

Skillnets



Submission to the Department of Education and Skills



Strategy for Education and Skills 2016- 2018

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Skillnets is funded from the National Training Fund through the Department of Education and Skills.

1. Introduction

Established in 1999, Skillnets supports and works with businesses in Ireland and their employees to address their current and future skills needs by providing high quality, subsidised training through 62 training networks in a range of regions and sectors. Actively supported and guided by national employer and employee bodies such as IBEC, SFA, CIF, Chambers Ireland and Congress, Skillnets received €16.2m from the National Training Fund (NTF) through the Department of Education and Skills (DES) in 2015. Our organisation model, with its deep roots in enterprise, has enabled Skillnets to make a substantial contribution to the national skills agenda, and to the competitiveness of Irish enterprise. Our key activities are:

Training Networks Programme (TNP)

Subsidised quality training programmes focused on the SME sector and delivered nationwide by 62 training networks in a wide range of industry sectors.

Finuas Networks Programme (Finuas)

Subsidised quality training programmes in the international financial services (IFS) sector covering financial technology (FinTech), banking/asset financing, corporate treasury, investment management, aviation finance, securitisation, reinsurance and related professional services.

ManagementWorks

A subsidised management development training and mentoring programme available to businesses (SMEs and owner-managers) in all sectors to assist them to grow in terms of sales, output and employment.

Job Seekers Support Programme (JSSP)

Skillnets supports the needs of job-seekers by focusing on integrated training with enterprise, dedicated conversion courses, and through work placement in areas of high employment potential.

2. Education Service: Potential Improvements within Existing Resources

2.1 Flexible Provision

Responding to the needs of employers and adult learners, a significant proportion of training co-ordinated by Skillnets' networks is delivered part-time or on a modular basis, offered year-round and scheduled outside of normal working hours (evenings, weekends, etc.) subject to demand. Skillnets welcomes the plan to increase part-time and flexible provision outlined in the *Programme for a Partnership Government*, which complements lifelong learning and workforce development objectives set in the *National Skills Strategy 2025*. There is an opportunity to raise the general level of access to flexible provision across the FET and HE sectors, which can be achieved through targeted, ongoing engagement with industry. Nevertheless, within the context of existing resources, Skillnets' networks collaborate with numerous HE and FET institutions that we find to be responsive and flexible in their approach to delivery.

2.2 Modernisation of the Apprenticeship System

The development of over 20 Category 1 apprenticeships is a very welcome step in increasing FET and work-based learning provision. Given the evident demand, there is clearly a need to maintain momentum in the Category 1 rollout and to ensure a pipeline of new apprenticeships in future years.

Our understanding is that the majority of the Category 1 apprenticeships will offer awards at Level 5-6 at the NFQ, creating new career pathways for young people completing secondary education. The Apprenticeship Council will fully appreciate that these apprenticeships require strong employer commitment if they are to be successful. In the context of leveraging existing resources, the Department may wish to consider Skillnets' training networks with their strong industry connections, (Skillnets have in excess of 12,000 participating member companies), as part of a strategy to raise awareness within the broader business community. It is notable also that the Skillnets model, with its close ties to industry is well placed to support the provision of 'traineeships' in particular, having already delivered several successful initiatives in this area.

The extent of the challenge involved in engaging employers in the apprenticeship space is not to be underestimated, given plans in the *Programme for a Partnership Government* to double outputs to 31,000 by 2020, and spreading apprenticeships across sectors and regions in Ireland.

3. Education Service: Potential Improvements Though New Provision

3.1 Industry-Education Alliances

The Skillnets' Future Skills Needs Programme (FSNP) is designed to facilitate training networks to develop new and innovative programmes that address future skills needs. The Programme is essentially a fund that allows network member companies to collaborate with Higher Education Institutions and other providers to develop education and training programmes. Requirements are derived from and defined by businesses themselves, and are therefore highly relevant and flexible to the needs of enterprise. Businesses co-invest in programme development through the FSNP, and they also make significant non-financial investments by deploying HR and other specialist staff to work with training networks and relevant HEIs to identify learning outcomes that address future business requirements.

These collaborations have produced a range of postgraduate qualifications that have proven to be particularly successful in terms of participation rates and subsequent business impact. Examples include specialist NFQ Level 9 qualifications in software product development, design for medical technologies and aviation finance. The development of qualifications like these make a positive contribution to workforce development in the key areas of technology, medical device and international financial services sectors in Ireland.

Established in 2011, FSNP has operated against a backdrop of funding constraints within the higher education sector. Given these resource constraints, the deployment of appropriate academic staff to develop curricula has been a challenge faced by training networks and HEIs during the period.

