The Sector Compact

1. What is the “Sector Compact”?

The compact is a non-contractual agreement between the Department for Innovation Universities and Skills, the Learning and Skills Council and Skillfast-UK to work collaboratively to drive up demand for skills across England through Train to Gain.

The fashion and textiles sector, as defined by Skillfast-UK’s “footprint”, covers the whole of the industry’s supply-chain, from design of apparel, footwear and textile products, through manufacturing to servicing. The linking factor is the need for a technical understanding of the properties of fabric, and the ability to work with fabric to create products and services.

Over recent years, the sector has remodelled itself in order to respond to competition from low labour-cost economies such as China. In the process, large companies have fragmented into smaller, more focused enterprises, and the nature of the products produced has become centred on hi-tech, top quality, niche market and luxury goods.

It is essential that workers have the requisite technical skills and knowledge to operate in these high-end markets, yet historically this sector has not engaged with formal qualifications as a route to building competence. In fact, about 50% of sector workers hold no formal qualification, or are qualified below Level 2, giving significant scope for development.

The compact sets out a new offer to employers in the sector within Train to Gain. Each sector compact sets out the detail of this agreement including the ambition and volumes of increased demand, the specific flexibilities needed to deliver this demand and the phasing of this delivery. Each compact covers a period of up to three years and is an integrated part of the Train to Gain offer to employers, not a separate programme.

2. What does this mean for employers and others involved in skills?

This Sector Compact will mean two things for employers.

Firstly, it will provide financial support for building skills through recognised qualifications. This reduces the cost “risk” to employers of using qualifications as a business improvement tool. This is of crucial importance in order to “break into” a sector which has traditionally trained its workforce through informal methods, and has little history of engagement with formal qualifications.

Secondly, it will mean having access to sector-focused brokers with a more specialised understanding of the industry, its main skills issues, and the sector-specific support available. This is important, as sector employers see themselves as distinct from other areas of general manufacturing or creative production. This means that they require sector-specific skills solutions, rather than generic training and qualifications. The ability of the broker to appreciate this distinction, and provide advice accordingly, will be vital to the success of the Compact.

The support through Train to Gain already enables employers in the sector to access advice on skills and on the Skills Pledge. Train to Gain also offers funding support for a
range of vocational skills and qualifications for individuals working employers of all sizes including:

- Apprenticeships for all ages
- A first vocational qualification at NVQ Level 2, Level 3 and Level 4
- Skills for Life
- Train to Gain also provides support Leadership and Management skills in companies employing over five and less than 250 employees.

In addition to the support already available through Train to Gain, employers in the sector will now be able to access:

- 8,000 NVQ Level 2 qualifications, comprising 70% first full Level 2 and 30% repeat Level 2
- 2,500 NVQ Level 3 qualifications, comprising 70% first full Level 3 and 30% repeat Level 3
- 500 new apprenticeship starts
- The compact gives special flexibility for key qualifications to be available for the first time through Train to Gain as repeat qualifications – i.e. to employees who already have a NVQ Level 2 or 3 can now be supported to achieve a second Level 2 or 3. This flexibility is focussed on the most important qualifications to the sector.

Skillfast-UK has worked extensively with groups of employers on a programme of qualification rationalisation. This has refined those that ought to be funded by the Learning and Skills Council to around 50 qualifications that are presently on the Learning Aims Database and eligible for funding. Those eligible for Train to Gain support are available on our website www.skillfast-uk.org/traintogain These qualifications are based on employer-approved National Occupational Standards, and provide the technical and craft skills required by sector businesses.

Following the announcement made in October 2008, from January 2009 SME’s will have an enhanced Train to Gain offer with Level 2 qualifications all fully funded including repeats on the SSC agreed list; Level3 qualifications for 19 to 24year olds all fully funded, and 25 + year olds co-funded as with the core Train to Gain offer including repeats on the agreed SSC list; Units and Thin Qualifications in Business Critical areas; and Leadership and Management extended to 5 to 250 employees. This responsive enhancement for SMEs reflects immediate economic circumstances. The Compact agreement is for three years and enhances the sector structural Train to Gain offer for employers.

3. Why is this new initiative needed now?

This Compact comes as at time when the skills demand by employers in the sector is starting to bite in earnest. As the sector remodelled itself in response to global competition, there was a significant degree of downsizing, which created a pool of skilled labour that the remaining employers could draw upon. This pool has now dried
up, and there is a growing realisation amongst sector employers that they must now invest more in training and development if they are to survive and thrive in a turbulent economy.

4. Why the focus on this sector?

The fashion and textiles sector, in itself, contributes £10 billion per year to the UK economy, but this belies its strategic importance as sector products and services underpin some 20+ other industries – retail, civil engineering, aerospace and construction being but a few. The health and strength of the fashion and textiles is therefore of major importance to the economy as a whole, as it feeds many progressive and profitable industries.

5. What is the desired outcome from the compact?

- The Compact will raise both the number of people possessing economically-valuable and sustainable skills, and the level of those skills. Ultimately, this will result in a more flexible workforce, and a more competitive sector.
- The Compact will present a coherent and sector-specific set of skills solutions to employers, through the brokerage service, and will increase the level of sector engagement with Train to Gain.

6. How will progress be tracked?

The Learning and Skills Council already track employer engagement in Train to Gain and the Skills Pledge by sector/ SIC code, and collect learner take up of the qualifications identified within the compact from the Individual Learner Record completed by colleges and training providers. This data collection is part of the standard management information suite, and will be used to compile the progress report as part of the formal compact review every six months.

