

# COLLABORATION IN ACTION

## Annual Overview 2018-19



## EXECUTIVE SUMMARY

As I look back over the past year, I am delighted at what Energy & Utility Skills has achieved for its sector in yet another fast-moving year, within the ever-changing policy landscape.

Leveraging the collective power of our members through partnership and influence has been central to our approach. We have collectively focused on building wider recognition for the vital role that human capital plays in delivering the sector's strategic aims, and on directly addressing the skills challenge we all face in what is an ever tightening labour market. Together, we are pursuing workforce resilience.

As a Board we set a clear goal to **'Make excellence the standard within our business, and deliver excellence in the eyes of our sector, through trusted partnerships.'**

In December 2018, Energy & Utility Skills was selected from a shortlist of eight companies to win the coveted title of 'Utility Partner of the Year' at the Utility Week Awards, an unprecedented achievement. The award was recognition for being a "true partner to the entire utility sector", which is our ultimate aim as a business. This is the result of the fantastic work achieved with our members and key partners, including the Energy & Utilities Skills Partnership, where its increasingly influential CEO Council and Delivery Board have made real and tangible progress. There are 56 organisations now involved in the Procurement Skills Accord to assist supply chain sustainability. The Energy & Utilities

Independent Assessment Service has led the way in adapting to the English policy reforms, graduating over 900 apprentices as of the start of May 2019 (around 1 in 4 of all apprentices completing end-point assessment). Talent Source Network has reached almost 5 million people to attract them to a career in our sector and secured support from 27 leading sector employers. Finally, there is the Partnership's continued work in establishing relationships and links to key policy makers, quality and economic regulators, unions, professional institutes and strategic partners.

These commendations round off a year of success, including Energy & Utility Skills being awarded Gold by Investors In People, recognising the central role our people play in delivering excellence. We also continued to make extensive investments back into the industry, deploying new sector-wide IT systems, investing in talent at all levels, upgrading the most important industry schemes and optimising the many groups and networks we run for our members.

This year we also asked Ipsos MORI to talk with our members to help us understand where we can continue to raise our standards, meet your needs and understand what we may need to do differently. You'll hear from the chairs of key network groups about the progress being made across the industry through collaboration.

So, as I look forward to 2019/20, I see another year of challenge, but with a firm foundation to build on. We have an organisation which is well set to serve the skills requirement and workforce resilience of the power, gas, water, waste and supply chain industries.



Jan Ward, CBE  
Chair of the  
Energy & Utility  
Skills Group



Recognised from a shortlist of eight sector companies, the judges explicitly recognised Energy & Utility Skills as being **'a true partner to the entire utility sector'**.

# ENERGY & UTILITIES SKILLS PARTNERSHIP



ENERGY & UTILITIES  
SKILLS PARTNERSHIP  
SUSTAINABLE TALENT FOR ESSENTIAL SERVICES  
AND SUSTAINABLE INFRASTRUCTURE

Through our coalition of 28 utility sector CEOs and MDs, across the UK gas, power, water and waste industries (including the supply chain), the Energy & Utilities Skills Partnership continues to demonstrate leadership in addressing its workforce renewal and skills needs. Together we identify our main issues, and then use targeted projects to deliver change.

Cooperation has been key to the success employers have achieved together in our last 12 months. Not just within our utility-based organisations but through valuable partnerships with our policy makers, regulators, unions, professional institutes and other strategic partners. Partnership has delivered the following:

- **Policy & Regulation** - secured recognition for the value of human capital to our success, and for the value our sector brings to society. Our work is now increasingly appearing within regulated price setting, Industrial Strategy, infrastructure policy and the long term strategies of our sponsoring government departments and agencies. This year we saw Ofwat and Ofgem highlight the importance of workforce resilience in both PR19 and RIIO-2.
- **Talent Attraction** – Our Talent Source Network initiative has broken new ground in stimulating mass attraction for our sector. Employers and stakeholders working together to show the value of careers in our sector has:
  - Reached almost 5 million people so far and driven over 500,000 job views
  - Secured 50% female enquirers
  - Seen 28% of our applications come from BAME (black, Asian and minority ethnic) partnerships

- Built new partnerships with the Department for Work and Pensions, the Ministry of Defence, the Careers & Enterprise Company and key diversity partners
- Worked with regulators and unions to showcase careers in our sector

