



National Audit Office

A REVIEW BY THE
NATIONAL AUDIT OFFICE
MAY 2009

Asset Skills

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National Audit Office

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For further information about us
please contact:

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Tel: 020 7798 7000
Email: enquiries@nao.gsi.gov.uk

Newcastle Office
First Floor
89 Sandyford Road
Newcastle upon Tyne
NE1 8HW

Tel: 0191 269 1820

For further information please
contact:

David Corner
Director

Tel: 0191 269 1891
Email: david.corner@nao.gsi.gov.uk

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Part One

Preface

1.1 Sector Skills Councils (SSCs) are partially publicly funded, employer led organisations that cover specific economic sectors in the United Kingdom. They have three key goals:

- Raising employer engagement, demand and investment in skills;
- Ensuring authoritative labour market information for their sectors; and
- Development of National Occupational Standards and ensuring qualifications meet employer needs.

1.2 There are 25 SSCs, covering about 85 per cent of the British workforce.

SSC Relicensing

1.3 Sector Skills Councils operate under licence from the UK Government.

1.4 The UK Commission for Employment and Skills (UKCES) is responsible for arrangements for relicensing the SSCs with the aim of ensuring the Councils will be more sharply focused on raising employer ambition and investment in skills at all levels, articulating future skills needs of their sector and ensuring that the supply of skills and qualifications is driven by employers.

1.5 The UK Commissioners will make their recommendations on whether to relicense or not to the Secretary of State. The Secretary of State for Innovation, Universities and Skills, in consultation with Ministers in Scotland, Wales and Northern Ireland is responsible for awarding a new licence.

The National Audit Office Role

1.6 The National Audit Office has been asked by the UK Commission for Employment and Skills to undertake an Independent Performance Assessment of each Sector Skills Council to help inform decision making by the Commissioners.

1.7 We have undertaken the assessment in accordance with the UK Commission's relicensing framework for Sector Skills Councils and not as part of NAO's wider VFM programme to provide assurance to Parliament.

Part Two

Executive Summary

2.1 Our assessment of Asset Skills against the relicensing framework identified strong progress against the majority of key tests including; strong employer leadership and engagement; well aligned financial and strategic plans and strong cross-sector working. It also identified areas for improvement including measuring performance and embedding evaluation.

2.2 Key strengths include:

- Asset Skills has strong leadership and direction and has embedded governance procedures. From the fifty interviews undertaken during our review, there was nearly unanimous praise for the Board which is fully representative of all sectors and nations and also for the advisory boards.
- Asset skills has high levels of employer engagement across all sectors and nations. This has been used to good effect to bring clear prioritisation to the skills agenda for the sector and a focus on delivery.
- Asset Skills worked closely with industry to develop its strategic plan. It is closely aligned with financial plans and grounded in robust evidence.
- Asset Skills is strong when working on cross-sector initiatives, for example, basic skills across the UK.

2.3 Areas where Asset Skills need to improve include:

- Whilst all Action Plans have objectives, different indicators are used to track similar activities and some are difficult to measure.
- There have already been two failed bids for a National Skills Academy. Although there is strong support for another bid from industry, Asset Skills needs to learn the lessons from previous attempts and ensure that these inform any future bid.
- Asset Skills needs to fully embed its recently reviewed key performance indicators and ensure evaluation processes are embedded.

2.4 Commissioners may wish to explore the following issues in more detail with the SSC:

- With the current economic downturn, especially within the property sector, whether Asset Skills has positioned itself effectively to assist the sector with reskilling and upskilling.
- Whether the SSC's key objectives have been thoroughly thought through and whether the SSC will be able to demonstrate its impact on the economy.
- Whether the SSC has a contingency plan in place to provide capacity should its workload on the parking sector increase.
- The problems Asset Skills has experienced in trying to establish a National Skills Academy.

Theme 1: A Well Run SSC

2.5 We found considerable support from employers for the strong industry led Board and the direction and challenge that the Chair brings.

2.6 We found strong evidence of successful employer engagement across the footprint. Asset Skills maintains a database that has 55,000 businesses registered on it. It intends to contact more employers during 2009.

2.7 Asset Skills governance structure is employer led and is representative of the diverse sector and includes representatives from across the whole of the United Kingdom.

2.8 We found support from employers and stakeholders for the leadership and management across the nations and regions demonstrated by both the Chairman and Chief Executive.

2.9 Feedback from stakeholders suggests that Asset Skills engages well with a broad range of organisations in Government, the Devolved Administrations, education and the Trades Union movement. Asset Skills has also participated fully in cross sector initiatives, particularly through the Alliance of SSCs.

Theme 2: SSC Core Products and Services

2.10 Asset Skills has developed Labour Market Intelligence that provides a sound basis for its strategic planning. It has had to generate research for less developed sectors, particularly facilities management, from scratch.

2.11 Action plans are tailored to the specific needs of the Devolved Nations and are refreshed annually. The research for the action plans underpins the overall business plan for 2009-10 to 2011-12.

