



Bridging the Skills Gap

Building a consensus on the needs and
defining an agreed national skills plan

Board Workshop

11th December 2007

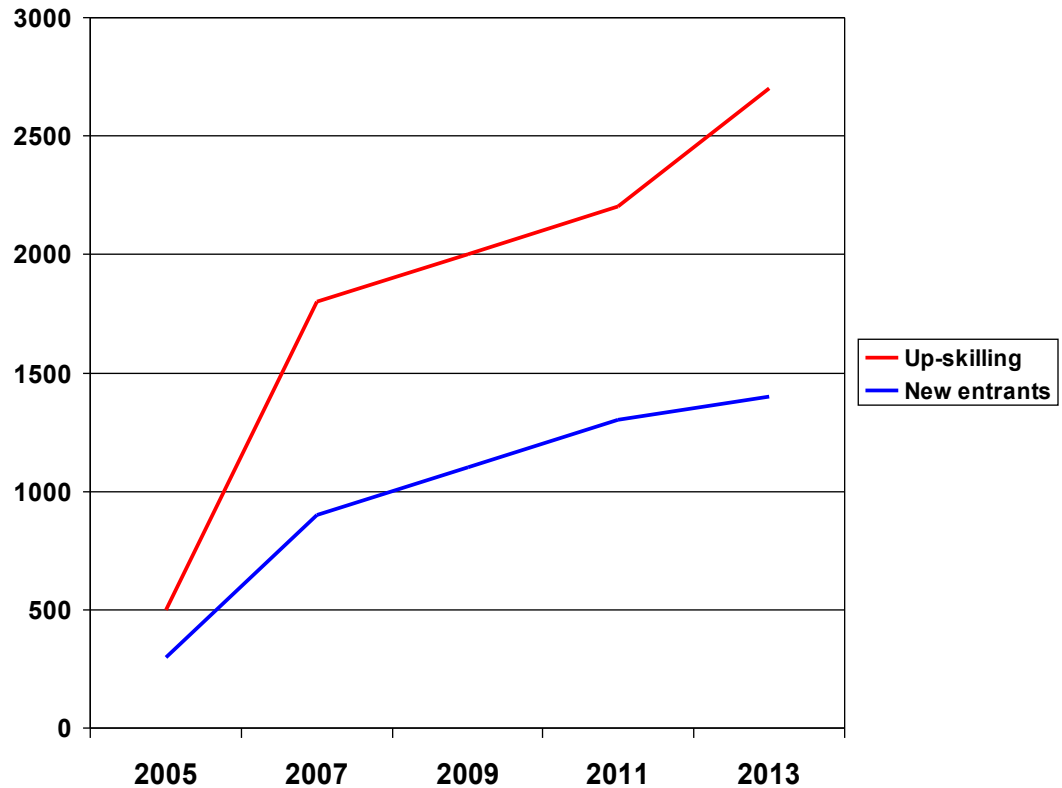


- " Achieved all of the goals in the strategic transformation to the regional model with Employers now driving policy and design of services to meet their needs through the Regional Forums and working parties.
- " Efficiency improved with increased output across programmes.
- " £11 million raised from the training levy.
- " £18 million expended on training and competence.
- " Over 5,000 people supported.
- " Levered £10 million government support to the industry.

