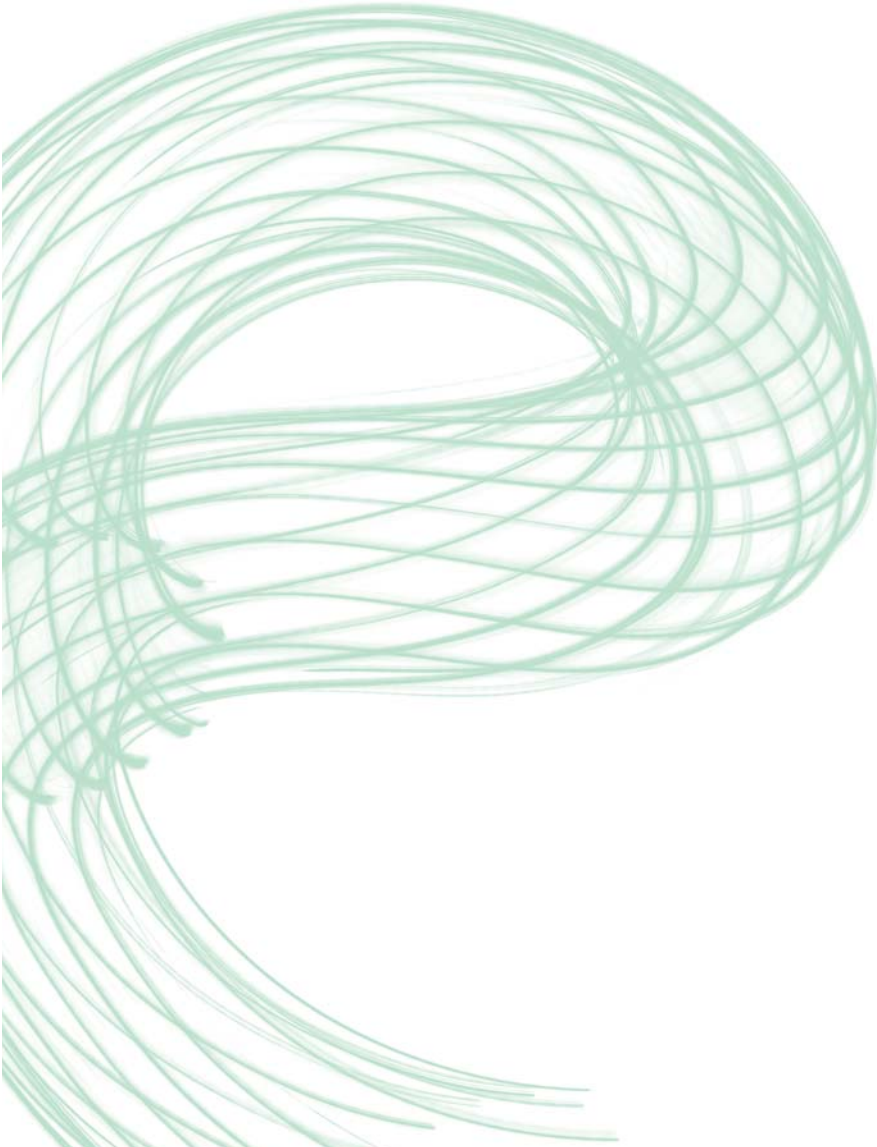


EXECUTIVE SUMMARY

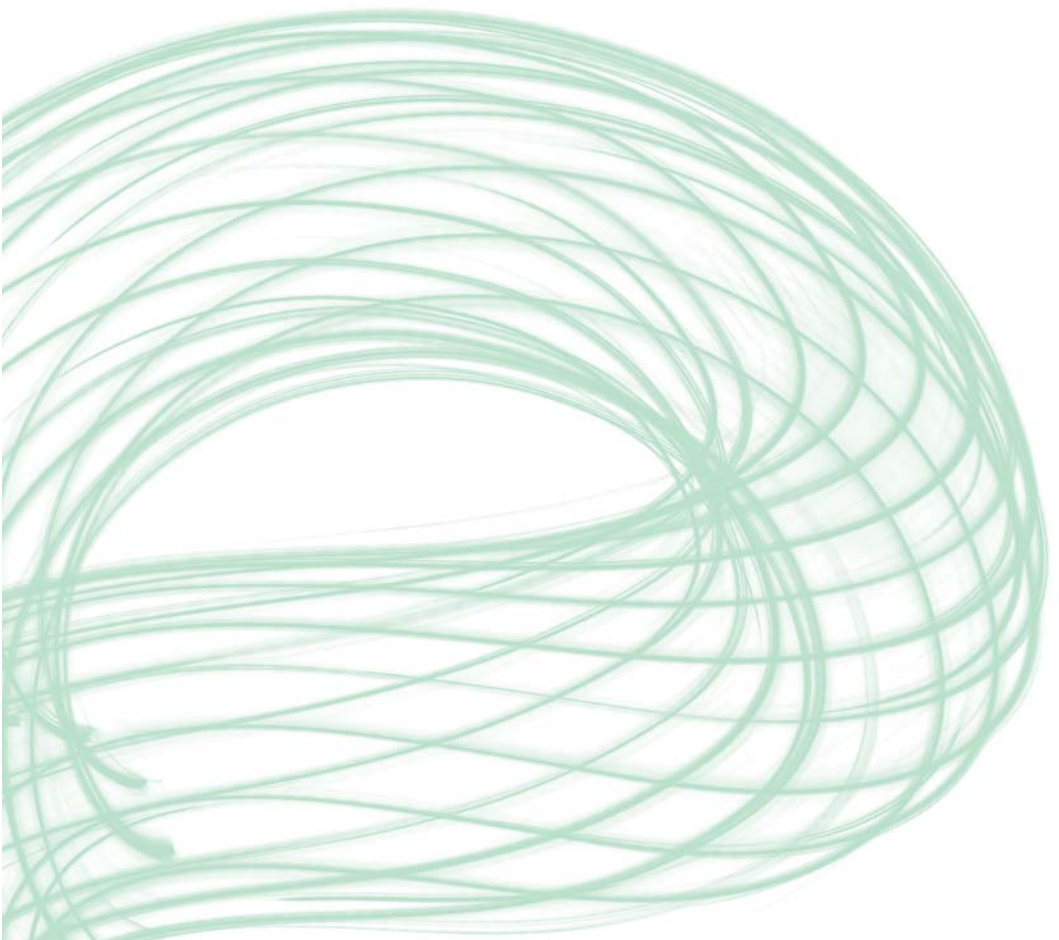
SKILLS FOR BUSINESS NETWORK: PHASE 2 EVALUATION CASE STUDIES

RESEARCH REPORT 12
SEPTEMBER 2005



EXECUTIVE SUMMARY

This report presents the findings of the case study component of Year 2 of the Skills for Business network evaluation. The case studies were undertaken by GHK in association with SQW. They focus on 10 of the most mature SSCs in licensing terms, the two Cross Sector Boards that were operational at the time of the research, and the SSDA itself.



Progress in Year 2

The Skills for Business network has made progress in establishing its presence and defining its role. The SSC 'offer' is now clearer and the network is more balanced in terms of its capacity to deliver.

The SSC role is based around what can be characterised as:

- a **'guardian' role** of employer interest with regard to the learning infrastructure;
- an **interface role** between employers and other partners, which can be strategic or delivery-based (i.e. providing a broker service, often to SMEs).

Although the Skills for Business network is in its second active year, many of the main programmes and activities – especially the newer and potentially more innovative interventions – will take time to move towards measurable impact. The process of developing, consulting on, piloting and rolling out new approaches – whether in terms of qualifications, tools or capacity building interventions is time-consuming, and impacts will only be seen in the longer term.

It is also clear that some SSCs remain better placed than others in terms of capacity to deliver. The more advanced SSCs are typically characterised by having a national presence in terms of organisational structure, an established research function and employer networks, a significant funding base beyond the SSDA and a 'strategic' culture.

The Sector Skills Agreement process has already marked a step change in how SSCs engage with employers and stakeholders. As intended, it is providing a strong 'framework for action' and a potentially powerful mechanism for influencing.

The main challenge for the network remains its positioning in relation to the skills agenda. Many of the question marks from the Year 1 evaluation remain – especially in terms of the regional/sectoral interface.

