legislative requirements (e.g. health and safety and child protection where provision is offered for 14-19 year olds).

3.3 The models for National Skills Academies which sponsors and Sector Skills Councils propose will vary between sectors. There is no one size fits all solution, and we welcome new and innovative ideas. But to illustrate the potential range of models, a National Skills Academy could for example be:

- based on an existing centre of excellence in a further education college, independent training provider or higher education institute (or networks of these);
- a new private, joint venture company;
- a partnership between public and private sector providers.

- 3.4** As well as the corporate status varying between National Skills Academies, the actual structure of the organisation and partnerships will vary. It is likely, however, that meeting the requirements of delivering training with national reach will mean some sort of national co-ordinating centre (a hub) with a range of training delivery points (spokes) at which employers and learners can access training. The hub would not necessarily have to deliver training itself, but must drive a network of high quality, innovative training deliverers. These spokes could be existing Centres of Vocational Excellence, other high quality colleges, Higher Education departments and/or private sector providers. We are aware of some interest in ‘virtual models’ with either the functions of the hub distributed across a network or held by a Sector Skills Council, or a national hub with national reach achieved by e-learning. There is scope to go down this route. However, a wholly virtual delivery system would be unlikely to be adequate for learners unless supplemented with face to face support at a national or regional centre.
- 3.5** Governance will vary, depending upon the model and corporate structures developed. If a private sector model is envisaged, a ‘not for profit’ company limited by guarantee or charitable trust with an employer-led board could be a suitable vehicle to take a National Skills Academy forward. Another possible option might be a joint venture with a leading further or higher educational provider. If the National Skills Academy is located in a Further Education (FE) College, it might be appropriate to establish an employer led group to oversee the National Skills Academy with the Chair co-opted onto the governing body of the FE institution. Whatever approach is decided upon, employers must have a leading role and it will be necessary to ensure that the corporate governance reflects the range of stakeholders involved and is accountable for the use of public funds. The governance structure must secure sufficient stability to ensure that training programmes for students do not risk being disrupted at short notice. The Learning and Skills Council (LSC) will need to be satisfied that a new organisation meets its criteria for being a properly established body both to deliver vocational education and training and to receive public funds.

Who are potential Sponsors?

- 4.1 Sponsors will be either an individual employer or groups of employers. The sponsors will need to work very closely with their **Sector Skills Councils**. They will bring a record of success in business which they will be able to share with experienced learning providers.
- 4.2 What unites sponsors is a commitment to high quality vocational education and training, a recognition of the contribution it can make to increasing productivity and performance in the sector, and a desire to change the status quo.
- 4.3 We will provide initial project management support and some start up funding if required and agree the precise scope and design of each National Skills Academy individually with the sponsors and the relevant Sector Skills Council.

What is the role of sponsors?

4.4 Sponsors bring:

- an understanding of businesses operating in the sector;
- first hand knowledge of the needs of employers for vocational education and training, and how that supports performance and productivity;
- financial resources;
- a commitment to high quality vocational education and training and continuous improvement;
- fresh ideas, an enthusiasm for innovation, and a challenge to traditional ways of thinking; and
- a vision which inspires and motivates everyone involved.

In return sponsors will:

- improve their sector's performance by addressing skills needs working with a responsive provider focused on their sector;
- improve the image and recruitment prospects of their sector, by demonstrating to young people and adults that employers in the sector want to invest in securing and developing the best possible talent;
- contribute to driving innovation, setting standards and improving performance throughout the training system by building on the best of existing practice;
- have direct influence on the corporate governance and strategic management of the National Skills Academy; and
- increase their profile within the sector and the community.

- 4.5** Sponsors, either individually or collectively, are expected to make a contribution of around 50% of the capital costs of starting up a new National Skills Academy. The necessary up front investment required from sponsors will vary depending on the scale of the proposal. In some cases, most of the necessary capital infrastructure may already be in place, especially where a National Skills Academy builds on an existing CoVE. If so, the business plan will still need to demonstrate how the necessary step change in investment, performance and reach will be secured in order to deliver the objectives of the National Skills Academies programme. In no case will it be sufficient merely to achieve marginal, incremental improvement in existing operations.
- 4.6** Sponsorship funding is a crucial part of ensuring the success of National Skills Academies. But financial sponsorship is only part of the contribution which sponsors make. Their vision and the commitment which they and their networks and organisations make to the design of the education and training delivered and to the leadership of the National Skills Academy is also important.

5.1 The up front capital investment to establish a **National Skills Academy** will be drawn from a range of contributors usually comprising on average around 35% from Government via the LSC, around 50% from employers sponsoring the academy and the remaining 15% from a range of other sources and partners, such as existing education and training providers, which the sponsors would need to agree. There will be a lien in the public interest over the capital assets secured with public funds.

