

MANIFESTO 2018: ENERGY AND UTILITIES SECTOR PRIORITIES FOR WORKFORCE RENEWAL AND SKILLS

Energy & Utility Skills is the specialist workforce body chosen by the utility-based sector employers in England, Northern Ireland, Scotland and Wales. Its membership comprises the major infrastructure companies in water, power, gas and waste management and their top tiers of delivery partners. We bring employers together to help them collectively identify and address the key workforce resilience challenges the sector faces. Our work engages policy makers, regulators and the primary stakeholders to seek to develop an informed, efficient and enabling business environment.

Energy & Utility Skills' members serve 65 million consumers across the UK every day, provide the environmental infrastructure and essential services that underpin the whole economy and are the single largest contributor to the £0.6 trillion National Infrastructure Plan. The sector employs a workforce of approximately half a million, and will invest over £100bn into the UK in the next decade.

It is a sector of core strategic value to the UK, requiring support from all UK governments to ensure they are able to maximise their contribution to productivity and growth, helping to ensure the prosperity of the UK in a post European environment. To enable this, longstanding workforce renewal and skills weaknesses need to be addressed. These are our priority recommendations:

1 Collaborative partnership across the UK: The increasingly devolved and fragmented efforts to address the UK's labour market and workforce resilience challenge need leadership to ensure the UK delivers in a post European economy.



- › An overarching UK labour market, workforce resilience and skills strategy is required.
- › Alignment is needed between central and devolved government departments, regulators and other relevant bodies to ensure a coherent and efficient labour market approach is deployed
- › The UK's Industrial Strategy should require all government departments to make workforce resilience a requirement within their Strategic Policy Statements.
- › Emerging UK labour market, education and skills departmental policies should be aligned towards the aims of the Industrial Strategy and one joined-up strategic solution.
- › Workforce resilience and the value of skilled human capital should be embedded in the statutory duties and approach of UK infrastructure regulators and sponsoring government departments, to drive a coordinated policy approach and best value for customers.

2 To invest in industries that are of strategic value for the UK economy: Energy and utilities are the largest single contributor to the National Infrastructure Delivery Plan. Ensuring a sustainable and resilient workforce here first is an intellectually sound investment for the whole of the UK.



- › UK governments do not have the resources to address every UK market skills need at the same time so **start with the sectors of core strategic value** to the UK. Fresh drinking water, heat, light, power, gas, sanitation and waste recycling are essential to life, and underpin our very society. The **energy and utility-based organisations are a priority market** to assist.
- › The existing skills and education reform policy in England misses out the UK's utility infrastructure and services in its structure. **Explicit recognition is required** to ensure the reforms **address the workforce resilience and skills issues** in the UK's critical energy and utilities sector.
- › Apprenticeship policy reform should ensure that the **resulting talent flows in to the UK's most critical business sectors first** - focusing on quality outcomes rather than quantity.

3 A predictable skills and employment policy environment: Employers need stable and predictable skills policy to enable them to minimise wasted resource and commit to long-term investment in the workforce.



- › Regulatory impact assessments should be consistently deployed to **help policy makers and those required to act**, to better understand the objectives, options and trade-offs between the costs and benefits.
- › **Action is needed to address skills policy being increasingly fragmented**, opaque, expensive and complex for multinational employers serving customers and markets across the UK.
- › **The Government should ensure the most vital policy foundations** are in place, operating and understood by employers, before moving on to the next reform. **Consistent policy and funding approaches** are critical.
- › A 'test and adjust' approach should be used to **optimise policy implementation**, working first with sectors that can add most value to the UK and who wish to make the policy reforms succeed.

4 Continuing dialogue and evaluation of policy and practice with employers: Ensuring skills and workforce policy interventions are employer-led, recognising the needs of employers in the energy and utility sector.



- › **The Government should** test whether the skills policy reforms made across the UK are **closely aligned with the emerging needs** of the UK market it was designed to enhance, and **whether they work in practice**.
- › Apprenticeships, while vital, are just **one category of the wider workforce renewal and upskilling** required by employers in UK plc. Future refinement of the Apprenticeship Levy policy should **enable deployment of employer's unspent funds to key areas** such as reskilling and upskilling so that critical UK skills shortages are able to be addressed.
- › In England, **pace the apprenticeship and technical education reforms to ensure** they deliver the Government's [English Apprenticeships - Our 2020 Vision](#) commitment to being "employer-led" and solve the key workforce resilience and skills gaps.
- › In England, ensure that the apprenticeship and technical education reforms deliver the Government's [English Apprenticeships - Our 2020 Vision](#) commitment to Levy contributing employers consistently being able to **recover more than they have put in financially**.