Skillnets endorses *Programme for a Partnership Government* plans to set targets for critical skills provision and devise competitive funding models for the third level sector to respond to skills gaps in partnership with enterprise. The plan will undoubtedly enhance the range and relevance of future provision, particularly if funding models are designed to leverage financial and non-financial investment from enterprise, as is the case with Skillnets' Future Skills Needs Programme.

4. Activities Currently Being Undertaken by DES

4.1 Enterprise-led Education and Training

Skillnets' regional and sectoral networks provide a framework which supports education and training providers in establishing and maintaining relationships with employers, state agencies, the unemployed and those in employment. The core theme is 'enterprise-led', whereby learning programmes are driven by the demands of employers and learners as opposed to more traditional provider-driven models.

Skillnets has been highlighted as an example of effective workforce development in the current strategy for the FET sector¹. Skillnets has also hosted multiple study visits from HE/FET providers, education policy makers and employer representative bodies from Europe and beyond, including four international delegations to date in 2016. Based on feedback received, international delegations have invariably found the Skillnets' network model to be compelling and unique. In supporting the Training Networks Programme, the Department is supporting a model that is considered as best practice by international standards.

Facilitating enterprise-led training provision has been a core competence of Skillnets since the organisation was established in 1999. This point is made to remind critics that the Department is already committed to enhancing enterprise-led training provision. Indeed, as we approach the 20th anniversary of our foundation, Skillnets serves as an exemplar of the Department's commitment in this area.

4.2 Regional Skills Fora

Other initiatives have an important role to play to ensure that provision addresses skills gaps, with FET and HE institutions and of course employers playing a central role in this process. The Regional Skills Fora established by the Department should provide a cohesive structure for employers and the FET and HE system to collaborate in building the regional skills base. A fully functioning Regional Skills Forum will be able to disseminate information on and improve access to the many learning opportunities open to learners, and also allow employers to identify skills gaps within regions and sectors, and indeed other parties including researchers, to identify future skills needs. Skillnets' training networks are represented on every Regional Skills Forum in Ireland and we are actively engaged in supporting the development of this DES initiative.

¹ SOLAS: Further Education and Training Strategy 2014 – 2019, p.103 - 104

5. Opportunities to Advance the Department's Vision, Mission and Objectives

5.1 Transversal Skills

Member companies of Skillnets' training networks have consistently highlighted the importance of transversal skills to their businesses. As identified in the *National Skills Strategy 2025*, transversal skills such as critical thinking, collaboration, commercial awareness and communication enhance individual career progression potential and underpin the capacity of companies to adapt to changing business environments².

Skillnets understands that the Department oversees a number of related initiatives at school-level and beyond. Nevertheless, it is considered that there is potential to develop innovative approaches that further enhance the transversal skills of our young people. On a related point, Skillnets consistently receives feedback from training networks regarding the ability of recent school leavers and third level graduates to articulate their transversal skills at interviews for further education, training and employment. Consequently a cohort of young graduates with strong domain-specific knowledge struggle to make the transition from education to employment. For this reason, innovative approaches to enhancing transversal skills capacity should also incorporate approaches which enable young learners to effectively articulate their skills.

5.2 Broadening STEM participation

Skillnets has a significant presence in the key industry sectors that are linked to STEM disciplines, including ICT, pharmachem and financial services. It is now widely accepted that there is a need to produce greater numbers of graduates from STEM disciplines over the next five years. We are aware of related initiatives underway at school-level and beyond, including the new Junior Cycle Science Curriculum and the development of new apprenticeships in technology and international financial services. We are also aware of the need to broaden STEM participation. Skillnets has demonstrated its capacity to respond to such skills demands in a flexible and timely way. Via the training networks model, Skillnets is well placed to tap into a cohort of employed learners including those from non-STEM backgrounds who wish to convert to STEM careers with the backing of their employers. Skillnets is currently supporting national policy relating to STEM skills through the implementation of targeted actions in the Action Plan for Jobs 2016, the ICT Action Plan 2014 – 2018 and IFS2020.

² Ireland's National Skills Strategy, p. 33

5.3 Measuring Success in Delivering the Strategy

5.3.2 Targeted Action Plans

During Q4 2015, the Department co-ordinated an extensive consultation process as part of the development of a long-term skills strategy. Published earlier this year, the *National Skills Strategy 2025 (NSS)* identifies key actions, measures and lead agencies, bodies and institutions.

The NSS provides a blueprint for the future direction of skills provision. Given its long-term focus, the NSS did not identify short-term delivery timeframes or deadlines for the delivery of many of the specified measures. The *Strategy for Education and Skills 2016-2018* presents an ideal opportunity to convert NSS measures into specific actions with assigned lead/partner organisations and agreed deadlines for completion over the next three years.