2.12 Asset Skills has developed a skills barometer whereby it regularly contacts employers and stakeholders to gather a snapshot of issues and conditions affecting industry with a view to assessing the long term impact of skills development.

2.13 Asset Skills has a robust quality assurance process in place to oversee its work on apprenticeships, qualifications and standards. There is a Sector Qualifications Strategy with employer and stakeholder support to comply with the Sector Qualifications Reform Project. Asset Skills is migrating its National Occupational Standards in tranches and will meet the deadline of December 2010. Some stakeholders expressed concern about consultation but, in general, were content with the approach adopted by Asset Skills.

2.14 Asset Skills has recently negotiated a £68 million Compact to deliver Train to Gain. Negotiations are currently being finalised to start delivery in April 2009.

2.15 Asset Skills is in the process of developing new apprenticeships for facilities management and surveying with the support from Industry.

Theme 3: SSC Sector Specific Solution

2.16 Asset Skills has developed a range of products, including those across sectors, to meet particular needs of industry. Asset Skills has done good work in raising the profile of facilities management and cleaning. It has also taken the lead in adult literacy, language and numeracy and has performed strongly on “Women in Work”.

2.17 Asset Skills has worked well with stakeholders on developing sector specific solutions. It has worked with the Regional Development Agencies to develop a Public Sector Skills Framework; the Department for Communities and Local Government to develop a qualification for Energy Assessors; and the British Property Foundation to develop a guide for Housing Health and Safety for use in the private rented sector.

2.18 Efforts to establish a National Skills Academy within the Asset Skills footprint have not been successful to date. Strong employer support remains, but with the current economic downturn, the timing might not be right to make another bid at the moment and Asset Skills are exploring other avenues and possibly looking at a virtual centre.

Theme 4: SSC Results and Impacts

2.19 Asset Skills has a clear and transparent process in place for formulating its targets for core work and relating these to its business plan. However, its key performance indicators were immature and failed to effectively measure the outcomes of the SSC’s work. Asset Skills has undertaken a substantial piece of work to identify seven key performance measures and underlying measures which will enable it to monitor its work effectively and set a baseline for its activities. The Chief Executive is presenting this revised framework to the Board on 19 March 2009.

2.20 Whilst Asset Skills has undertaken project level evaluation, like other SSCs, no processes are yet in place to evaluate its overall impact.

2.21 Asset Skills has demonstrated good progress on a number of its core products including Women to Work, where it has exceeded its targets in both year one and year two.

Part Three

Context for Asset Skills Work

3.1 Asset Skills is a company limited by guarantee that was established as a fully licensed Sector Skills Council in 2004. It emerged out of the National Training Organisations for property, housing and cleaning.

3.2 Asset Skills is responsible for the sectors of cleaning, facilities management, housing, and property. It has also entered into a “buddying” arrangement for the parking sector through an agreement with the British Parking Association.

3.3 Cleaning has traditionally been seen as a “Cinderella” industry. Facilities management is a relatively new sector with many employers such as the National Health Service not describing themselves as being part of that sector. Property and housing are far longer established.

3.4 Asset Skills employs 54 people, had a turnover of £5 million in 2007-08 and has core funding of £1.7 million for 2008-09. Within its sectors, there are 147,300 employers and 892,300 employees, who contribute £100 billion per annum to the UK economy (seven per cent of total UK GDP). Core funding for each employee in the footprint is £1.91.

3.5 Cleaning is the largest sector accounting for 52 per cent of employers in the Asset Skills footprint followed by housing and property (38 per cent) and facilities management (ten per cent). Most employers are small. 85 per cent of cleaning employees work for employers with ten or fewer employees. In 2006, it was reported that 20 per cent of the workforce within the Asset Skills footprint had no qualifications compared to an average for all UK sectors of one per cent.

3.6 Asset Skills has established a number of key drivers and priorities for its activities:

- The impact of the recession on some industries will mean that upskilling needs to be a priority.
- Legislative changes affecting licensing care employees and estate agents will impact on Level Three qualifications.
- There is a need to attract and retain younger people in the workforce through re-skilling.
- Low profit margins in some industries and high entry requirements in others are obstacles that need to be overcome through upskilling.
- Increased use of technology will require improved technical skills.
- Sustainability is under threat from the use of chemicals and carbon dioxide emissions so better working practices and knowledge of health and safety issues are required.

3.7 Asset Skills has a vision of a skilled workforce competing successfully at a global level. In order to realise this vision, it has produced a business plan for the period 2009-10 to 2011-12. The business plan's key objectives are aligned with those of the Government's Leitch Report on skills (below) and then cascade into priorities for each sector:

- To identify the current and future skills needs of employers across the footprint.
- To develop a fit for purpose framework of National Occupational Standards, apprenticeships and qualifications that meet the needs of employers.
- To engage with employers and other stakeholders to ensure widespread awareness of the qualification and learning frameworks and to influence Government agencies to direct funding and policy to maximise the benefit to employers.