5.2 Experience from development of facilities within the FE sector suggests that, if new facilities are required, the total up front capital investment in establishing a new facility could be around £10m. Sponsors will therefore need to be willing to invest on average around £5m to establish their National Skills Academy.

- 5.3** The day to day revenue income of National Skills Academies will be earned by delivering skills training and will come from a variety of sources including the LSC and from employers purchasing training services. The LSC will take a view at national level on how much training provision it wishes to fund from the National Skills Academy in order to meet identified needs and will purchase this using its programme funds as part of each year's planning and funding cycle. Like other learning providers, National Skills Academies will also raise revenue income through fees from some learners and employers.
- 5.4** There will be a period of development from acceptance of the expression of interest to the organisations being fully established and in a viable and sustainable financial position. There will be public funds available to help meet project costs such as project management, business planning and research and development. The amount will depend on the size and nature of the proposal.
- 5.5** Any new organisation is also likely to need some start up revenue support as learner numbers build up in the first year or two. Any such funding will be negotiated directly with the LSC.

- 6.1 This prospectus is a first step towards establishing a network of **National Skills Academies**. We would welcome expressions of interest by **9 September 2005** from interested sponsors - either individual large employers or groups of employers - in all cases working with their **Sector Skills Council**. A proforma for setting out your expression of interest is attached at Annex A.
- 6.2 A panel of senior employers and officials from the Department for Education and Skills (DfES), Department of Trade and Industry (DTI), Learning and Skills Council (LSC) and the Sector Skills Development Agency (SSDA), will consider the expressions of interest during September. As part of their considerations, they may hold discussions with Sector Skills Councils and potential sponsors to discuss their proposals in more detail. Following consideration of the recommendations of the panel, Ministers will announce their decisions on these initial four National Skills Academies by **31 October 2005**. A fuller outline of the timetable is set out at Annex B.

- 6.3** This is just the start of the programme. We want to see a National Skills Academy in every major sector over time. We recognise that proposals can come forward quickly from some sectors, while in others it may take a little longer to identify suitable sponsors and agree the needs and requirements of a National Skills Academy. Our intention is to seek sponsors for a further eight National Skills Academies to be agreed by 2007-08.
- 6.4** If your sector is not in a position to move forward on the timetable for 2006, but you wish to start talks about taking forward this opportunity in subsequent phases of the roll out of National Skills Academies, then please flag your intention up now by emailing the contact below.

7.1 Expressions of interest for the first four **National Skills Academies** should be lodged by **9 September** using the structure set out at Annex A. At this stage we are looking for expressions of interest no longer than 6 pages. They should be sent to:

Skills.academies@dfes.gsi.gov.uk

National Skills Academies Team
Department for Education and Skills
Room E4d
Moorfoot
Sheffield
S1 4PQ

Who to talk to

- 7.2** You should initially discuss your ideas, questions and any issues with your Sector Skills Council – even if at this stage you are only exploring options for considering making a proposal for 2007 and just want to put up a marker of your interest. A list of SSCs can be found at www.ssda.org.uk. If you are still unsure of who to contact please telephone the Sectors Skills Development Agency on 01709 765444. If, after discussions with your Sector Skills Council, there are outstanding queries then please contact the National Skills Academies team on 0114 259 1669 or email Skills.academies@dfes.gsi.gov.uk
- 7.3** There are a number of questions that have been raised following the announcement of the Government plans in the Skills White Paper Skills: Getting on in business, getting on at work'. We have sought to address these in this prospectus. Examples of the sorts of questions raised are:

Q Does a National Skills Academy have to cover a whole sector?

A No. Each Sector Skills Council will already be identifying what the national needs and priorities are for that sector. The proposal for a National Skills Academy should clearly address these needs. If they relate to a particular sub-sector or sub-sectors, the National Skills Academy could be designed to focus its delivery on these areas rather than the whole sector. We would, however, want to know whether the plans for development included extending the scope to cover the whole sector at some stage. We would want to avoid overlap and duplication between National Skills Academies. Where subsequent proposals came forward relating to other parts of the same sector we would expect the organisations to work together.

Q Does every sector have to have a National Skills Academy?

A The Skills White Paper set out our intention to develop an initial network of 12 National Skills Academies by 2008, with a view to establishing over time at least one for each major sector of the economy. We expect Sector Skills Councils to take a leading role in developing a National Skills Academy if that is what the sector considers is required.

Q We don't really fit into areas currently covered by a Sector Skills Council. Can we still bid?

A Not without the involvement of a Sector Skills Council. Some skills relate to areas of the economy not formally covered by a Sector Skills Council but we believe that such niche sectors would benefit from being part of a wider vocational network such as that provided by the most relevant Sector Skills Council. You should therefore pursue links with your most relevant Sector Skills Council about how you could work with them in developing a proposal. A list of SSCs can be found at www.ssda.org.uk. If you are still unsure of who to contact please telephone the Sectors Skills Development Agency on 01709 765444.