- **Representative workforce** - To address our diversity challenge, 32 organisations have joined together to launch the sector's first Inclusion Commitment. More companies will quickly follow. Our fresh approach includes five principles; collaborative working, holistic inclusion with focus, measurement & transparency, creating inclusive cultures and inclusive recruitment & progression.
- **Supply chain sustainability** – There are now 56 businesses collaborating to encourage a collective investment in skills, by driving changes across procurement practices. Our Procurement Skills Accord requires companies to be audited, and we recognise those that achieve best practice in annual awards.
- **Apprenticeships** - Having created the sector's first ever end-point assessment body for graduating apprenticeships in England - The Energy & Utilities Independent Assessment Service - the sector's end-point assessment body has delivered over 900 high quality apprentices across 10 standards, and is responsible for around 1 in 4 of all apprenticeships graduating in England.
- The Power industry has worked to improve workforce mobility and transferability of skills through a **Power Skills Scheme**. National Grid, Northern Powergrid, and UK Power Networks are actively leading a 12-month pilot.

In 2019-20, our Partnership will keep working right across the UK to increase the success of the initiatives underway, and develop further the leadership in managing our workforce renewal and skills challenges.



Basil Scarsella  
CEO,  
UK Power Networks  
– Council Chair

“Cooperation by leaders from across the power, gas, water and waste management industries has transformed the way that this sector now tackles its workforce resilience challenge. This year saw our shared plans and active partnership deliver tangible and impressive progress.”



Chris Norbury  
HR Director,  
E.ON – Delivery  
Board Chair

“It's been a pleasure to be part of the Energy & Utilities Skills Partnership as a means to achieving true sector collaboration. Addressing diversity and inclusion through the launch of the sector's first Inclusion Commitment and the continued work of Talent Source Network has been hugely successful and something we're really proud of.”



# PROCUREMENT SKILLS ACCORD

Year 2 of the Procurement Skills Accord (PSA) saw the programme go from strength to strength with a 47% increase in signatory companies, including three new Asset Owners.

This second year of a three-year implementation phase delivered significant progress in embedding skills development into procurement processes and the sector is starting to see tangible outputs impacting training activity across the supply chain. Key outputs for 2018-19 include:

- ▶ 56 signatory companies
- ▶ 38 signatories met all the commitments of the Accord and achieved the PSA Award
- ▶ 75% of relevant companies embedded skills development into their procurement processes
- ▶ Training volumes meeting the training eligibility criteria increased from 11% to 15% over the year
- ▶ Skills development principles included in Achilles Utility Vendor Database (UVDB)
- ▶ Over 80% of signatories would recommend joining the Accord to others

Through the leadership of the PSA Steering Group, enhancements were made to the process of measuring compliance with the five commitments in the Accord and have supported the application to Tier 2 companies. The Steering Group will continue to enhance and sell the value proposition of the PSA through 2019, the final year of the implementation phase, and provide recommendations to the EUSP Council for ongoing development and roll-out.



Skills Accord Award, May 2018



**Sandeep Basra**  
Business Partner,  
Wholesale Water  
& Customer  
Experience  
Strategic Sourcing,  
Thames Water  
and Chair of the  
Procurement Skills  
Accord Steering  
Group

The Procurement Skills Accord is a set of five robust and challenging commitments that require signatory companies to ensure that responsible procurement practices are used to drive investment in skills:

1. To address sector-wide skills gaps and shortages.
2. To promote signing up to the Accord through the Supply Chain.
3. To promote relevant skills development across the Supply Chain through procurement.
4. To continuously improve performance.
5. To monitor and report.

# NATIONAL SKILLS ACADEMY FOR POWER (NSAP)

In 2018-19 NSAP's main priority was to conduct a strategic review to reset itself, in the new energy world context, after several years of delivering tangible outcomes for its members. The review concluded that its original mission to increase capacity, capability and connectivity across the UK power sector remains as relevant today as it did when first established in 2010.

There have been many changes to the context of the 40 NSAP member companies' activity across the value chain over recent years. Going forward, the NSAP Steering Group will focus on Networks and Metering aspects, whilst maintaining a "watching brief" on skills developments relative to technology and the circular economy.