Part Four

A Well Run SSC

The SSC is employer led, has the confidence and support of employers in its sector and is a strategically and operationally effective organisation.

4.1 Asset Skills is a small Sector Skills Council of around 50 staff. It formed from three National Training Organisations in 2004. Asset Skills has three offices located in Northampton, Exeter and Aberfeldy (Scotland). Some employers raised slight concern about the effectiveness of a split head office but, in practice, it appears to function well with good communication between the sites.

4.2 Asset Skills has high levels of **employer engagement** and has contacted over 100,000 businesses from within its footprint of around 147,000. 55,000 of those contacted businesses are registered on its database. It has detailed plans for contacting more employers during the course of 2009.

4.3 The **Asset Skills Board** has representatives from all industries within the footprint. The Board is therefore quite large, with 20 representatives. Employers we spoke to told us the structure of the Boards (both the main and the nations' Boards) was fit for purpose and worked effectively.

4.4 The main Board meets quarterly and is supported by a small number of standing committees. Board meetings are well structured and attended. The Board regularly review the risk management strategy and corporate risks.

4.5 Both employers and stakeholders gave praise and support for both the Chief Executive and the Chairman. The Chair is seen to have an excellent understanding of the sectors, a wide range of contacts and has brought strategic focus to a disparate number of industries. We were told the Chief Executive provides strong leadership, a proactive and responsive approach and a wide knowledge of the priorities affecting industry across the UK.

4.6 Asset Skills have nation managers covering Scotland, Northern Ireland and Wales, and three regional managers – covering the north, south and the midlands. There are a number of sector specific specialists supporting these regional leads. The Regional Development Agencies and the Learning and Skills Council expressed concern about the coverage that the regional managers can offer as it is lower than some other SSCs who have managers covering each region.

4.7 Asset Skills hold at least three months' revenue in reserves. The **budget setting** process is driven by the priorities within the business plan and there are clear operational budgets. Asset Skills has a clear procurement strategy and also a policy that deals with conflicts of interest. This has been evidenced as working well when dealing with recruitment issues.

4.8 Asset Skills has achieved Investors in People status and received a favourable report. Other **Human Resources** processes, including appraisal, complaints, staff surveys and career development, are fit for purpose and regularly reviewed. Asset Skills has a programme of staff training and one member of staff is also responsible for training and updating information on the client database.

4.9 Staff interviewed were motivated and we received positive feedback from them about the opportunities for development within the organisation and the career progression that many have taken advantage of. Several employers (both large and small) cited the professionalism of the staff and the knowledge and expertise that they bring to their roles.

4.10 Asset Skills has had a high turnover of staff in the last years – with 40 employees either moving on or coming to the end of their contracts. There has been particular difficulty in resourcing the housing posts, which has had an impact on employer satisfaction. These posts have now been filled.

4.11 Asset Skills **strategic plan** for 2009-11 is grounded in robust evidence and contains a SWOT analysis which identifies areas where Asset Skills needs to undertake further work. There is clear synergy between the strategic plans and the operational plans.

4.12 The strategic plan clearly identifies what Asset Skills undertakes to do for each sector across the UK and relates it clearly to the expectations of employers. There is a clear link between the strategic plan and the organisation's financial planning.

4.13 Asset Skills has established industry boards that have strong employer representation and these are used as sounding boards for the development of the strategic plans. A high level of employer attendance at these meetings is indicative of employer confidence in Asset Skills.

4.14 Asset Skills has made significant progress in contacting employers within its footprint. From the 100,000 contacted so far, 55,000 have been retained on a database and now regularly receive newsletters and updates. Asset Skills has an identified project plan for contacting more employers using a call centre over the next two years.

4.15 Asset Skills has taken the strategic decision to actively engage with a smaller number of employers, who employ nearly 80 per cent of the workforce.

4.16 The support for Asset Skills from employers to whom we spoke was strong. Asset Skills is seen to be driving the skills agenda for the sector and are aware of the issues and challenges affecting the sector currently.

4.17 Asset Skills has developed innovative communication tools that disseminate tailored information to different audiences, for example, through its sectors and nation fact sheets. “The Barometer” is also an innovative approach to collecting snapshot information from the sector and publicising this more widely across the footprint.

4.18 Asset Skills routinely undertakes both staff and employer satisfaction surveys and feedback from these surveys is generally positive. Feedback from the SSDA survey, which took place in 2007, is less positive but, at that time, only 14 per cent of the footprint was contacted and only five per cent would have been in contact with Asset Skills.

4.19 Relations with Central Government departments are good, although feedback from BERR is that not as much contact has occurred as they would like and Asset Skills are not as proactive as some other SSCs about raising their profile in Government. We have seen evidence to show Asset Skills does engage regularly with BERR and that they are looking for a stronger link but with limited success.