Accessing support through Train to Gain

7. Which companies are eligible for advice and support through Train to Gain?

All companies based in England are eligible for support through Train to Gain in the following sectors:

- Fashion and textiles design
- Apparel manufacturing
- Footwear and leather processing, manufacturing and repair
- Textiles and technical textiles manufacturing
- Wholesale of clothing, footwear and textile products
- Commercial and high-street laundry and dry-cleaning businesses

These businesses can access support for skills needs through Train to Gain. Funding for skills and qualifications relates to individual employees in these companies – some
employees may be eligible for funding support to meet but some may not. Both the skills brokers and colleges and training providers can advise on eligibility for funding support as part of the Train to Gain service.

8. When is this new Train to Gain offer available from?

The enhanced offer to employers in the sector with Train to Gain was announced on the 15th October 2008 with the main roll out to colleges and providers commencing on the 2nd March 2009

To support this launch, Skillfast-UK will work with a small group of brokers and employers to soft launch the Train to Gain offer whilst the marketing of the Compact is rolled out during:

April  priority area 1  North West, East Midlands
May    priority area 2  Yorkshire, South West
June   priority area 3  London, West Midlands
July   priority area 4  South East, North East, East of England

It is anticipated that the Compact offer will be fully operational by the end of the summer 2009

The amount of funding in the compact relates directly to the level of demand predicted from employers. If this demand does not materialise, this funding will not be available.

9. How can employers access the support from Train to Gain including funding for skills?

The standard model of accessing Train to Gain support applies in this sector.

Skills brokers or specialist advisors will visit and start the process of analysing how a company’s performance can benefit from investment in employee skills. Both LSC and Skillfast-UK are working together on behalf of employers and will call on each others service on behalf of employers as needed.

For advice on training and development and on qualifications available to employers through Train to Gain, employers can also talk to colleges and training providers.

10. How do employers choose their training provider?

Across England there are hundreds of colleges and training providers with contracts to deliver skills through Train to Gain - both sector specific vocational skills and generic skills including business administration and customer service.

For employers who wish to work with a training provider who does not have a Train to Gain contract, the LSC will work with new providers providing that a minimum number of learners are engaged through the contract. All providers within Train to Gain have to meet a minimum set of requirements and success measures in order to receive, and maintain a provider contract. Without a contract in place a provider cannot receive funding through Train to Gain.
11. When training needs have been identified, what happens then?

The employer will work with the Train to Gain skills brokers to identify which training provider to work with.

12. Who will arrange the training?

When the employer has decided on their preferred provider, The Train to Gain training provider will arrange delivery of the training direct with the employer.

13. What is the role of the National Skills Academy for fashion and textiles in the Compact?

- Skillfast-UK is currently at the early stages of planning its National Skills Academy offer. Running concurrently with this Compact, the Sector Skills Council is working to build technical training capacity for the sector, by working with a network of sector-focused training providers. It is envisaged that, as this network grows, it will provide the basis for a future National Skills Academy. For the present time however, the National Skills Academy will have no significant impact on the Compact.

The offer to employers

14. Which qualifications are supported through Train to Gain funding?

- All vocational NVQ qualifications at level 2, 3 and 4,
- basic skills are eligible for funding
- All age Apprenticeships.
- Skills for Life e.g. literacy, numeracy and English as a foreign language.
- Management & Leadership. (Companies with 5 – 250 employees.)
- Units and thin qualifications in the eight announced business areas

Funding is available for any individual without a first level 2 or equivalent. The compact gives special flexibility for key qualifications to be available for the first time through Train to Gain as repeat qualifications – i.e. to employees who already have a NVQ Level 2 or 3 can now be supported to achieve a second Level 2 or 3.

- This flexibility is focussed on the most important qualifications to the sector, as defined by sector employers, who have worked with Skillfast-UK to refine/create a list of vocational qualifications that “work” for the sector
- This list is dynamic, and changes as the Sector Skills Council brings more qualification products to market. The most up-to-date list is available via the LSC web site www.lsc.gov.uk

NVQ Qualifications developed by any awarding body, providing that these are available for funding purposes can be supported through Train to Gain.

15. Is there a time limit for learning to be completed?

No.
16. How does this programme differ from other Train to Gain programmes?

This is part of the Train to Gain programme. It is a specific offer to employers in the sector, based on this driving increased demand from employers.

Management and Leadership

17. Why are the management and leadership grants only available for Small to Medium sized Enterprises (SMEs)?

The Leadership and Management support and funding through Train to Gain is targeted at SME’s with between 5 and 250 employees. This is focussed on this larger SMEs where strong leadership skills can benefit a larger number of employees.

Apprenticeships

18. Will adult employees be eligible for Apprenticeships?

Apprentices of all ages are supported through the LSC’s Apprenticeship Programme. The LSC funds the cost of delivering the skills needed by an apprenticeship so all LSC funding goes directly to the employer, college or training provider delivering the apprenticeship.

19. If a company has an existing contract for Apprentices, can they apply for more under the Compact?

The compact does not set volumes for individual providers. Where a company has a contract with the LSC for Apprenticeships any increase would from part of the usual negotiation with the Learning and Skills Council.

The Partners

Who is Skillfast-UK and what is their role in the process?

20. Skillfast-UK is the Sector Skills Council for fashion and textiles, and represents the sector’s 69,000 businesses in England on skills issues.

Skillfast-UK’s role within this Compact is to:

- Work with Train to Gain brokers to develop their detailed understanding of the sector and the available skills solutions, so that brokers can respond appropriately to employers’ skills needs
- To provide 1,500 employer referrals to Train to Gain brokers
- Continue to refine and develop the set of vocational qualifications for the sector, so that brokers have the “tools” to help fashion and textile employers
- Continue to work with training providers to increase the availability of technical training provision available to the sector, so that brokers can signpost to local solutions
List of All the Training Providers

1. Provider A
2. Provider B
3. Provider C

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