

Industrial Strategy White Paper: What next?

Introduction

The Department for Business, Energy and Industrial Strategy (BEIS) launched its new Industrial Strategy White Paper on 27th November 2017. It set out the Government's planned approach to driving productivity and growth and identified areas of strength where Britain can 'lead the global technological revolution'.

Numerous policies are set out within the Industrial Strategy, very few of which are entirely new. However, a number of these will be significant for future skills policy and require closer examination. This paper will take a closer look at new skills publications that have been released following the launch of the Industrial Strategy. It will set out the key elements of each publication, the implications for employers and any anticipated 'policy snags'.

[Unlocking Talent, Fulfilling Potential](#)

Published by the Department for Education on 14th December 2017

This sets out central Government's national 'social mobility plan' to support children and young people to reach their full potential. It incorporates local 'opportunity area' plans, which are connected to the recently published Careers Strategy detailed below. It aligns with the high level objectives of our Workforce Renewal and Skills Strategy by promoting social mobility through education, skills and careers guidance, helping to grow and diversify our sector's potential talent pool.

What does this mean for energy and utility sector employers?

Employers are already working hard to adapt to the implementation of the Levy but this social mobility plan confirms that further change is ahead in technical education. The growing focus on higher level technical education may lead employers to reconsider their own training and recruitment strategies. Indeed, some are already doing this as the need to recoup Levy funds has encouraged potential reductions in the number of graduate traineeships in favour of higher level apprenticeships.

There is considerable emphasis on the important role of post-16 education choices and high quality technical education across the Industrial Strategy piece. T-levels in particular will be an important vehicle for this element of the Government's approach. While the routes have been set for the time being, employers in our sector can continue to work to increase their influence over the process by applying to participate in the route panels.

If the social mobility plan is implemented successfully, employers should face less regional differentiation in terms of ease of access to the skills they need. However, there will be a proliferation of networks, bodies and panels that national employers will need to work with in

the meantime in order to communicate their needs. This will add cost and complexity to the stakeholder management process.

Key policies announced:

This social mobility plan sets out four 'key life stage' ambitions, from 'early years' education through to careers guidance:

- To close the 'word gap'¹ in the early years
- To close the attainment gap in schools while continuing to raise standards
- To achieve high quality post-16 education choices for all young people
- To enable everyone to achieve their full potential in rewarding careers

The third and fourth points are particularly relevant to our sector and the areas that Energy & Utility Skills tends to focus on. In addition, there is a theme of 'place based targeting' that runs throughout, including the 'Opportunity Areas' plan (see below) that provides more intensive support for a limited number of places facing particular challenges. The new Careers Strategy detailed below will also focus on Opportunity Areas.

- **High quality post-16 education choices for all young people:** The social mobility plan reiterates that the first T-levels and the 'transition year' will be introduced from 2020; outlining the upcoming review of higher level technical education at Levels 4 and 5 and development of degree apprenticeships, using the £10 million Degree Apprenticeship Development Fund. The new Institutes of Technology (IoTs) are mentioned as well – these will contribute to bringing forward higher level technical skills. The IoTs will be supported by a £170 million fund and will open from 2019. Finally, the social mobility plan also references a £40 million programme to make FE colleges centres of excellence for Maths and English.
- **Everyone achieving their potential in rewarding careers:** The social mobility plan identifies the need to collaborate closely with employers, increasing the number of opportunities for meaningful work experience, particularly for people in 'career cold spots'. The social mobility plan sets out an ambition for every young person to have at least seven encounters with employers during their education. The development of T-levels, with minimum 45 day work placements, and Skills Advisory Panels will align the skills and experience of young people to the needs of the local economy. The National Retraining Scheme and the National Careers Service will ensure that careers advice, guidance, re-skilling and up-skilling opportunities are made available to young people and adults.
- **'Opportunity areas':** The Government has committed an additional £72 million over three financial years to provide tailored interventions in these areas. Local and

¹ Development gap in pre-school language and literacy skills

national partners are being brought together to collectively agree tailored Delivery Plans and local partnership boards are being convened to deliver these. Six areas have already been identified and another six will be published in January 2018.

Areas to watch

The changes in Technical Education centre on the introduction of 15 professional sector routes. However, these do not map across directly to the energy and utility sector. Of the 15 proposed routes, energy and utilities spans both 'engineering and manufacturing' and 'construction'. The indications so far are that the sector is under represented, considering the contribution that it makes to national infrastructure development.

Careers Strategy: Making the most of everyone's skills and talents

Published by the Department for Education on 4th December 2017

This Careers Strategy was developed in partnership with the Gatsby Charitable Foundation and includes an expanded role for the Careers and Enterprise Company. The Careers Strategy emphasises that employers 'are an integral part of our approach'. The National Careers Service will be the single service that provides careers information, advice and guidance. The Careers Strategy applies to England only.