4.20 Asset Skills were praised by numerous stakeholders for having a proactive approach to relationship management and for having a detailed understanding of the industry’s priorities. However, there is concern that, with only three regional managers, their ability to engage fully at the regional level and take advantage of the opportunities that regional level networking would provide is severely diminished. Asset Skills Industry managers fully support the regional managers and work with them as a part of a team to ensure that identified issues are addressed by the most appropriate person.

4.21 Asset Skills is well established in Scotland. Asset Skills has demonstrated a good understanding of their footprint to the Scottish Government and has strategic influence through the presence of a Scottish manager and the work of the Executive team. A small number of stakeholders expressed concern about overstretch regarding the resources available to Asset Skills in Scotland, although it is evident that with three staff based there they have more resources in Scotland than they do in other comparable areas in England.

4.22 Asset Skills has produced a Scottish Strategy/Business Plan that clearly articulates its priorities against the Scottish Government policy and priorities. It has developed strong Sector Skills Agreement action plans which clearly set out the issues and priorities for action on an annual basis.

4.23 In Wales, there is a mixed picture for Asset Skills work. There are a number of projects on which Asset Skills is working which are addressing the issues identified through Labour Market Intelligence and research. However, we were told that Asset Skills has not developed a relationship with Careers Wales. We have been told by the Council that the Welsh manager does have contact through the Careers and Education adviser but there may be an issue as the latter is not based in Wales.

4.24 The Welsh Assembly Government believes the Wales manager needs to be more empowered to talk on all areas of activity and not rely on the sector specialists for input as well. Asset Skills told us that their managers work as part of a team so it would be normal to rely on more than one person to cover all of the activities undertaken in Wales.

4.25 In addition, the Welsh Assembly Government told us that there was no evidence of use of the Sector Skills Agreement. We found evidence that shows the Board of Asset Skills Cymru has the task of monitoring the Sector Skills Agreement through its implementation plan and all the work carried out by the Head of Asset Skills Cymru relates to this plan. In addition, Asset Skills has received praise from the Welsh Minister for its work in Wales at the recent estate agents qualification launch,

4.26 In Northern Ireland, the manager is well known but is not always seen to be proactive in relationship management. Engagement with the Department for Employment and Learning was perceived to be patchy, although we now believe that formal six weekly meetings have been agreed. Asset Skills has developed a good action plan and there was positive feedback about the events and conferences that it facilitates and the work on the ground, especially around essential skills. The Northern Ireland Advisory Board is regarded as proactive and has good employer and stakeholder engagement.

4.27 Asset Skills is fully committed to working with other SSCs on cross sector issues and is leading on behalf of the Alliance on Key Skills across the whole of the United Kingdom. It is an active member of the Alliance of SSCs, as well as a number of other sub groups including; Evaluation, Performance Management and Communication.

Strengths

- Strong leadership and direction provided by the Chairman and Chief Executive.
- Main Board has high level of industry support.
- High level of employer engagement and consultation.
- Nation and sector Boards work well.
- Well established in Scotland with specific business plan and action plans detailing priorities and activities.
- Strong strategic vision for the sector.

Areas for Improvement

- Asset skills needs to consider its regional coverage, as it is an issue with some stakeholders.
- Asset Skills needs to regain its momentum in the housing sector now the vacant post has been filled.
- Whilst the work on essential skills is well received, Asset Skills needs to ensure it does not detract from mainstream activity.
- Asset skills needs to ensure it has sufficient internal capacity if it decides to do more work on parking.

Part Five

SSC Core Product and Services

The SSC provides a clear, credible and coherent voice for employers on the skills and qualifications needs of the sector backed by high quality LMI, standards and qualifications development

5.1 The majority of stakeholders and employers that we spoke to, across the four nations, consider Asset Skills **Labour Market Intelligence** to be good. It has been used to underpin the **business plan** and other key strategic documents. By using consistent data sources such as the Office for National Statistics and the National Employers' Skills Survey, Asset Skills has been able to generate Labour Market Intelligence that assists the planning of strategy. Asset Skills has also carried out bespoke work that has been well received, for example, for the Highlands and Islands.

5.2 Asset Skills has developed a Sector Skills Agreement and has action plans in place for each nation. There is clear linkage between the skills priority needs identified in the gap analysis and the action planning. The plans are framed in terms of opportunities and threats, which have been derived from the Labour Market Intelligence. The delivery plans for each sector, as described in the **UK Delivery Plan**, are refreshed to show the progress that has been made against the objectives in the Sector Skills Agreement. The plans for cleaning, housing and property were last updated in October 2008. That for facilities management was updated in December 2008. This process of updating has taken on increasing urgency because many of the assumptions on which the Sector Skills Agreement was based have changed because of the impact of the recession.

5.3 Each of the action plans for the **Devolved Nations** outline the issues affecting the different sectors within each nation and the proposed way forward. While the objectives in these plans are similar to those in the UK wide action plan, they are tailored to apply to the particular circumstances of each nation. Delivery plans are updated for each nation in conjunction with the refreshment of the UK Delivery Plan.