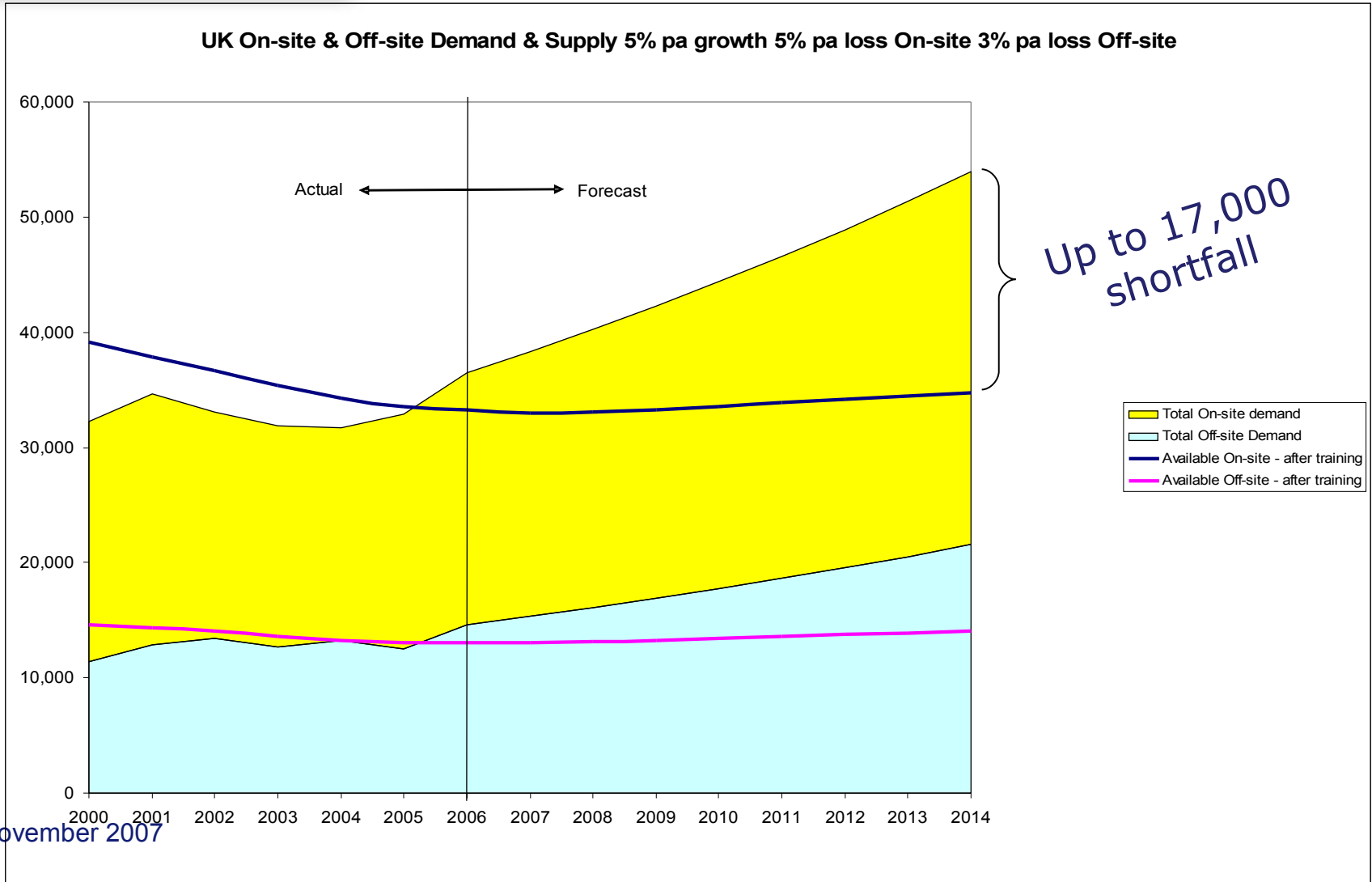
- " To define the key messages and key audiences
- " To define the communication and consultation processes
- " To define the roles of Board members and staff in leading the debate and building the consensus
- " The overall aim is to have sufficiently involved industry stakeholders, defined the scope of and secured support for a national skills action plan for engineering construction by the July 2008 when the Board meets to consider the levy issues for 2010-2012.

- " "Bridging the Skills Gap" has been widely distributed via the Associations, directly to employers and via Forums.
- " Feedback suggests:
 - the picture presented is broadly correct
 - separating off-site and on-site may make it easier to get the messages across – essentially two plans may be needed
 - support for on-site levy is generally higher than off-site
 - Clients and Contractors are showing acceptance of the need to do something (working groups being established)