Our networks continue to deliver real value to members with notable achievements in:

- ▶ **Competency Accord: Power Skills Scheme.** On behalf of the Energy & Utilities Skills Partnership, NSAP has developed and is now piloting an industry-wide training and assessment registration scheme to support supply chain partners in demonstrating craft competencies as they move from network to network.
- ▶ **Creating a RIIO task force** to engage with Ofgem in establishing a framework for oversight/measurement of workforce resilience.
- ▶ Successfully delivering the **2018 Conference** showcasing our industry talent.

- ▶ The **Smart Metering Network Group** has been instrumental in the implementation of the Smart Metering Referencing Scheme and the ongoing recognition of the Smart Metering skills scheme as the industry standard. The group is now well positioned to support the mass roll out of SMETS2 through to completion of the Ofgem Smart Meter Implementation Programme.
- ▶ Working with the **Apprenticeship & Technical Education Advisory Group, our Energy & Utilities Independent Assessment Service (EUIAS)** has created standards that have led to the achievement of more than 750 power apprentices, accounting for 80% of all apprentices who have successfully passed their end-point assessment with the EUIAS.

"Resilience is not just about network assets; it is also about the people and processes put in place to build, operate, repair and maintain those assets; particularly when networks are under stress. Human resources with the right skills are essential to the safe and reliable operation of a network, without which the ability to deliver the services expected by customers would rapidly deteriorate."

In 2019 we'll focus on ensuring our workforce planning data is robust to the emerging challenges of the RIIO regulatory review in Networks together with the demands of the Smart Metering rollout; taking the Competency Accord to the next level and, importantly, hosting another successful conference to highlight productivity and innovation in the sector.



Dave Newborough, OBE  
Independent Chair, National Skills Academy for Power

"I am immensely proud of how we continue to work together as a sector voice, keeping our sector skills challenges on the agenda with Regulators and policy makers whilst focussing on tangible deliverables for member companies. Human capital considerations are becoming increasingly important as Regulators develop a balanced score card approach to monitoring business performance."

# APPRENTICESHIPS AND TECHNICAL EDUCATION ADVISORY GROUP (ATEAG)

In 2018-19, the work of the ATEAG group made a real impact with policy makers. Our collective efforts to give our sector the optimal adaption to policy reforms delivered tangible outcomes.

As other major business sectors reported apprenticeship Levy recovery rates from 8% to 20%, utility organisations reported an average of 35% recovery. A handful have already reached 100%. By the summer of 2018, 1 in 5 of all apprentices graduating in England came from our sector. The combination of ATEAG and the Energy & Utilities Independent Assessment Service has enabled our utility-based businesses to succeed in navigating the apprenticeship process and making it work.

We delivered a great deal through collaborating together, including establishing new links to governments and regulators across the skills system. ATEAG 2018-19 highlights included:

- ▶ 27 companies across four nations and four industries now work together in ATEAG
- ▶ UK-wide working, to encourage coherence in increasingly devolved skills policy

- ▶ ATEAG remit successfully extended to apprenticeships and technical education
- ▶ Established credibility with the Institute for Apprenticeships (IfA), developing new and productive relationships with its CEO, main Route Panel Chair and Board
- ▶ Invited to be among the first to give evidence to the National Audit Office Apprenticeship Levy inquiry
- ▶ Secured UK government agreement to increase the amount of unused Levy funds able to be passed from asset holders to their supply chain
- ▶ Minimised the negative financial impacts of apprenticeship funding band reviews; other sectors saw deep cuts in their financial support

I believe we should be proud of how we have worked together as a sector to make these reforms work and secure these results. Many leading business sectors are still struggling to deliver their first apprentice.



Tony Moloney  
Chair of the  
Apprenticeships  
and Technical  
Education Advisory  
Group

I leave the closing remarks on the 2018-19 year of delivery to Sir Gerry Berragan, the Chief Executive of the Institute for Apprenticeships & Technical Education, speaking at an EUIAS House of Lords event in October 2018:

**“Their sector deserves recognition because it is one of the most trailblazing of all those involved with developing new apprenticeships...there are now over 640 apprentices who have completed from the energy and utilities sector, out of just over 4,000 who have passed EPAs across all sectors. This shows how quickly they were off the mark, with adopting and adapting to the new wave of apprenticeships. They have been exemplary.”**

In 2019 ATEAG will continue to make itself the ‘go-to group’ for Levy, apprenticeships and Technical Education policy influence.