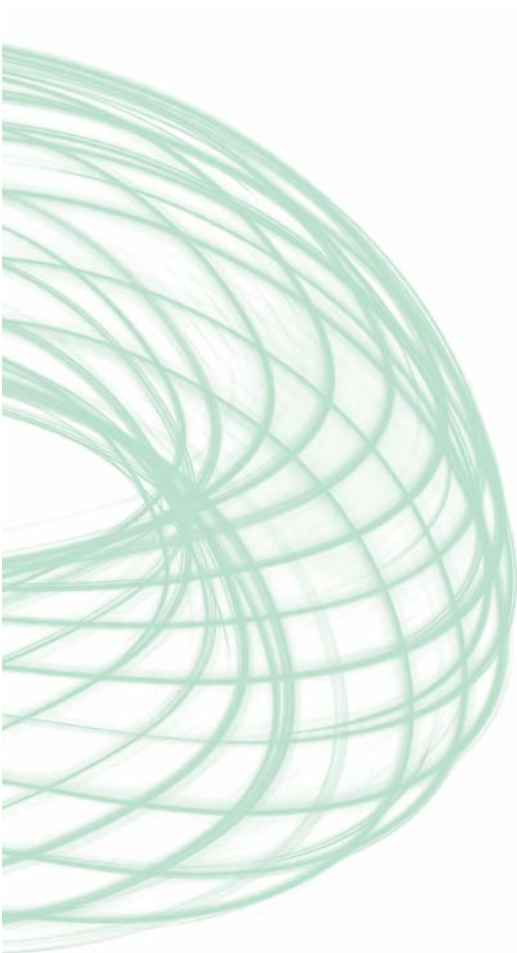
Strategic Objectives

Network-inspired impacts on skills gaps and shortages are difficult to measure at this stage. However, there is evidence of an increasingly joined-up approach from the SSCs – working with employers to make and support the business case for change, and working with policy makers and stakeholders.

Where the network has been able to show that it can deliver, this further drives engagement and impact. Initiatives such as Ambition Energy in the energy and utilities sector; and the Fast Forward programme for employers in the textiles sector illustrate the diversity of what can be achieved. Showing impact has also required the network to search for 'quick wins', with regulation being the most effective driver for impacting on skills gaps and shortages in the short term. Some of the most effective interventions have taken place where the SSC has not just been a broker but a project manager also.

Improving productivity is the objective where the gulf between SSC activity and directly attributable achievement is greatest. However, the SSCs are actively building capacity to improve productivity through a variety of activities based around the provision of services to particular SMEs, and brokering practical support for employers.

The development of qualifications and occupational standards has emerged as a key area of network influence. This is a main tangible area where the network has carved out a critical purpose and responsibility for action.



Operational Objectives

Employer engagement remains strong at SSC Board level. In Year 2, it has been clear that trade associations are playing an increasingly important role in widening the SSC capacity to engage. The scenario planning component to the Sector Skills Agreement process also acts as a key 'hook' for a new, more engaged type of employer involvement. However, wider question marks remain in terms of employer financial contributions. Most SSCs have not yet been able to lever significant additional employer contributions to support their work (through membership etc).

The second year of network operations has seen LMI emerge as a critical tool for influencing. LMI can be used as an effective way for SSCs to open dialogue with policy partners nationally and regionally (perceived as the SSCs 'bringing something to the table'). The SSA process also places research as a key driver in network activity. However, although further work has been done, yet more needs to be done for the SSCs to achieve uniform LMI coverage across their sectors. Critically, many SSCs also still need to build their research capacity.

There remains a wide variation in terms of the level of established partnerships and networks among the SSCs. This is largely a question of SSC maturity. Partnerships take time to develop, particularly at regional level and within each of the nations. However, all licensed SSCs have a bedrock of national partners as basis for influencing.

Across the board, there are significant improvements in how the network is working with some partners (e.g. the national and local LSCs; the Welsh Assembly). Engaging with the regional agenda remains a challenge, as does influencing across the whole of the UK. Having said that, significant structural advances have improved the capacity to engage in Wales and Scotland in particular.