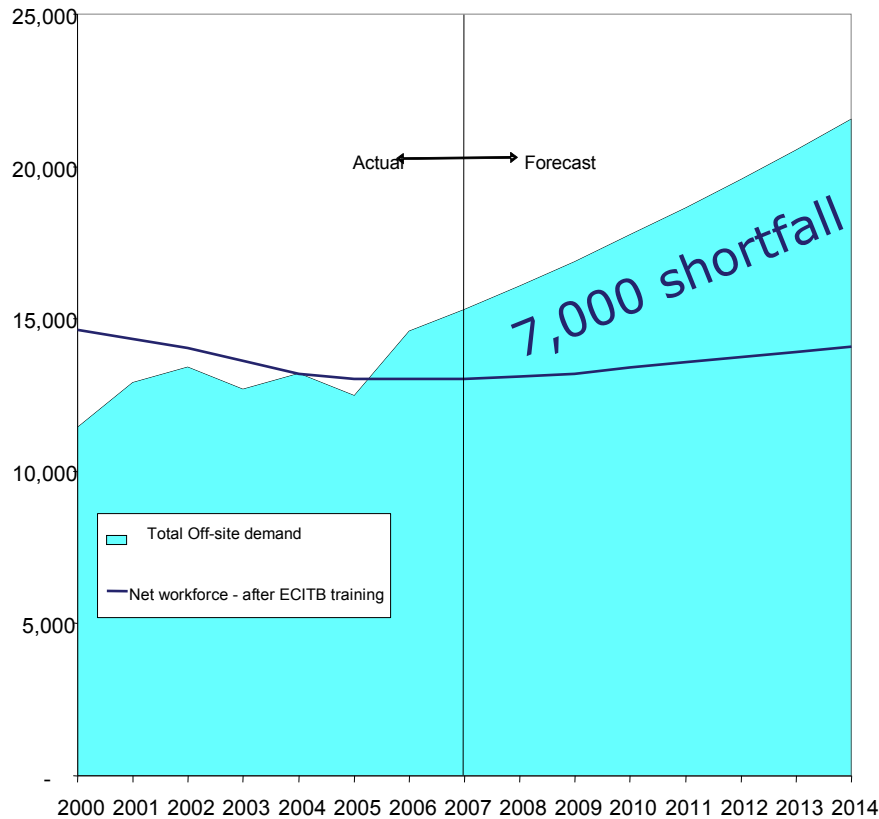
- " On-site levy is equivalent to 19p per man-hour worked in the industry.
- " Off-site levy is equivalent to 2.6p per man-hour worked in the industry.
- " The revenue generated will fund growth in ECITB outputs as shown:



- " The industry is at a turning point. The UK workforce has tipped into shortage. Demand for people is forecast to rise further, increasing pressure on the labour market.
- " Employment costs are rising rapidly in some disciplines, there is of poaching and overseas sources are drying up.
- " Business expansion is being compromised by lack of suitable people and future inward investment is increasingly at risk.
- " The ECITB has increased training outputs and can achieve some further growth at current levy rates, however, the gap is forecast to widen if no action is taken.
- " The key challenge is to increase investment in training now to help to improve competitiveness and sustain business growth.

