



Comments

on

Independent Review of Economic Policy

(DETI and Invest NI)

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Prepared by

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Introduction

1. The Alliance of Sector Skills Councils welcomes the opportunity to comment on the report of the Independent Review of Economic Policy (DETI and Invest NI) published in September 2009.
2. The report covers a wide range of issues and makes recommendations with far-reaching policy and strategy implications. In broad terms this response concentrates on those recommendations that have a direct impact on skills in Northern Ireland.

Background

Alliance of Sector Skills Councils

3. The Alliance is a new organisation comprising all 25 licensed UK Sector Skills Councils (SSCs), the employer-driven organisations that together articulate the voice of approximately 90% of the UK's workforce on skills issues. Its core purpose is to:
 - Act as the collective voice of the Sector Skills Councils
 - Promote understanding of the role of SSCs within the skills system across England, Scotland, Wales and Northern Ireland
 - Co-ordinate policy positions and strategic work on skills with stakeholders across the four home nations
 - Help build the performance capability of the Sector Skills Councils, to ensure they continue to work effectively on the employer-driven skills agenda
4. The Alliance of Sector Skills Councils was set up in April 2008 and is funded by the subscriptions of its members. It is a company limited by guarantee and a Scottish charity with offices in London, Belfast, Cardiff and Edinburgh.

Sector Skills Councils

5. Sector Skills Councils (SSCs) are independent employer-led organisations each responsible for tackling the skills and productivity needs of a specific economic sector across the UK.
6. The four key goals of SSCs are to:
 - reduce skills gaps and shortages
 - improve productivity, business and public service performance
 - increase opportunities to boost the skills and productivity of everyone in the sector's workforce

- improve learning supply including apprenticeships, higher education and National Occupational Standards (NOS)
7. SSCs aim to increase the competitiveness of their particular sectors that they represent by:
 - providing labour market intelligence, identifying skill needs at all levels
 - influencing the UK's education and learning infrastructure
 - mapping training and education supply to ensure it meets sector demand
 - raising skills demand among employers in their sector
 8. SSCs achieve these objectives by carrying out research, contributing to the development of National Occupational Standards and the design and approval of Apprenticeship frameworks, brokering Sector Skills Agreements and creating Sector Qualification Strategies.
 9. SSCs provide employers with a unique forum to express the skills and productivity needs that are pertinent to their sector. By coming together as SSCs, employers have:
 - greater dialogue with government and devolved administration departments across the UK
 - greater impact on policies affecting skills and productivity
 - increased influence with education and training partners
 - substantial public investment
 10. There are currently 25 SSCs, covering approximately 90% of the UK workforce.
 11. SSCs are licensed by the Secretary of State for Business, Innovation and Skills at Westminster in consultation with Ministers in Scotland, Wales and Northern Ireland.
 12. SSCs work is UK-wide but takes account of the specific skills strategies that exist in each nation. In Northern Ireland SSCs are central to the implementation of the Skills Strategy. All SSCs have developed Sector Skills Agreements for Northern Ireland and are currently implementing the key actions developed from their agreements. These actions span a wide range of activities usually in collaboration with an extensive range of local stakeholders.

Sector Skills Agreements

13. The current Northern Ireland Skills Strategy (Implementation Plan published February 2006) gives Sector Skills Councils an important role in understanding the “demand” for skills. Each SSC has conducted a comprehensive analysis of their sector in Northern Ireland to produce detailed Labour Market Intelligence and an analysis of the supply of skills. For each SSC this analysis has led to the development of a Sector Skills Agreement which not only sets out the evidence (LMI and supply issues) but puts in place agreements between the SSC (on behalf of their employers) and appropriate Government departments and

agencies, training providers and other relevant organisations to influence and implement developments in their sector.

14. Sector Skills Agreements for Northern Ireland were developed during the period 2006-2008. Both DETI and Invest NI along with DEL, had representatives on the Sector Skills Agreement Project Board which managed the assessment and “approval” of the Agreements. These Agreements have formed the foundation for the business plans of each SSC in Northern Ireland as they have taken forward specific activity in collaboration with key partners including Invest NI.