# ENERGY & UTILITIES INDEPENDENT ASSESSMENT SERVICE (EUIAS)

The EUIAS continues to scale up operations and actual delivery of end-point assessment. To date there are more than 900 achievements on standards with the 1000th announcement expected June 2019. This significant milestone will be marked by a video highlighting why the EUIAS 'works for their business' and how, through a model of stewardship, we have raised the bar in the quality of apprenticeships for the sector and are respected as being both pioneering and exemplary by key stakeholders.

- ▶ 1st to have achievements on apprenticeship standards across all sectors
- ▶ 1st Level 2 and first female Level 2 achievement across all sectors
- ▶ 1st SMART and Maintenance & Operations Engineering Technician achievements
- ▶ Six compliant External Quality Assurance reports
- ▶ Approved for 10 standards with 33 occupational pathways but continue to be involved in new standards for the sector (Power Support Operative Level 2, Utilities Network Operative Level 2 and Asset Management Level 4 and a total of six new occupational pathways)

EUIAS' ambition is matched by a proactive approach to continuous quality improvement; learning lessons based upon actual delivery rather than hypothesis. In addition, our bespoke technology platform is on target to be operational in summer 2019. Overall this means that we continue to embed a value added service, differentiated from competitors on the basis of both rigour and contextually relevant assessment combined with service excellence and regulatory compliance. More recently this was underlined by a further compliant report for the Utilities Engineering Technician standard (a total of six reports to date), which complemented the EUIAS on the quality of its trade tests and knowledge assessments.



Murdo Allan,  
OBE  
Chair of the  
Governing Body  
of the Energy  
& Utilities  
Independent  
Assessment  
Service

The Energy & Utilities Independent Assessment Service is approved on the Register of End-point Assessment Organisations to deliver end-point assessment for 10 apprenticeship standards:

1. Power Network Craftsperson
2. Dual Fuel Smart Meter Installer (Electricity and Gas)
3. Water Process Technician
4. Utilities Engineering Technician
5. Gas Network Craftsperson
6. Gas Network Team Leader
7. Gas Engineering
8. Maintenance and Operations Engineering Technician
9. Electrical Power Protection and Plant Commissioning Engineer
10. Electrical Power Network Engineer

# WORKING WITH THE WATER INDUSTRY TO PROTECT DRINKING WATER QUALITY AND DELIVER WORKFORCE SUSTAINABILITY AND RESILIENCE

Energy & Utility Skills has invested in the ongoing safety of the public water supply for more than a decade, and continually supports the sector with the provision and management of key industry schemes.

- ▶ In March 2019 we launched our improved and enhanced National Water Hygiene Scheme (NWHS), also known as the 'Blue Card' scheme. Energy & Utility Skills worked with the water industry to redevelop the scheme's design, structure and assessment criteria, in line with changing regulatory and policy requirements.
  - ▶ In March 2019 Energy & Utility Skills implemented the new Licence to Control Scheme. Designed to accredit and recognise the skills and knowledge required to operate in a water control room operations environment.
  - ▶ In June 2018 we sponsored three industry awards at the Institute of Water (IoW) President's awards in Glasgow City Chambers.
  - ▶ Competent Operator Scheme upgraded and relaunched, bringing consistent drinking water competence standards right across Northern Ireland, Wales, Scotland and England.
  - ▶ Anglian Water was the first organisation to achieve the upgraded competence standard with six other organisations swiftly following suit and more in progress. (Peter Simpson, CEO of Anglian Water, is pictured here receiving his certificate, alongside Marcus Rink, Chief Inspector of the Drinking Water Inspectorate).
  - ▶ Developing the role profile and technical competence framework for Water Fittings Inspector (WFI) with the Water Regulations Advisory Scheme (WRAS).
  - ▶ Ofwat's 'Resilience in the Round' proposals, highlight that investment in the future workforce is critical to business success. Through the Energy & Utilities Independent Assessment Service, over 40 high-quality apprentice assessments have been delivered into the water industry.
- Ensuring workforce resilience is essential for the future success of the water sector and pushing ever harder for increased competence helps ensure the safe management of our drinking water, environment and people. Energy & Utility Skills remains committed to building excellence in a safety critical industry. Partnership and collaboration remain the best way to deliver the highest possible standards.