5.4 The definition of outcomes in the Sector Skills Agreement tends to be quite high level. Some indicators being used to measure performance are quantitative and therefore measurable as key performance indicators. Others are more qualitative and tend to lack substance, for example, "research to be communicated to all stakeholders".

5.5 One criticism of the Labour Market Intelligence has been in the facilities management sector. As facilities management is a relatively new discipline – the British Institute of Facilities Management was founded in 1993 – existing research in the area is not as extensive as it is in more established sectors. Asset Skills therefore had to generate its Labour Market Intelligence for facilities management more or less from scratch.

5.6 Asset Skills has consolidated its Labour Market Intelligence by producing a user-oriented **Research Observatory** on its intranet to collate and disseminate sector specific research. As well as housing key documents such as the action plans, it includes a library that contains the latest half yearly official data on the footprint disaggregated by sector, nation and region where feasible. Furthermore, a **Skills Barometer** has been created to monitor and evaluate the long term impact of the investment in skills across the footprint. It does so by routinely sampling a number of employers on a six monthly basis and Asset Skills has set a target of 500 employers providing information by the end of 2010.

5.7 Asset Skills has developed a **Sector Qualifications Strategy** with an accompanying action plan to comply with the **Sector Qualifications Reform Project**. The Sector Qualifications Strategy identifies nine key strands of activity which are not entirely mutually exclusive:

- Extending provision to cover all levels and occupational groupings.
- Grouping National Occupational Standards into suites to ensure that qualifications are relevant.
- Ensuring that qualifications comply with the requirements of each home nation.
- Creating qualification frameworks that enhance career progression.
- Improving provision to ensure that it is more easily accessible to learners.
- Working with providers to reduce bureaucracy.
- Engaging with employers more effectively.
- Achieving synergy across all qualifications and all sectors.
- Engaging with Higher Education to ensure employer needs are met.

5.8 Asset Skills has been able to develop a Sector Qualifications Strategy that has the general support of employers and stakeholders across the four nations. In Scotland, there was some criticism that Asset Skills had demonstrated a misunderstanding of the Scottish qualifications system and that the Sector Qualifications Strategy for Scotland had to be amended to make it less Anglo-centric. We found that the final version of the Sector Qualifications Strategy Action Plan for Scotland (August 2008) was distinct from that for England.

5.9 Asset Skills is responsible for 21 **National Occupational Standards suites**. It also has over 27 N/SVQs as well as VRQs. While this is a relatively small number compared to some other SSCs, Asset Skills has still had to prioritise the review of National Occupational Standards. In order to develop National Occupational Standards for facilities management, Asset Skills appointed consultants to assist it. However, the quality of the qualifications produced was not of a standard that was acceptable to the sector. The consultants took a generic approach whereas more specific criteria should have been taken into account to capture the sector's unique attributes. In the event, the consultants had to be changed and this had led to a slight delay but they are now complete.

5.10 Asset Skills are progressing well on the migration of qualifications to the new Qualification and Credit Framework. 93 per cent of provision due to be on the QCF by 1 September 2010 and they are on target to achieve 100 per cent by the end of 2010. Asset Skills are ranked as “green” by the Commission. Asset Skills SQS and Action Plans met the quality standard and they are currently working on the refreshed Action Plan. Asset Skills recently had their VQ outcomes bid agreed and the contract is issued. They have a new member of staff leading qualifications work.

5.11 In 2007, there were 20,255 **registrations** and 16,656 **certifications** across the Asset Skills footprint. Asset Skills is now re-developing its existing **apprenticeships** in cleaning, housing and property in addition to developing new apprenticeships for facilities management and the niche areas of surveying and spatial data given current gaps in provision. These developments are due to occur throughout 2009 and are supported by employers.

5.12 A formal process of quality assurance is in place for apprenticeships, qualifications and standards to ensure that Asset Skills meets its strategic objective in this area. Where consultants are employed, there is a robust selection and monitoring process in place. Employers are given the opportunity to feed into the development of standards and qualifications via meetings and by completing detailed on-line questionnaires. Once standards are drawn up, the relevant Industry Board is responsible for sanctioning them prior to formal sign off. All standards and qualifications work is tailored to the Sector Qualifications Strategy and the accompanying action plans for each of the four nations.

5.13 Progress is being made on promoting the **14-19 Diplomas** in Construction and the Built Environment.

5.14 Asset Skills works with **Awarding Bodies and training providers** through its Head of Standards and Qualifications and Operations Team. An Awarding Body forum has recently been established for each sector. These include City and Guilds, the British Institute of Cleaning Science, the Chartered Institute for Environmental Health, the Qualifications and Curriculum Authority and the Scottish Qualification Authority.