Comments on the report

15. **SIMPLIFICATION OF POLICY LANDSCAPE:** The Alliance of Sector Skills Councils supports the broad conclusions of the report (Page 9, E.23). In particular, the objectives of providing greater clarity on the roles and responsibilities of economic development within the NI public sector, and better co-ordination in the delivery of the key factors influencing economic policy in NI, including more tailored support for businesses in NI. A simplified policy and strategy landscape which is easily understood and navigable by employers, specifically SMEs, would be a very welcome development.
16. **STEM:** The report (Chapter 9) recognises the significance of STEM subjects in underpinning the development of critically important skills for the future NI economy. The Alliance supports this recommendation and looks forward to working in collaborations with key partners in taking forward the key recommendations in the recently published joint DEL/DE STEM strategy that tasks SSCs with the important role of working with employers to develop clear careers path for STEM.
17. The recent introduction of an “all-age” Careers Education, Information, Advice and Guidance Strategy is a welcome development. We believe that an all age careers service will allow “fresh talent” into industries currently struggling to attract young people who perceive them to be less progressive or appealing as others. At the same time, the service would be able to assist those adults seeking to return to work (from parental breaks, long term sickness or redundancy) as well as those changing career direction with interventions at various stages of their working life ensuring that choices are appropriate and based on accurate, accessible information. Better sectoral information and data is critical and the Sector Skills Councils are ideally placed to offer high quality sectoral information and advice, particularly in relation to STEM.
18. **PROFESSIONAL AND TECHNICAL TRAINING:** The Alliance supports this recommendation (Chapter 9) that identifies the need to develop higher level qualifications at Level 4 and 5. There should be parity between vocational and academic qualifications and that a vital part of this work should be undertaken at a national curriculum level in schools. It is essential that vocational subjects and qualifications are made more appealing for learners

and that the routes and range of options open to students after are publicised better. Vocational qualifications need to be presented as an equally valuable option for everyone.

19. In the Alliance's submission on the future of apprenticeships to the Employment and Learning Committee we indicated that there is evidence to suggest that young people have misconceptions about STEM careers, particularly those linked to manufacturing industries. Potential students should be given access to mentors or ambassadors who they can relate to that have come up through the apprenticeship route and similarly, there should also be publicity on the wide range of opportunities available to individuals once they have completed their apprenticeship, including real case studies and examples that not only provide the learner with insight into the benefits of an apprenticeship but with real experiences that they can relate to.

We also suggest further ways of encouraging STEM apprenticeships such as:

- a higher rate of funding for these qualifications;
 - ensure careers/guidance staff have adequate information about STEM area jobs and the skills/qualifications required;
 - develop marketing for apprenticeships on a sector specific basis including highlighting the increased earning potential of staff with STEM apprenticeships;
 - work with multinational companies to look at schemes globally.
20. The Alliance would like to see training and development policy going beyond Level 3. In looking ahead we see a greater demand for professional and technical skills at Levels 4 and 5. Foundation Degrees already provide one route to achieving this level of qualification and "higher" apprentices at level 4 is worth considering in the revised NI Skills Strategy.
 21. It is also important to recognise the potential impact of the new Qualifications Credit Framework (QCF). The QCF will support a more flexible and potentially customised qualification offer which could encourage significant numbers of employers and learners to engage in the skills qualifications system who in the past, would not have previously done so. This is particularly important as we look to re-skill and up-skill today's workforce, 75-80% of whom will still be in the workforce in 2020.
 22. **MANAGEMENT AND LEADERSHIP SKILLS:** The Alliance strongly supports the recommendation (Chapter 9) encouraging more focus by DEL, DETI and Invest NI on the development of management and leadership skills. The LMI developed by SSCs consistently identifies management and leadership skills as key priorities in all sectors and vitally important in driving up business performance and productivity by ensuring better deployment and utilisation of all skills in the workforce.
 23. There are a wide range of management and leadership programmes already available from DEL and Invest NI client companies. These are generally valued by participants but, for many employers, they are unaware of what is available and the range of funding support that different programmes attract.

Conclusion

24. Sector Skills Councils, on behalf of their employers, have a central role in understanding, articulating and influencing the supply of skills that their sector requires to enhance productivity and business performance. The future prosperity of Northern Ireland will rely heavily on the development of a well trained and agile workforce to take advantage of new opportunities as we come out of the economic downturn.
25. The Alliance of Sector Skills Councils welcomes the report of the Independent Review of Economic Policy (DETI and Invest NI) and believes it provides a very significant contribution to future consideration of economic policy and strategy to increase the productivity and maximise the competitiveness of the Northern Ireland economy.
26. As further consideration of the report is taken forward by the DETI Minister and her Executive colleagues the Alliance of Sector Skills Councils looks forward to contributing to this strategically important policy development in partnership and collaboration with all stakeholders in Northern Ireland to ensure the needs of employers and employees are central to the analysis and solution.

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