I am very proud of the work that we have done this year and recognition from the DWI encapsulated in the quote below:

**Milo Purcell, Deputy Chief Inspector of the Drinking Water Inspectorate, said:**  
**"Participation in the Scheme helps promote high standards of hygiene and safety, ensuring that drinking water remains clean and safe, and that consumers are protected. The updated National Water Hygiene Scheme is founded on the best practice enshrined in the water industry's Principles of Water Supply Hygiene."**



# DRIVING BEST PRACTICE AND COLLABORATION ACROSS THE WASTE AND RECYCLING INDUSTRY



In 2018-19 the Waste Management, Recycling & Resource Recovery Industry Skills Initiative (WRRISKI) was replaced by the new Waste & Recycling Human Resources Forum (WRHR). The new group has achieved a significant amount during its first year.

- Developed the Level 2 Waste & Resources Apprenticeship standard and end-point assessment plan and achieved approval from the Institute for Apprenticeships (IfA).
- Successfully submitted a funding challenge to the IfA which resulted in an increase in funding from £2,500 per apprentice to £6,000 per apprentice.
- Established a Waste & Resources apprenticeship implementation group to support employers embarking on the new Level 2 Waste & Resources Apprenticeship standard.
- Supported the ongoing governance of the Competence Management System (CMS) with DEFRA in England and Natural Resources Wales, and ongoing engagement with SEPA in Scotland and DAERA Northern Ireland with regards to implementation.
- Achieved UKAS Accreditation of the Competence Management Standard - accredited certification gives an additional level of confidence and trust, demonstrating expertise, recognition and credibility.
- Established new Terms of Reference for the Waste & Recycling HR Forum, along with the election of a new Chair.
- Launched the SHEA Switch Health & Safety Passport scheme across Scotland and continued to work closely with local Government, Regulators and stakeholders to address the safety culture within the sector.
- Represented the industry on competence at the Waste Industry Safety & Health (WISH) Forum.
- Continued to support Zero Waste Scotland and SWITCH (Scottish Waste Industry Training Competence and Health & Safety Forum) with the roll out of the competence framework across Scotland.
- Engaged with Government and Awarding Bodies to ensure the relevant apprenticeship frameworks and associated qualifications are available for all the industries (particularly in devolved nations).
- Conducted a review and update of the National Occupational Standards for Waste & Resource Management and updated the Frontline Environmental Services vocational qualification.

The WRHR Group has been closely engaged with the industry work to propose a sector deal, and in supporting the UK Resources Council with the start up efforts. The work is divided into four sub-streams, each of which will lead to the development of a chapter for a Sector Deal. These will now be developed by working groups overseen by chairs and coordinators from within the industry. The work streams include one on infrastructure and one on the people assets. These groups aim to deliver work plans by bringing forward finalised proposals in their area by the end of 2019.



Lesley Callaghan  
Head of Human Resources,  
FCC Environment,  
Chair of WRHR  
Group

A new group for the Waste sector, the Waste & Recycling Human Resources Forum (WRHR), was initiated by industry in early 2018, with the aim to drive best practice in all elements of people development and workforce resilience. The group recognises its aims are best achieved through collaborative working and has representation from large employers and SMEs to share best practice to support the smaller organisations that may not have the resource in place. With the overarching skills agenda being addressed by the Energy & Utilities Skills Partnership CEO Council and Delivery Board, the forum ensures activity aligns with the overarching Skills Strategy, thus avoiding duplication of effort whilst ensuring targeted action that is relevant to the specific needs of the waste industry. Looking to 2019/20 the focus is to increase the resilience of the waste industry through collaboration.



## ENERGY & UTILITY SKILLS - AN AWARD WINNING COMPANY

In December 2018, Energy & Utility Skills was named the first ever 'Utility Partner of the Year' at the Utility Week Awards. The judges praised Energy & Utility Skills for being "a true partner to the entire utility sector". This came just a month after Energy & Utility Skills received Gold accreditation in the Investors in People Award, certified until 2021. This puts Energy & Utility Skills in the top two percentiles of all organisations assessed.