Q What is the difference between a National Skills Academy and other Academies we see the Government establishing?

A There are similarities in that all forms of academies have a specialism and sponsors who will invest funds and will be involved in their strategic management. However, National Skills Academies will be focused on vocational education and skills training, delivering to young people (16-19 year olds) and adults and be sector-based centres of excellence with national reach.

There are 17 School Academies open with plans for 200 by 2010. They are independent local schools for local children which deliver an innovative curriculum, including both academic and vocational studies for young people up to the age of 19. They are located in geographical areas of real disadvantage, and challenge the culture of educational under-attainment.

In addition, there are plans for several 16-19 Academies which will be set up as FE Colleges while having the ethos of an Academy. They are aimed at disengaged learners and encouraging young people who may not otherwise have participated in post-16 education.

If you want to know more about these other forms of Academies then contact The Sponsorship Team, Academies Division, DfES on 0207 925 6337 or log on to www.standards.dfes.gov.uk/academies

Q Could a National Skills Academy focus on 14-19 year olds?

A It is for the sponsors and the Sector Skills Council to decide on the initial learner groups which their National Skills Academy will prioritise and this could be learners aged 16-19. We expect all National Skills Academies to work with schools to develop links with pre 16 networks. And all National Skills Academies would be expected, over time, to develop an influence over vocational learning in their sector across the country and across age ranges.

Frequently Asked Questions

7.4 We will maintain a briefing note of the Frequently Asked Questions which will be updated as discussions with partners take place. This can be accessed at www.dfes.gov.uk/publications/nsaprospectus.

Annex A

Expression of interest in a National Skills Academy (NSA) to open in Autumn 2006.

Please answer the following 6 questions as fully as possible and email to skills.academies@dfes.gsi.gov.uk by Friday, 9 September

If you have any questions about National Skills Academies policy, the Prospectus, or the process for submitting Expressions of Interest you can contact the National Skills Academies team on 0114 259 1669, or e-mail to the above address.

Reference Number (for internal use only): _____

Name of Organisation: _____

Authorised contact name: _____

Position: _____

Address: _____

telephone: _____ Mobile: _____

Fax: _____ e-mail address: _____

Declaration: I confirm that, to the best of my knowledge, the information contained in this form is correct. I can confirm that all partner organisations mentioned, and in particular the Sector Skills Council, have been consulted and have agreed roles, responsibilities and potential financial costs of running a NSA.

Signature: _____

Name (Please Print): _____ Date: _____

1. The vision

Please describe your vision for a National Skills Academy.

2. Evidence of Need

Outline:

- what training provision is already available for the sector;
- how will the NSA improve those arrangements;
- in what ways is the existing training insufficient to meet the needs of the sector;
- the evidence of support for your vision for an NSA;
- the parts of the sector which the NSA will cover (initially and in the longer term);
- fit with the Sector Skills Council's priorities for the sector.

3. Led by Employers

Outline the support for the NSA from employers of all sizes and the Sector Skills Council.

4. High Quality National Delivery Structures

What role will employers and the SSC have in the development of the NSA?

Who are the key partners for the proposed NSA?

Please outline briefly your thinking on:

- making links with existing providers and networks (e.g. CoVEs);
- arrangements for delivering learning;
- engaging with small and medium sized employers;
- seeking national and sectoral reach.

5. Providing responsive and flexible solutions

Please outline briefly your thinking on:

- the types of learners you want to target, initially and for the longer term (e.g. by age or level of qualification);
- how the activities of the NSA could help broaden the pattern of recruitment and employment in the sector, promoting workforce diversity and equality of opportunity;
- developing curricula and sector specific qualifications;
- use of new technology/ e-learning;
- areas for innovation.

6. A Sustainable Model

- Sources of funding and sums expected.
- Scale of operations (estimates of learner volumes and size of workforce).
- Timescale for build up of operations.

Thank you for your expression of interest in National Skills Academies. We will acknowledge receipt of this form.

Annex B

Timetable for Developing the First Four National Skills Academies

National Skills Academies Prospectus published	13th July
Deadline for submitting Expressions of Interest	9th September
Meeting of Employer led Panel to consider Expressions of Interest	Week commencing 12th September
Discussions/meetings with Potential Sponsors	Weeks commencing 19th and 26th September
Meeting of Employer led Panel to recommend first 4 National Skills Academies to Ministers	Week commencing 3rd October
Ministers to announce first four National Skills Academies	By 31st October
Develop business plan for each National Skills Academy	October – Spring 06
Business Plan agreed by Secretary of State	Spring 06
National Skills Academies Prospectus re-published seeking further expressions of interest	Spring 06
First 4 National Skills Academies open	September 06

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