5.15 Feedback received from the Awarding Bodies in relation to Asset Skills was generally positive though there were concerns raised by City and Guilds that some of the National Occupational Standards developed are out of date and that timescales for consulting over the development of standards were too short. Asset Skills refute this and we found evidence to show that Asset Skills has refreshed all of its National Occupational Standards. In addition, Asset Skills are working with the British Institute of Cleaning Science and City and Guilds to update all qualifications and progression.

Strengths

- The Strategic Plan sets out clear objectives for each sector based on robust Labour Market Intelligence.
- The Research Observatory and the Skills Barometer demonstrate innovative thinking.
- Industry led qualifications are being developed for all sectors.
- There is a clear programme in place to ensure migration of qualifications.
- There is robust quality assurance of work on apprenticeships and qualifications.

Areas for Improvement

- Objectives in plans that are difficult to quantify need to have evaluative measures.

Part Six

SSC Sector Specific Solutions

The SSC can demonstrate a compelling employer offer which addresses sector skill priorities, including cross sector skills, with defined routes to market.

6.1 Asset Skills has taken the lead within the Alliance of SSCs in trying to raise **employability skills**. This initiative has involved working closely with Government and stakeholders to influence strategy in each of the four nations. A key element of this work is a Memorandum of Understanding that has been agreed by Asset Skills with the Trades Union Congress to promote the development of adult literacy, language and numeracy.

6.2 The **Ambassador Programme for Adult Literacy, Language and Numeracy** has been rolled out across the UK to allow employers to train supervisors who can identify employees with literacy and numeracy problems. Employers can then access funding to work with training providers to deliver a combination of external learning programmes and internal mentoring. Programmes in each of Wales, Scotland, Northern Ireland and England are defined as Basic Skills, Adult Literacy, Essential Skills and Skills for Life respectively.

6.3 Asset Skills is at the forefront of efforts to facilitate the progression of **“Women at Work”** and is performing strongly on this initiative. When the project began in April 2007, some 50 per cent of the workforce in the cleaning and facilities management sectors were women but only a small proportion of them benefited from career progression. The training provided through Women into Work has been well received by employers and there is currently a waiting list for places in 2009-10.

6.4 A major objective of Asset Skills is to change the perception of the cleaning industry. It has been seen as a sector of transient employment with little prospect of career advancement and high turnover of staff. Initiatives such as **daytime working** are helping to change this mindset. Working during the day is a much more appealing prospect for employees and also gives them the opportunity to take **National Vocational Qualifications** as assessors are able to visit places of work in more sociable hours. While changing the view of cleaning is a long term task, there have already been some successes. For example, one employer that we spoke to commented that turnover of cleaning staff had been reduced from 47 per cent to 26 per cent in just one year.

Another large cleaning employer we interviewed has already promoted 69 managers from within their organisation because of the change to the way in which National Vocational Qualifications can be taken.

6.5 As part of the Cleaning Level 2 Qualification, the Regional Manager North of Asset Skills successfully developed a **cleaning and horticulture hybrid** unit in conjunction with Lantra SSC. After a successful pilot project among several local authorities in the North East which identified 680 learners, the qualification was approved in September 2008. Local authorities throughout England have expressed an interest in accessing it.

6.6 The work to develop the cleaning sector complements that being done for facilities management in developing **career pathways**. The facilities management action plan within the Sector Skills Agreement states that, with low levels of entry into the sector by young people, career pathways need to be better developed. In order to do this, employers are being encouraged to build training provision around the standards and qualifications that are being developed for their sector by Asset Skills.

6.7 Another non-core project that Asset Skills has started to develop work on is the **public sector skills framework agreement pilot**. This project has been instigated by Asset Skills on behalf of a partnership between employers, the PCS Union, TUC, Investors in People (UK), a trade association and others. Funding has been provided by the South East England Development Agency to allow service support staff to develop a flexible programme of training around a core of customer service units tailored to the public sector. The outcome of the pilot is likely to be a Level 2 Qualification in Customer Service. Asset Skills has also taken on the delivery of a project funded by the South East England Development Agency to **widen access to chartered surveying**.

6.8 Energy assessment is an important requirement within the built environment and Asset Skills has undertaken work in this area. Qualifications for **energy assessors** have been developed by Asset Skills and the Department for Communities and Local Government to meet legislative requirements within England, Wales and Northern Ireland. Energy Assessors are accredited to perform Energy Performance Certificates on all types of property in addition to Display Energy Certificates for public buildings. Asset Skills also plans to fulfil the requirements of the 2008 Carsberg Report on residential property by facilitating the licensing of Estate Agents, working with the National Association of Estate Agents.

6.9 In addition to energy advice, Asset Skills is working closely with the Department for Communities and Local Government to develop National Occupational Standards and qualifications for Home Energy Advisers and Community Energy Advisers. These new roles will, as with Energy Assessors, be regulated by accreditation schemes.

6.10 Asset Skills developed **Housing Health and Safety Guidance** in 2006 with the British Property Federation for assessing whether property in the private rented sector meets the required standards. Over 15,000 guides have now been produced.