In relation to enterprise-led education and training, the *Programme for a Partnership Government* seeks a step change in our ability to educate and deploy talent, setting targets for critical skills provision while incentivising delivery in partnership with enterprise. Meaningful enterprise engagement needs to be a key metric within agreed performance plans for the HE and FET sectors.

Meaningful engagement will partly depend on the ability to accurately identify skills needs and distinguish between skills that are needed to address transient business challenges versus skills required to address long-term trends and transformational changes within key sectors of our economy. While the EGFSN and the SOLAS Skills and Labour Market Research Unit (SMLRU) are central to this activity, Skillnets also has a role to play here. Skillnets has been assigned responsibility within the *National Skills Strategy (2025)* to support the further development of skills assessment resources to help companies, especially SMEs, to accurately identify their skills needs.

6. Strategy Formulation: Additional Observations

6.1 National Training Fund

Skillnets is funded from the National Training Fund (NTF) through the Department of Education and Skills. The NTF is collected through a levy on employers and in 2016 approximately one third of the fund will be used to train people in employment³. Currently Skillnets' annual funding is €16.2M. When contrasted against the 2008 allocation of €25M, this represents a reduction in funding of approximately 35%. Given the economic recovery and outlook, and evident demand from industry to invest in skills development, it is now timely to consider a rebalancing of the NTF towards the upskilling of those in employment.

An independent evaluation of programmes managed by Skillnets is undertaken on an annual basis. Successive independent evaluations have found a low satisfaction level with the financial support offered by Skillnets to enterprises versus the actual demand within their sector or region. Enterprise

³ Part IV Estimates for Public Services 2016, p.26

demand has consistently exceeded the level of funding available to Skillnets. However, the extent of this demand has increased significantly over the last 12 months.

6.2 Jobseekers

Skillnets fully acknowledges the critical importance of ensuring adequate future provision for the unemployed, in particular the long-term unemployed and other disadvantaged job-seekers. Since 2010, Skillnets has successfully delivered enterprise-led education and training to 37,000 unemployed people throughout Ireland. During this period, Skillnets has worked closely with the Department of Social Protection (DSP) in order to maximise access to upskilling opportunities for people on the Live Register. Our protocol with the Department was cited by the OECD ⁴ as an example of effective inter-agency collaboration to raise awareness and uptake of training by those on the Live Register.

An independent evaluation of Skillnets' programmes published in October 2015 highlighted the changing labour market situation in which Skillnets operates. Based on marked decreases in the national unemployment rate, the authors of the evaluation recommended that Skillnets' provision for the unemployed should be 'scaled back in line with market requirements' ⁵. The changing economic context is clearly acknowledged within *Pathways to Work 2016-2020*, which envisages the need for consolidation and extension of activation measures to those not technically classified as unemployed, as part of a broader shift from "activation in a time of recession to activation in a time of recovery and growth" ⁶.

⁴ Local Job Creation: How Employment & Training Agencies can Help. p. 58-59. OECD Programme on Local Economic and Employment Development (LEED). September 2013.

⁵ Evaluation of the 2014 Skillnets Training Networks Programme, ManagementWorks, JSSP and the Finuas Programmes

⁶ Pathways to Work 2016-2020, p.4

7. Meeting the Skills Needs of the Future

7.1 Approaches Outlined in the *Programme for a Partnership Government*

The *Programme for a Partnership Government* captures key issues relating to future skills needs. A review of the Further, Adult and Community Education sector is planned and a commitment is given to ensuring that related structures empower citizens that did not get an equal opportunity for education in their youth. While the Government is clearly committed to lifelong learning, work-based learning and adult education, these commitments have not been explicitly stated within the Programme.

These themes are key components of the *National Skills Strategy 2025* and we believe these need to be reflected within the *Strategy for Education and Skills 2016 – 2018*. If we are to implement national policy in these areas, these priorities need to be converted via the DES Strategy into specific actions with responsibilities assigned to named stakeholders for implementation by defined deadlines.

7.2 Measuring Progress on Meeting Future Skills Needs

Skillnets is developing a *Statement of Strategy 2016-2019* and a related consultation process is currently underway. Our future activities will be closely aligned with national skills policy, and in particular, the *National Skills Strategy 2025* and the *DES Statement of Strategy 2016-2018*. While alignment is essential, Skillnets will be best placed to serve industry and fulfil our mandate with DES by focusing on the following core objectives that play to our organisational strengths.

7.2.1 Increased Enterprise Participation

Firstly, Skillnets will drive increased participation of employers in the training networks model to improve the productivity, capability and competitiveness of enterprise. Increased participation is needed in order to inform skills requirements and course design while ensuring that employers take more responsibility for the up-skilling of their own employees. These requirements are particularly acute for the SME sector. Measures of progress will be decided in time, but may include:

- Trends in the overall number of participating companies.
- The proportion of participating SMEs including micro-enterprises.
- The proportion of participating companies in start-up and growth phases of development.
- The proportion of companies from sectors that traditionally do not invest in staff development or invest less relative to other sectors.

