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Industrial Partnerships
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Industrial Partnerships

Introduction

The government is currently piloting major changes to the skills system and skills funding in England through the Employer Ownership Pilot. The TUC has expressed support for some key aspects of Round 2 of the Employer Ownership pilot (EOP), in particular the development of new Industrial Partnerships designed to promote an industry-led strategic approach to skills in a sector. These Industrial Partnerships (IPs) are also designed to link in with the priority sectors identified by the government in its national industrial strategy.

The UK Commission for Employment and Skills (UKCES) is the lead organisation helping to support the development of the IPs and its latest report – *Employment through Growth* – says the following: "Industrial strategy is forming in key sectors and there are several examples where business, government and trade unions have worked successfully to establish growth. Progress is being made and we need to build on this success and ensure that better skills and better jobs are an integral part of the solution". The report also confirms that in England government has invested £131 million in eight industrial partnerships of businesses collaborating with each other and with trade unions. Other stakeholders, such as Sector Skills Councils (SSCs), are also playing an important role.

In the 2014 General Council Report the TUC said that it "continued to make the case for a skills system that draws on aspects of the most successful models in other European countries where social partnerships arrangements allow for long-term strategies incorporating both industrial and skills priorities." On this basis the TUC is giving its support to the development of IPs and campaigning for a proper partnership approach where employers and unions articulate the skills needs of businesses and the workforce.

However, the TUC has also highlighted the need for important safeguards with regard to the Employer Ownership Pilot and the IPs, including:

- ensuring a proper voice for unions;

- preventing deadweight in employer spend on training (i.e. employers using taxpayers' money to fund what they would have funded themselves);
- maintaining a clear focus on prioritising equality and diversity; and
- guarding against the pilot causing any potential destabilisation of colleges and providers.

Five industrial partnerships were officially launched during summer 2014 covering the following sectors: Energy, Creative Industries, Science, Information Economy, and Nuclear. Three additional IPs were announced in November 2014 covering the Aerospace, Automotive and Tunnelling sectors.

TUC Education has launched an eNote on Industrial Partnerships (eNotes are an online resource to help union reps keep up to date on key workplace issues. Each eNote is a self-contained module that contains a mixture of text, video and quizzes).

Energy and Efficiency Industrial Partnership

The Energy and Efficiency Industrial Partnership was the first to be officially launched in June of this year and more information on this IP is available on its dedicated website. It is supported by the Energy & Utility Skills SSC and the National Skills Academy for Power. The lead employer is National Grid. According to the IP website, the partnership has received £33 million of Government investment, which has been matched by £82 million of employer investment (as with all IPs the employer investment comprises a mix of "in-kind" and cash contributions). All the leading employers and unions in the sector are directly involved in the work of the Partnership.

Announcing the launch of the IP, the Energy & Utility SSC press release said: "The employers will match the Government's £33m investment in the Partnership, to help deliver around 70,000 new learning opportunities including Apprenticeships and Traineeships. The Partnership will also fund increased training to ensure the industry has the right quantity, quality and diversity of new recruits." The IP also has a number of key "impact goals" for the sector over a 5-year period, including: 10% reduction in skills gaps; 10% reduction in job vacancies; 5% increase in gross added value; and, a 15% reduction in administrative overheads.

Creative Industries Industrial Partnership

The Creative Industries Industrial Partnership was launched in July and according to the BIS press release this involves employers committing £17M (£10M cash contribution plus £7M in kind). The lead employer is Channel 4. In the press release David Abraham (CEO of Channel 4) described the partnership as "a joint venture between employers, trade unions, Local Enterprise Partnerships and training and education providers, which as well as opening doors within what are often considered difficult to access industries, will also help raise standards across the creative industries". The IP is supported by Creative Skillset SSC and it has confirmed in a statement that the "project will see government funding of £20m" alongside the £17M employer contribution. The IP is to be known as UK Creative Skills and it will generate a wide range of learning and training opportunities, including Apprenticeships.

Science Industrial Partnership

The government also announced an Industrial Partnership for the Science sector in July which is supported by Cogent SSC. The lead employer is GlaxoSmithKline. The government is contributing £32.6 million, with £51M from employers (£20 million cash contribution and £31 million in-kind contribution). The BIS press release says that this IP will create more than 7,800 education and skills opportunities over a 2 year period, including the following:

- 1,360 Apprenticeships: based on a new, simple employer-owned system delivering work-ready apprentices.
- 240 Traineeships: a new work experience programme for young people pursuing science- based careers.
- 150 Industry Degrees: a radical new approach to graduate development, focused on employer skills needs and graduate employability.
- 230 Modular Masters Modules: a new modular route to deliver high tech post-graduate skills in the workplace.
- 5,900 workforce development opportunities: increasing technical and management capability of the workforce.
- STEM careers: a cross-sectoral proposal to attract young people into STEM jobs.

More information about the Science IP is available on its dedicated website.

Information Economy Industrial Partnership

In July an Industrial Partnership covering the Information Economy, supported by e-skills SSC, was launched. This IP is known as the Tech Partnership and it has a dedicated website. The lead employer is Cisco. According to the launch press release this IP involves government funding of 18.4m which sits alongside £11.5m of private cash co-investment and £23.9m of private in-kind co-investment. Some of the key deliverables of this IP include the following:

By 2020, it is aiming to:

- Shift the gender balance: with a 50:50 gender balance in entry level tech jobs expanding the pool of talent entering the sector.
- Inspire young people: establishing digital careers within the top quartile of desirable jobs in the view of 16 - 21 year olds.
- Increase job opportunities: doubling the rate of recruitment from schools and universities to give the nation a new pipeline of home grown talent to support growth.

In its first two years, it is aiming to:

- Create 2,750 new Apprenticeship starts, on industry accredited programmes.
- Create 3 Tech Skills Hubs that provide a national centre for employers to work together on addressing emerging skills needs in areas such as cyber security and big data.
- Engage with careers education and guidance services, causing 40,000 young people to be more likely to take up tech related education or careers.

Nuclear Industrial Partnership

In September a fifth IP was launched, the Nuclear Industrial Partnership. The BIS press release confirms a total funding pot of £8M for this IP, comprising £4M of government investment and £4M of cash and in-kind contributions from employers. This IP builds on the government's Nuclear Industrial Strategy which is aimed at making sure Britain can benefit from the £930 billion being invested in the nuclear industry over the next 2 decades. The construction of new power plants, alone, could create as many as 40,000 new jobs in the UK. Some of the projects to be funded by this IP include:

- 320 Apprenticeships – comprising 50 Apprenticeships on a new 'Electrical, Control and Instrumentation' programme and 270 Apprenticeships for nuclear supply chain companies.
- 100 Traineeships.
- 60 summer school places – an 8 to 10 week programme aimed at engineering undergraduates who have completed two years of study.
- 720 STEM workshop places – a 2 day course aimed at school years 10 and 11 to give an insight into engineering construction careers and ways into the industry.

This IP will be supported by the National Skills Academy for Nuclear and more information about the partnership is available on its website. The lead employer is Magnox.

Aerospace, Automotive and Tunnelling

These three IPs have just recently been announced and there is little information available at present about their specific plans. The Aerospace Industrial Partnership is led by Airbus, the Automotive Industrial Partnership is led by Jaguar Land Rover, and the Tunnelling Industrial Partnership is led by Crossrail.

Further information

Please contact Iain Murray (imurray@tuc.org.uk) if you wish to follow up on any issues relating to Industrial Partnerships and the Employer Ownership Pilot. Updated information will be made available on the section of the unionlearn website dedicated to IPs and SSCs.