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Evaluation of the National Skills
Academies: Synthesis Report

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Contents

Contents	1
Introduction	2
Key findings.....	2
Background.....	3
To what extent are NSAs employer-led?	3
To what extent are NSAs meeting employers’ needs?	4
Are providers engaged with NSAs?	5
What is the added value of NSAs to providers?.....	5
What has been the impact of NSAs on skills supply?	6
How sustainable are the NSAs?	6
Additional Information	7

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Introduction

National Skills Academies (NSAs) were first established from 2006 to meet the skill needs of employers by providing up-to-date, flexible, accessible, responsive, high quality and cost-effective solutions. They have been rolled out incrementally over five rounds so far, under a competitive bidding process. Development and start-up funding is available from the Skills Funding Agency which must be matched against other funding for start up, product / service development, and marketing and promotion costs over the first three years of the NSA's operation. After this three year period, the NSA is expected to become financially self-sustaining. This evaluation was conducted over a two-year period and focused on the first ten NSAs to become operational.

Key findings

The NSAs covered by this evaluation could all show that they were meeting employers' needs in some way.

- All NSAs are facilitating or directly developing new provision to fill gaps identified by employers such as the development of new apprenticeship frameworks and Foundation Degrees in various NSA sectors. This is one of their main strengths and positive examples could be found across a number of sectors.
- All the NSAs had strong employer representation on their national Boards and there was positive evidence that having an employer-led Board had an impact on the strategy and operation of each NSA. In most cases employer representatives consisted of senior industry figures from large national employers.
- Within certain sectors, NSAs have successfully expanded apprenticeship programmes and higher level skills training (for example through facilitating the development of Foundation Degrees and professional training) in response to current and future skills needs.
- All of the Round 1 NSAs continue to operate now that their development funding has ceased, although some of them have faced challenges along the way. Most Round 2 NSAs report that they are either on track or close to being on track to moving into self-sustainability beyond their development funding. Some NSAs had adapted their business model in order to become sustainable.
- A lack of SME representation at NSA Board level was identified as a potential issue by some stakeholders who were concerned that SME views might not be heard at that strategic level. Some NSAs had adopted a second tier of regional

employer boards or advisory groups which could draw in more local representation, in particular from SMEs

- Those NSAs which have introduced Skills Passports as a means of upskilling existing staff have experienced mixed success with their take-up. They have proved more difficult to develop and implement than NSAs expected and take up has been higher in some sectors than others.

Background

This report synthesises evidence gathered over both years of the evaluation across the following strands:

- a review of documentary evidence including NSA Business Plans, and Project Closure reports for the Round 1 NSAs
- three rounds of interviews with NSAs themselves
- two rounds of interviews with NSA stakeholders (including major employers on NSA Boards and learning providers involved with NSAs)
- detailed case studies of NSA activity
- qualitative research with employers involved with NSAs
- surveys of employers in NSA sectors and learners registered on NSA-endorsed courses.

The report covers the first ten NSAs to become operational: four approved in Round 1 (Construction, Financial Services, Food and Drink, Manufacturing), four in Round 2 (Creative and Cultural Skills, Hospitality, Nuclear, Process Industries), and two from Round 3 (Retail and Sport and Active Leisure). It should be noted that the longest that any of the NSAs had been in operation by the end of the evaluation period was just over three years.

To what extent are NSAs employer-led?

All the NSAs had strong employer representation on their national Boards and there was positive evidence that having an employer-led Board had an impact on the strategy and operation of each NSA. In most cases employer representatives consisted of senior industry figures from large national employers. The lack of SME representation at NSA Board level was identified as a potential issue by some stakeholders who were concerned that SME views might not be heard at that strategic level. Some NSAs had adopted a second tier of regional employer boards or advisory groups which could draw in more local representation, in particular from SMEs. A few NSAs incorporated learning providers on their Boards and this was felt to have worked very well in terms of signalling a partnership approach and showing that the NSA was ‘industry-led’ rather than just employer-led.

Engagement with large national employers took early precedence in order to build profile, meet challenging employer investment targets, and reach a large number of employees. As a result, stakeholders from most NSAs highlighted SME engagement as an area for further development, although this view should be set in context of the lean business model that NSAs operate and the intensity of resources needed to reach out to SMEs in large numbers.

To what extent are NSAs meeting employers' needs?

All the NSAs covered by this evaluation could show that they were meeting employers' needs in some way. Some NSAs operate on a universal basis within their sector whereas others have opted to focus products and services on particular types of employer, on particular occupations, levels or sub-sectors, or on a site-based basis. There is no 'one size fits all' business model for NSAs as they all have been developed initially to meet the specific needs of their sector and have subsequently adapted their business model to meet emerging needs and changing circumstances.

Many NSAs had developed of new courses or qualifications to fill gaps in provision and address skill needs, such as the development of higher level skills training through professional qualifications or Foundation Degrees in various NSA sectors.