7.2.2. Enhance Relevance, Effectiveness and Impact of Training.

Secondly, Skillnets will revitalise the learning experiences provided to enterprise through the training network model to drive further effectiveness, impact and relevance. The *National Skills Strategy 2025* calls for “the quality of teaching and learning at all stages of education and training to be continually enhanced and evaluated”⁷. Measures of progress relating to good practice in learning and development will focus on:

- Diagnostics and definition: Processes that target the specific skills required and the particular “problem” that training interventions are designed to solve.
- Programme design and delivery that is highly integrated with work and reflects how adults learn.
- Evaluation methodologies that focus on the impact of training and education on enterprise, evaluating delivery against the original, defined learning outcomes.

7.2.3. Increase Supply of New and Specific Skills

Thirdly, Skillnets will work within our model (or augment our model) to support an increased supply of new skills and specific skills (sectoral, cross sectoral and transversal) to the Irish labour market. The *National Skills Strategy 2015*⁸ has outlined a number of sectors regarded as important for sustained economic development.

7.3 Priority Actions and Outcomes

Given increasing convergence between sectors, the Expert Group on Future Skills Needs (EGFSN) and the *National Skills Strategy 2025* highlighted the growing importance of cross-sectoral skills. Such skills include ICT, engineering and data analytics.⁹

Skillnets’ training networks are currently delivering and developing additional programmes that address cross-sectoral skills. For example, convergence between financial services and technology companies has created a thriving financial technology (FinTech) sector in Ireland. Skillnets co-ordinates the Finuas Networks Programme on behalf of the Department, providing specialised education and training on behalf of the international financial services sector in Ireland. As part of the *Finuas 2020 Strategy*, a range of FinTech programmes¹⁰ are currently under development with a view to completion and delivery later this year.

The *National Skills Strategy 2025* highlighted increased demand for specialised skills in sectors that are important to the Irish economy for sustained economic development. These sectors include ICT, food and beverage, medtech, biopharma, financial services and manufacturing, as well as retail, construction and primary production. Given our existing footprint within each of these sectors, Skillnets is very well positioned to support their continued growth through the delivery of new and specific skills.

⁷ Ireland’s National Skills Strategy 2025 p. 89

⁸ Ireland’s National Skills Strategy 2025 p. 28-34

⁹ Ireland’s National Skills Strategy 2025 p. 33

¹⁰ Finuas 2020 Strategy, p.18.

8 Summary of Recommendations

- There is now a need to rebalance the National Training Fund towards the upskilling of those in employment, based on significant decreases in the national unemployment rate and increased demand from industry to invest in staff development in order to remain competitive.
- In order to effectively implement national policy in the areas of lifelong learning and workforce development, there is a need to increase the provision of year-round, flexible, part-time and modular education and training.
- The Programme for a Partnership Government plans to devise funding models for the third level sector to respond to skills gaps in partnership with enterprise. If the plan is to enhance the range and relevance of future provision, then models should be specifically designed to leverage financial and non-financial enterprise investment.
- Education and training programmes designed to provide a pipeline of talent for industry should be enterprise-led. There is a need to increase meaningful enterprise engagement through: (i) the Regional Skills Fora (ii) the development of service plans with related metrics within the HE and FET sectors and (iii) robust diagnostic approaches that distinguish between skills needed to address transient business challenges and those required to address long-term, sectoral trends and transformational changes.
- Member companies of Skillnets' training networks have consistently highlighted the importance of transversal skills to their business. There is potential to develop innovative approaches that further enhance the transversal skills of college leavers and young people in particular.
- Via the training networks model, Skillnets is well placed to access a cohort of employed learners including those from non-STEM backgrounds who wish to convert to STEM careers with the backing of their employers.
- The Strategy for Education and Skills 2016-2018 should ideally convert key measures outlined in the National Skills Strategy 2025 into specific actions with assigned lead/partner organisations and agreed deadlines for completion over the next three years.

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- There is a need for the Department to encourage greater employer participation in workforce development. This can be achieved via a number of funded initiatives including the Training Networks Programme managed by Skillnets and apprenticeships co-ordinated by the Apprenticeship Council, in order to improve the productivity, capability and competitiveness of enterprise.
 - Finally, there is a need to support an increased supply of **specific and new** skills (both sectoral and transversal skills) to the Irish labour market. Sectors that have a key role to play in sustained economic development have been highlighted in the National Skills Strategy 2025. Skillnets has a presence across each of these strategic sectors and is thus well positioned to deliver specific skills and new skills to these sectors.