6.11 Asset Skills capacity to support the housing sector has been affected by high staff turnover. A short term solution has been to encourage cross-secondment of staff from the property sector. However, in order to increase the confidence of employers in the sector, Asset Skills has actively recruited new staff. The recent recruitment of an ex-employee of the Chartered Institute of Housing, in addition to a housing sector specialist should greatly augment the expertise of Asset Skills in the housing sector.

6.12 Asset Skills originally considered two options for developing a **National Skills Academy**: one with the Chartered Institute of Housing and one for environmental services. It decided to proceed with the latter and, in July 2008, endorsed an expression of interest for a Skills Academy for Facilities Management and Waste Management in partnership with a “lead employer”. The bid proposed a purpose built, centrally located academy that would be supported by a network of specialist training providers and a number of satellite centres across England. However, the bid failed at interview stage because of concerns that it did not sufficiently address the future needs of the sector and a lack of clarity on the lead employers role. Asset Skills argues that the bid was sound and that it had good employer support. Such support remains strong and Asset Skills is considering a further bid in 2009. It intends to adopt a different approach by ensuring that it does not overly rely on the participation of one partner again. Whilst this is a desirable product for industry, the current economic climate means that this may not be achievable in the short term.

6.13 In October 2008, Asset Skills secured funding of £68 million for three years through the **Train to Gain Compact** to increase the uptake of qualifications across the footprint. Asset Skills is working closely with a number of stakeholders to ensure that the funding is effectively targeted and will be available to employers imminently.

6.14 Asset Skills has a dedicated member of staff for **careers, information and guidance**. It has participated in the work of the Alliance of SSCs to update career information and profiles on national careers websites. It is also trying to persuade young people into the footprint through the development of the 14-19 Diploma in Construction and the Built Environment. Asset Skills has developed the **“find your way” website** which allows young people to access careers within the footprint.

6.15 Asset Skills’ contribution to **skills competitions** is seen as exemplary by employers we spoke to. In the 2008 Euroskills Competition, the UK cleaning team won four Gold medals, which was half of the UK’s overall total. Asset Skills has devoted considerable resource ensuring that employers in this sector have identified people to bring forward for these events. It has now persuaded the World Federation of Building Service Contractors to support the bid for Cleaning Skills as part of the 2011 World **Skills** in London. Asset Skills could do more to raise the profile of these competitions and their own role as they remain relatively unpublicised among the wider public and this could be having an impact on recruitment strategies for cleaning.

6.16 Employers and stakeholders across the four nations told us that Asset Skills understood and responded to their needs and was focusing on delivering employer led solutions.

6.17 For example, in Wales, it has implemented a programme that aims to increase the number of estate agency staff qualified in the National Federation of Property Professionals Technical Awards by 50 per cent. In addition, there has been strong work on **basic skills** in Wales. **E-learning** in Scotland is seen as successful having delivered learning in property and housing to over 400 people.

6.18 In Northern Ireland, Asset Skills has worked together with the Northern Ireland Housing Executive to persuade the Assembly Government to fund a three year policy for **social housing**.

Strengths

- Development of tailored products to meet the specific needs of the devolved nations.
- Asset Skills has been at the forefront of the Women into Work initiative.
- Strong progress on improving basic skills.
- The work on career pathways is fully supported by industry.
- Exemplary work has been undertaken on the Skills Challenge competition.

Areas for Improvement

- Asset Skills could promote skills competitions more by publicising them through careers services, job centres and further education colleges.
- Bringing the National Skills Academy to fruition if economic conditions allow.

Part Seven

SSC Results and Impacts

The SSC has set ambitious and realistic targets in relation to skills priorities of the sector which are used to measure the direct results and shared impacts of SSC products, services and solutions.

7.1 The Asset Skills Business Plan sets out three **key objectives** – identifying current and future skills needs reforming qualifications and engaging with employers and stakeholders. These are clearly linked to Government priorities as expressed in policy documents such as the **Leitch Review**.

7.2 Asset Skills has a clear process in place for formulating the **targets** against which it can measure its performance. Priorities that are seen as being short term, for example, responding to legislative change, are assigned a time period of up to six months. Medium term priorities are judged to be feasible within six to eighteen months and long term priorities should be achieved between 18 months and three years. Targets are discussed with employers and stakeholders and, once agreed, form part of the **Sector Skills Agreement** Action Plan for each nation.

7.3 We found clear linkages between the objectives of teams at an operational level and the objectives that had been described in the Business Plan. The Board approves strategic objectives and it oversaw the development of the Business Plan. The Board also oversees the targets underpinning the objectives and discusses progress against them at its meetings.

7.4 It is evident that Asset Skills takes evaluation seriously and it has taken steps to embed processes to measure performance. There is recognition that work still needs to be done and this in hand. During our site visit, key objectives in the Business Plan were not SMART and they did not use retrospective time series data. However, since our visit, substantial work has been undertaken by Asset Skills and they have now developed a set of seven headline key performance indicators which will be presented to the Board on 19 March. These indicators clearly articulate the key goal and set a number of sub indicators which will be used to set a baseline and monitor progress.