What does this mean for energy and utility sector employers?

Firstly, the Careers Strategy endorses the Gatsby benchmarks² which set out a support framework for young people moving into work. This means that it emphasises the role of employers in engaging young people and providing workplace experiences. Employers can expect an increased number of requests for direct engagement from schools and colleges, and a more structured framework within which to offer work experience and placements.

Secondly, the strategy focuses on an increasingly regionalised, devolved approach to delivering careers guidance. These may include networks or clusters of schools, colleges, independent providers and employers collaborating to develop the most appropriate range of solutions for their area. This means that employers operating across England may need to engage with a number of different groups and networks in order to participate actively in this suite of policies.

Key policies announced:

² These identify the three core pillars of good careers guidance: i) the importance of encounters with the world of work and with higher and further education, ii) the need for good information – about how the curriculum links to careers and the labour market and iii) the importance of helping a young person to develop a careers plan suited to their own passions and strengths.

- **Dedicated careers leaders** - the aim is for every school and college to have a dedicated 'careers leader', with £4 million funding for training and support in at least 500 schools and colleges during 2018 and 2019
- **Quality interactions between schools and businesses** - secondary schools will be expected to provide pupils with at least one meaningful interaction with businesses every year, with a particular focus on employers from STEM industries, by the end of 2020.
- **New careers hubs to be established** - £5 million funding will be dedicated to developing 20 new 'careers hubs' for young people in the most disadvantaged areas by the end of 2018. This initiative will be led by the Careers and Enterprise Company. The hubs will connect schools, colleges, universities and local businesses with the aim of broadening the aspirations of young people.
- **Trials of careers activities in primary schools** - £2 million funding will be used to support pilots to test techniques for engaging children in careers exploration from an early age and helping to raise their aspirations. These trials will focus on some of the most disadvantaged areas of the country through the Government's Opportunity Areas programme.
- **Specialist advice for the long-term unemployed and those with additional needs** - The National Careers Service will be the central portal for provision of access to specialist support for adults who need it most, helping to ensure equality of access to opportunities. New contracts will be put in place during 2018 and 2019.

Areas to watch

A number of concerns exist: commentators have suggested that the Careers Strategy does not make adequate funding provision to enable Ministers to realise the planned transformation. Others have reinforced this by claiming that the reforms are not radical enough and will limit the scale of change that could potentially be achieved.

However, the most critical issue for employers seeking to engage with and benefit from this Careers Strategy is likely to be its highly regionalised nature. Employers operating across England are likely to need to engage with multiple bodies and networks in order to leverage the policies contained within the Strategy in different locations. This risks being complex and resource intensive. It also increases the chances of particular regions 'falling through the net'.

[Introduction to Sector Deals](#)

Published by BEIS on 27th November 2017

Sector Deals offer the possibility of flexible partnership between a given sector and the Government. Sector Deals are tailored to the individual sector and so there are no fixed rules

about what they should contain. They are intended to provide a vehicle for collaborative resolution of sector-specific issues, generating benefits for skills, productivity and growth.

What does this mean for energy and utilities sector employers?

The energy and utilities sector does not yet have a Sector Deal but there are potential options in the future. These may involve partnership with other sectors on overlapping issues, advisory roles within other Sector Deals or indeed participation in multiple Sector Deals. It is important to note that Sector Deals may or may not involve funding – their primary function is to resolve policy issues that may be holding a particular sector back in terms of its contribution to productivity and growth.

Key policies announced:

So far, Sector Deals have been announced for Life Sciences, Construction, Artificial Intelligence and the Automotive sector.

Areas to watch

There is a risk that Sector Deals may become the default means of communication with Government, neglecting sectors that don't have a Deal and also the cross sector nature of some policy issues.

To conclude...

We welcome the prominent role given to skills and education across the Industrial Strategy piece. Our communications around the essential role of skills and workforce renewal as a motor for growth and productivity appear to be starting to resonate with policy makers. This is supported by the core role of the Careers Strategy and the 'Unlocking talent: fulfilling potential' plan for social mobility through skills.

However, there is still more to do. The energy and utilities sector will need to continue to work hard to position ourselves to benefit from many of these proposed policies. We can start exploring options for one or more Sector Deals which could bring significant benefits in terms of removing policy barriers to skills and workforce renewal in our sector. We can also build our representation on the relevant panels to ensure that our sector's voice is heard as technical education reforms progress. Finally, it will be important for employers to develop new approaches to stakeholder management in light of the proliferation of panels, plans, partnerships and boards at a regional level.

If you have any questions or thoughts you would like to share, please contact Grace Storey on grace.storey@euskills.co.uk.