Across the piece, the SSCs are rightly focusing on credibility – in terms of their intelligence and research base – to build partnerships. While there is still work to be done on building research capacity, and while evidencing influence remains difficult, the Skills for Business network and individual SSCs are making contributions to national and key stakeholder policy.

SSDA Support Objectives & Network Strength

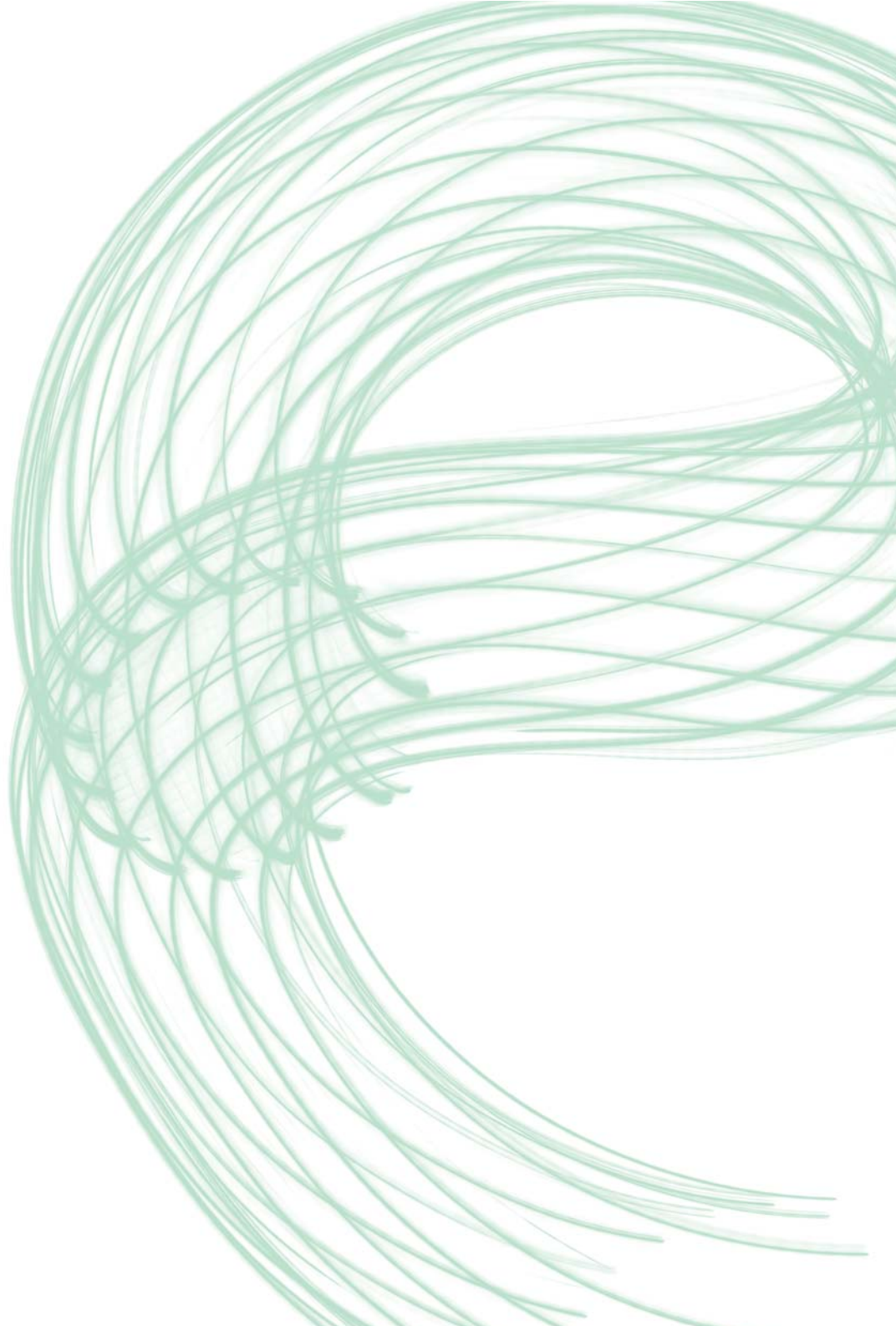
The SSDA role is clearest in terms of practical support and partner relations – although the latter can be delicate.