7.5 According to Asset Skills' action plans, there are apprenticeship roll-out targets: 1,408 starts in cleaning apprenticeships, 1,080 starts in housing apprenticeships, 380 starts in property apprenticeships and 450 starts in facilities management apprenticeships between 2008-09 and 2010-11. Asset Skills will also use quantified indicators that show the planned uptake for each qualification. These figures are already contained within the action plans.

7.6 In 2006-07, Asset Skills secured core and non-core funding of £2.6 million. Among the projects it has funded are **Skills Ambassadors, adult literacy, language and numeracy** and **Women at work**. Asset Skills was given a target of 1,000 training places on Women at work in 2007-08 but, owing to demand, applied for 1,500 places. In the event, this target was exceeded and 1,600 places were taken up. During 2008-09, Asset Skills is the leading SSC on Women into Work and it has been advised by UKCES that funding will be available if it exceeds its target for the year.

7.7 There are several targets for the **Train to Gain Compact** in England. It is intended that, over the three years of the Compact, the funding will be used to put 23,000 learners through Level 2 NVQ and 3,500 through Level 3. There is also an aim to start 2,500 apprenticeships and to secure 2,500 management and leadership outcomes through providing a match funded £1,500 grant to **Small and Medium Enterprises**. The Compact is subject to an annual review. It would be useful if these targets were also incorporated into corporate performance measurement framework indicators.

7.8 Employer awareness rose by 10 per cent in the most recent SSDA survey (2007) but levels of awareness are still relatively low compared to other SSCs.

7.9 Whilst Asset Skills has undertaken project level evaluation, along with other SSCs, the Council does not have processes in place to measure its long term impact on the economy of the four nations. Asset Skills needs to work with the Commission to identify an evaluation framework which will measure the impact of all SSCs.

Strengths

- Key objectives are tailored to the wider policy agenda and filter down into the action plans.
- Asset Skills have exceeded targets on the Women into Work initiative.

Areas for Improvement

- Fully embed the revised comprehensive set of key performance indicators.
- A formal evaluation plan needs to be developed to assess overall impact.
- Asset Skills needs to continue to raise employer awareness of its activities.

Technical Annex

Performance Assessment Methodology

Background

The National Audit Office (NAO) has undertaken this Independent Performance Assessment of Asset Skills at the request of the UK Commission of Employment and Skills.

It has undertaken the assessment in accordance with the assessment framework set out in the relicensing framework for Sector Skills Councils published by the UK Commission for Employment and Skills.

The purpose of the Assessment Framework is to assess the capacity and capability of the Sector Skills Council against four key themes:

- The SSC is employer led, has the confidence and support of employers in its sector and is a strategically and operationally effective organisation.
- The SSC provides a clear, credible and coherent voice for employers on the skills and qualification needs of the sector backed by high quality LMI, standards and qualification development.
- The SSC can demonstrate a compelling employer offer which addresses sector skill priorities, including cross sector skills, with defined routes to market.
- The SSC has set ambitious and realistic targets in relation to skills priorities of the sector, which are used to measure the direct results and shared impacts of SSC products, services and solutions.

Each key theme has a number of key tests and assessment questions, which we have used to scrutinise the evidence across the four nations and prepare our report.

Evidence

The Commission asked us to conduct our reviews to a very tight timetable and with the least burden on the Sector Skills Council.

We reviewed Sector Skills Council generated evidence for a period of two weeks before collecting evidence more directly from staff, employers and local stakeholders during a one-week site visit to the Sector Skills Council. During this week, we conducted a number of interviews and focus groups and observed meetings.

We chose a random sample of employers to interview, ensuring we covered as far as possible the full range of Council footprint. We also invited comments from employers and other stakeholders through our and the UK Commission's website. To measure the wider reach and engagement of the footprint, we examined the results of the Sector Skills Development Agency's 2007 census.

We collected information centrally from:

- The UK Commission for Employment and Skills.
- Central Government departments.
- Each of the Devolved Administrations through visits to Belfast, Cardiff and Glasgow.
- The Regional Development Agencies.
- The Learning and Skills Councils.
- SkillsPlus UK (Local Government Employers).
- Awarding bodies.
- Unions.

To make our assessment we also reviewed a wide range of internal evidence including:

Expressions of Interest, Strategic Plans, Business Plans, Board Constitution, minutes and attendance, Audit and Remuneration minutes, Operational plans, National and Regional plans, Sector Skills Agreements, Research Strategies, capacity and capability reviews, customer and staff satisfaction surveys, complaints procedures, SQS and SQRP strategies, Sector Skills Action Plans Labour Market Intelligence and plans, Employer Engagement Strategies, Take-up statistics, Stakeholder surveys, International Research data, Website materials, Memoranda of Understanding, Compact arrangements, stakeholder maps, performance review records, market assessments and external audit reports.