Examples of new, employer led provision:

The Financial Services NSA has co-developed an Institute of Leadership and Management-approved Level 3 and subsequently Level 5 Certificates in Financial Services facilitated the creation of a new Financial Services Foundation Degree with the Open University and was also involved in direct delivery of training courses via e-learning.

The NSA for Food and Drink Manufacturing has developed and piloted a professional bakery course with heavy input from employers. Employers formed a Steering Group to determine which skills were required and the most appropriate method of delivery and on the basis of this developed a modular course syllabus.

Some NSAs (for example, Financial Services, Creative and Cultural Skills) have also actively **brokered new apprenticeship frameworks** in sectors where none existed before. These are proving very popular with learners and employers alike.

NSAs have also **successfully expanded apprenticeship programmes** in response to current and future skills needs within certain sectors. In doing this they have developed innovative and flexible training models such as forming employer groups to collaborate on training and by promoting shared apprenticeship schemes. This was particularly effective in meeting the needs of SMEs.

Examples of Apprenticeship provision development:

Several NSAs had developed innovative ways to remove the barriers and perceived risks involved in taking on an apprentice for SMEs. The Creative and Cultural NSA had become an apprenticeship training company in its own right so that it could centrally employ apprentices place them in a range of different companies in order to gain the workplace skills and experience they required. This was particularly effective in meeting the needs of SMEs who could not afford to take on an apprentice on their own.

The NSA for Construction had also promoted shared apprenticeships for SMEs who could not afford to take on a full-time Apprentice especially in a recession.

NSAs have contributed to the **delivery training in more flexible settings** – including promoting the delivery of Higher Education (HE) in Further Education Colleges, through brokering partnership arrangements between universities and their members to deliver Foundation Degrees.

Most employers who had used NSA endorsed or developed provision were very positive about its quality and delivery. However it is difficult to isolate NSAs' impact on raising rather than recognising quality given the presence of other internal and external quality improvement drivers.

Are providers engaged with NSAs?

Providers are involved with NSAs in a number of ways: as an approved provider; as a 'Champions' or Lead Provider for the sector or by playing a more strategic role through membership of Regional Advisory Panels, Committees or Regional Organisational Groups; or even the NSA Board. Many providers had made extensive in-kind contributions to the NSA including staff time, use of premises, and intellectual property in the form of course materials which they had developed.

What is the added value of NSAs to providers?

Providers are generally committed to the NSA 'brand' and support their academy's aims. The main benefits from a provider's perspective appear to arise from:

- the 'kudos' of being part of a branded National Skills Academy network. Some providers reported they felt this had helped them to win additional contracts because it was seen as a quality kitemark.
- wider networking opportunities that have brought the opportunities to form partnerships with other providers.

- staff development.
- additional business leads leading to new work from employers. Although some providers were unhappy with the number of leads they had received from NSAs the evaluation also found several examples of providers who reported that thousands of pounds worth of new business had come to them via NSA brokerage.

What has been the impact of NSAs on skills supply?

There is evidence that NSAs have improved the quality of skills supply for new learners coming into the sector to their sectors through:

- Recruitment and training of apprentices.
- New Foundation Degrees or other graduate level training.
- Increasing diversity.
- Working with young people aged 14-16.
- Pre-employment training for the unemployed.

However, overall the impact was mixed and varied more by NSA than by round of development.

- NSAs also worked to up-skill existing staff through:
 - Development and roll out of Skills Passports. As yet Skills Passports have had a varied take up, and therefore impact, in the sectors which have developed them.
 - Development of progression routes such as leadership and management courses and Continuing Professional Development (CPD) frameworks.
 - Promotion of specific qualifications such as Business Improvement Techniques and development and delivery of new short courses aimed at supervisors, team leaders and managers.

How sustainable are the NSAs?

The Round 1 NSAs were awarded development funding for three years, which has now finished. All of the Round 1 NSAs continue to operate now that their Skills Funding Agency development funding has ceased, although some of them have faced challenges along the way. Based on Skills Funding Agency monitoring figures and discussions with the NSAs involved, most Round 2 NSAs report that they are either on track or close to being on track to becoming self-sustainable beyond their development funding.

Some Round 1 NSAs have emerged from their three-year development funding period with changed business models and operational structures, responding to the needs of employers and the recession.

The following factors appear critical to the financial sustainability of NSAs:

- keeping central costs low and lean
- effective consultation and market research with employers to identify gaps in the market, timely development of products and services to fill these gaps
- getting the provider offer right and facilitating employer-provider partnerships rather than relaying messages between the two; and
- diversification of funding streams rather than relying on a narrow base.

Additional Information

Copies of all of the full report can be downloaded free of charge at

<http://www.BIS.gov.uk/policies/higher-education/research-analysis>

Further information about this research can be obtained from Vikki McAuley,

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This research report was written before the new UK Government took office on 11 May 2010. As a result the content may not reflect current Government policy.

The views expressed in this report are the authors' and do not necessarily reflect those of the Department for Business Innovation and Skills.

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