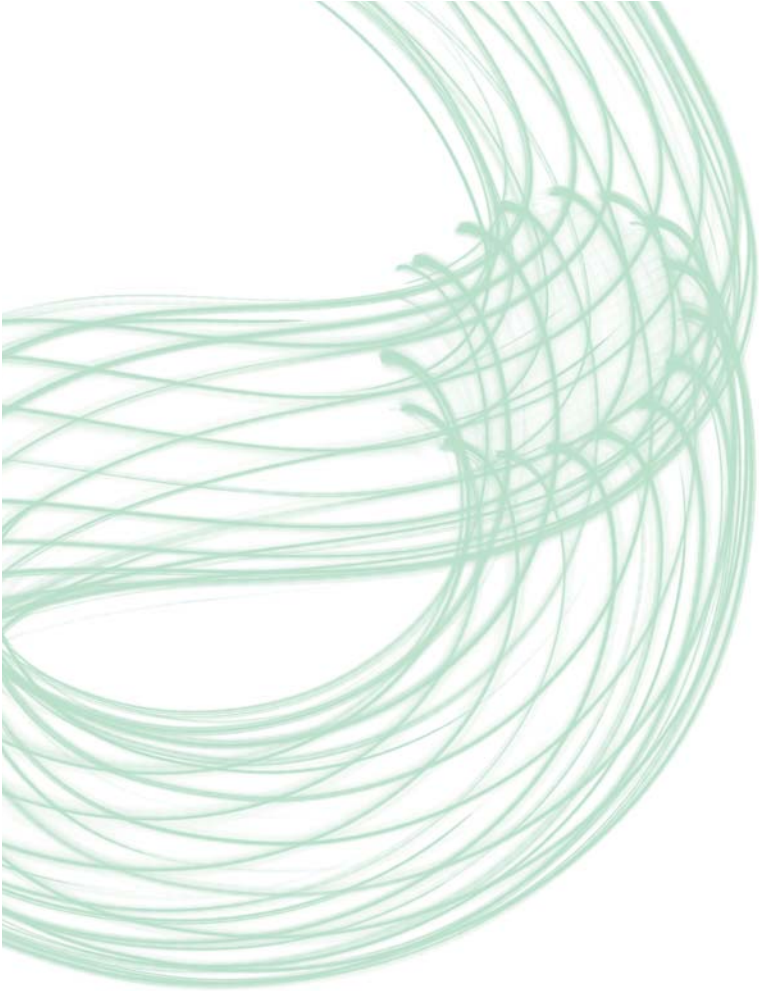
The question of how, as the network continues to evolve, responsibilities are divided between the SSDA and the SSCs remains as critical as ever:

Overall, though, there are more examples and clearer benefits emerging in terms of cross sector and joint working. The network is seeing further added value from its unique position in terms of the sectoral approach. Models and approaches can be tested and transferred far more easily across different industries – both through the work of the Cross Sector Boards and, importantly, through a range of organic relationships being built over time. The SSDA facilitates this through groups such as the Intelligence Network and through the national and regional Partnership Managers (where an increased presence in Scotland and Wales is helping to cement network activities in these countries).

A key activity in Year 2 for over half of the SSCs has been to manage significant growth in terms of their own organisations and staffing – which has impacted on their ability to deliver. Building capacity around research and business development functions has been challenging for a number of SSCs, but these are key indicators of network strength.

SSC funding models remain diverse, although most are working on a 'mixed income' basis. Some of the more ambitious targets in terms of employer subscriptions have not been met. There is an associated risk for a small number of SSCs that financial drivers may outweigh strategic objectives, which could impact negatively on the network. However it is also clear that the public funding of the SSCs does provide an important degree of stability for strategic thinking. The challenge for SSDA and others is to ensure that the strength of the network is not weakened by the very real financial challenges faced by particular SSCs – and to ensure all SSCs receiving public funding retain a focus on the high level Skills for Business network objectives.





This leaflet is a summary of a research project carried out by GHK International in association with SQW on behalf of the Sector Skills Development Agency in 2004/2005.

Full copies of the report can be downloaded from the Research section at www.sdda.org.uk