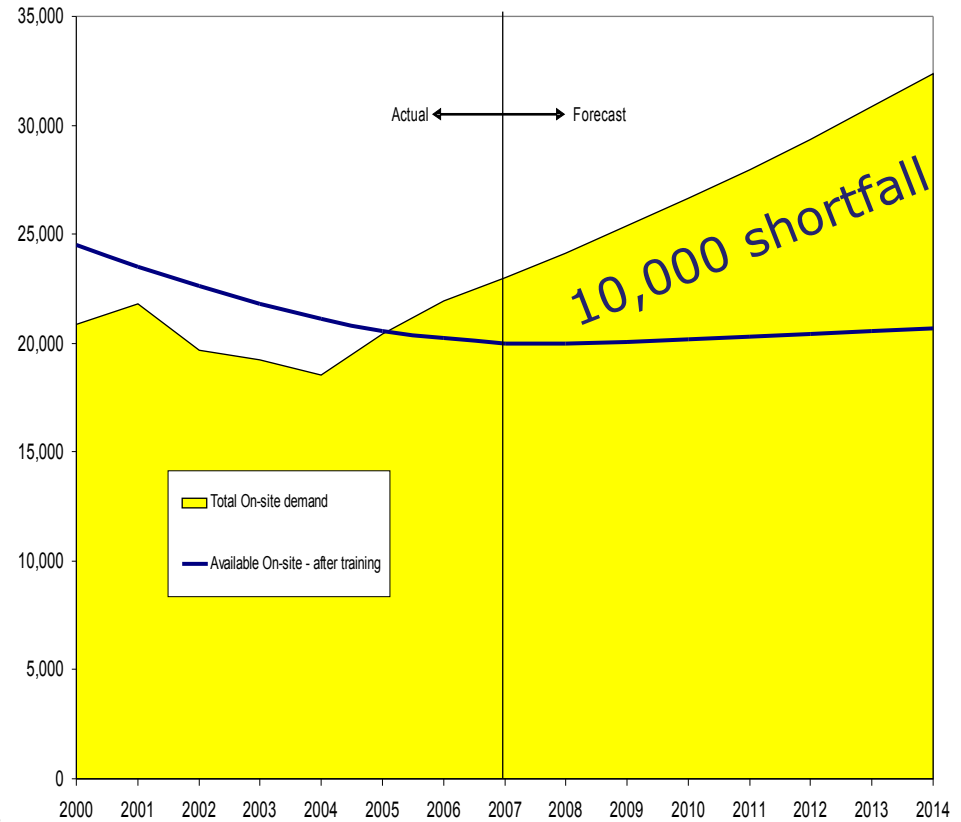


UK Off-site workforce demand and availability - 5% pa growth 3% pa loss



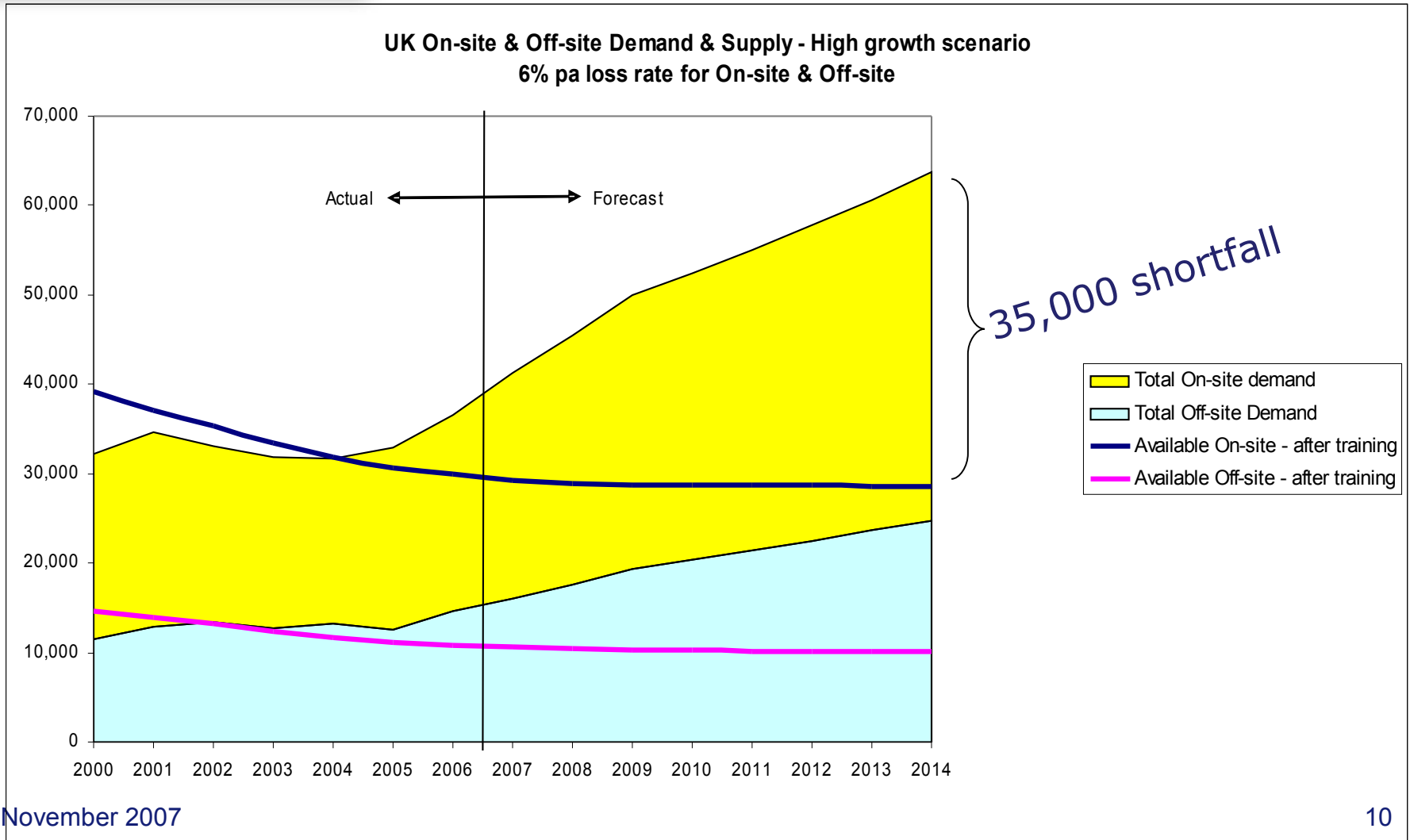
Off-site

UK On-site Demand & Supply 5% pa growth 5% pa loss On-site



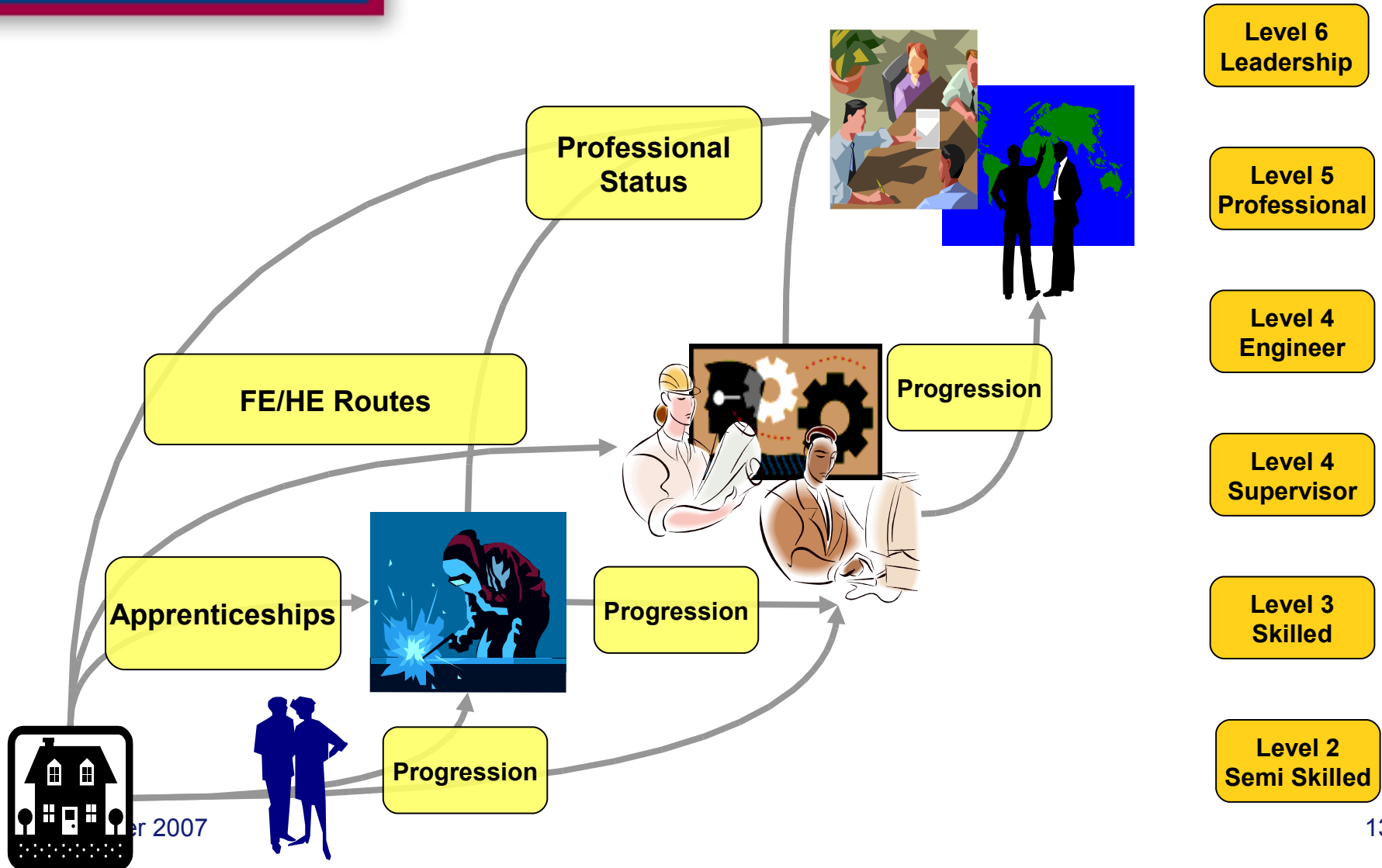
On-site

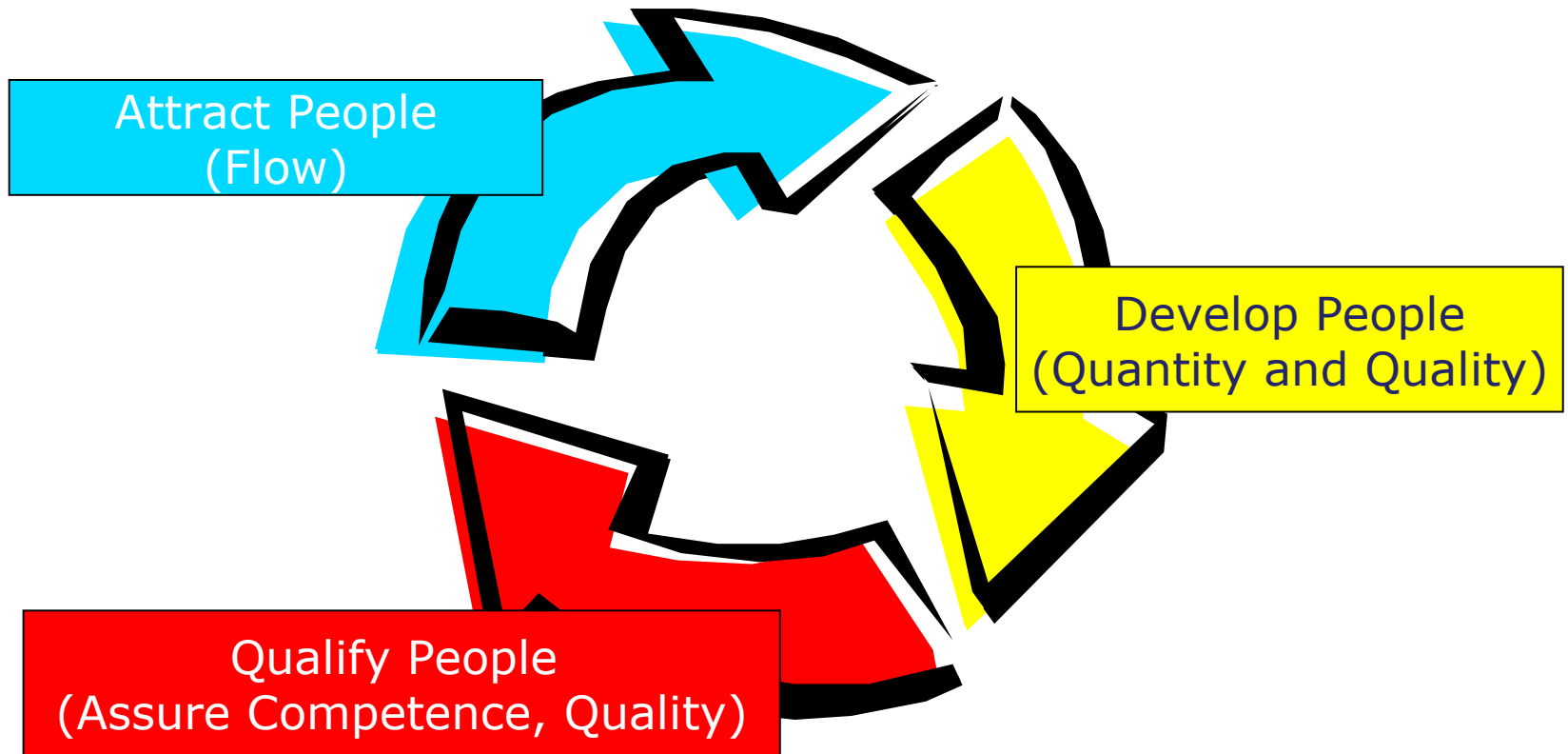
| Shortfall by 2014 | Best Scenario | Median Scenario | Worst Scenario |
|-------------------|---------------|-----------------|----------------|
| On-site | In balance | 10,000 | 20,000 |
| Off-site | 3,000 | 7,000 | 15,000 |
| Total | 3,000 | 17,000 | 35,000 |



- " An agreed national skills action plan for engineering construction that delivers a sustainable workforce with British jobs for British people
- " To achieve this we will build a strong, assured network of delivery partners, all working to the same purpose & supporting each other
- " We will foster a vibrant and forward looking culture of skills development wherein individuals and their employers work with each other, each taking ownership of their responsibilities and supporting each other's rights and reasonable expectations

- Build very strong links between employers and drive regional delivery.
- Develop and drive the network of approved education and training providers to deliver to standard against the employer need.
- Open and build new channels, eg ex service personnel and unemployed to access accredited training.
- Support employers in accessing external finance and building their capacity to train.
- Provide a one-stop-shop for assuring competence, including for overseas personnel.
- Provide flexible delivery options to meet short and long term training requirements.
- Maintain and enhance the industry's standards and qualifications.





More people being trained, to better standards, more quickly and cost effectively

- " ECI voice is diluted because of SSC confusions
- " SSC and their academies re-inventing wheels and undermining ECI (& ECITB) – eg skills passports
- " “Footprint wars” driven by re-licensing
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