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Introduction

Throughout these work in progress papers, I have sought to try to bring together diverse amounts of literature to tell the story of how the Sector Skills Agreement (SSA) policy was developed from a Ministerial announcement and a white paper into an actual policy process. I have suggested that the SSA process has become a ‘hostage to fortune’ to a number of vested interests, compounded by the neo-pluralism of New Labour at one level, and the new regionalism exacerbated by devolved nation and regional policy, coupled with the contradictory principal-agent contractual nature of project and policy management that also appears to be a main plank of New Labour policy making and practice.

This paper is not seeking to theorise the story of the SSA Stage 6 at this stage, just to set it out, to demonstrate some of the ways that factors were at work to undermine the SSA, and the confusion and ‘policy on the hoof’ that this proposal exhibits. It is proposed in further papers to theorise this experience within the ‘new regionalism’ that was clearly at work on the SSA as much in England with the RDAs as in the devolved nations.

Stage 6: Implementation of the Sector Skills Agreement

Initially the SSA was conceived as a five stage process, with stage 5 being the production of an action plan/ agreement between employers within the relevant sectors covered by the twenty-five sector skills councils, Government and public stakeholders, and providers of education and training. What the SSA as originally conceived did not have, was a method or funding for implementing the SSA. Sector Skills Councils (SSCs) are not in the main (there are one or two exceptions) large organisations and therefore had not the capacity to relentlessly pursue reluctant stakeholders to implement the agreement.

SSDA (2006a) succinctly states the problem that SSC in the pathfinder tranche were discovering in relation to implementation of their SSAs:

"Four Pathfinder SSAs completed the development process between June and September in England, Scotland and Wales (Northern Ireland completion is due by June 2006) and began implementing the solutions agreed at stage 5. Although a number of successes have been achieved through the implementation process, a number of barriers have also been identified. The response by partners has varied but for some solutions, it has been slow, is often seen as optional and sometimes restricted by Government targets". (SSDA, 2006a, Para 1.2, p1)
Gavan (2006) in an open letter to CEOs of SSCs and the English Project Board also conceded that the SSA process had been far more difficult than had at first been envisaged. He stated:

"In reflecting on the Pathfinder work from the first reviews, it has become clear that moving an SSA into full implementation is a more complex and time consuming development than first envisaged. There are a number of policy blockages that are impacting on the speed of partner response and resulting in lack of progress on some solutions and ultimately running the risk of disengaging employers from the process." (Gavan, 2006, p1)

It would appear however, that the impetus for stage 6 came from Ministers rather than Civil Servants, Gavan (2006) continues:

"There is a clear need to identify the policy blockages that are holding up implementation and develop methods for escalating and resolving them. One way forward which was raised at the meeting between the Pathfinder and second tranche SSC CEOs with Phil Hope, the Minister for Skills in England, Alan Wilson, the Deputy Minister for Enterprise and Lifelong Learning in Scotland, representatives from government departments and the Devolved Administrations was the introduction of a formal stage 6."(Gavan, 2006, p1).

Why Government then did not drive this idea through, rather than letting it be watered down in the way this paper will describe, is one of conjecture, but may be that Ministers simply moved on to the next initiative and forgot all about it.

The presence of Government targets inhibiting performance of the SSA should not be a surprise and is in a real sense a challenge to the whole concept of using targets to manage Government performance.

For example in an SSA, employers and the SSC may identify that a particular qualification is not suitable for getting young people into the industry, this is usually a qualification of a type that is known as a VRQ (Vocationally Related Qualification). This qualification may however be popular with groups of learners who otherwise might become NEET (Not in Employment, Education or Training). For Connexions, and Job-Centre plus, the cancellation of this qualification, would prohibit them attain their targets for reducing NEET targets, and thus they would oppose this proposal in the SSA. Likewise the LSC may have a Government target for learners required to be on level 2 qualifications, which many VRQ qualifications are. Again, the removal of this course, while saving money, may ultimately mean that the LSC is unable to meet this target. There are therefore good reasons for the LSC to not support implementation of an SSA, due to their own targets.

SSDA (2006a) continues:

"Experience with the Pathfinders and second tranche has established that to produce quality outputs requires in-depth analysis and a substantial amount of employer buy-in and confidence. It also requires a substantial amount of work with partners to ensure their buy-in. The requirement to ensure buy-in
from partners across the home nations together with devolved decision-making in the English regions has had a huge impact on the approach and resources needed to complete an SSA. The regionalisation of the LSC and creation of Regional Skills Partnerships also raises questions about where SSA deals are done. This has resulted in a more complex and time consuming development and, particularly, implementation process for the pathfinders, than first envisaged. The lack of progress on some solutions runs the risk of disengaging employers form the process.” (SSDA, 2006a, para 2.1 & 2.2, p1).

There has also been identified a number of policy blockages, which have further inhibited SSA implementation, and these are defined by SSDA (2006a) as being first, that partners and partnerships across the devolved nations viewed SSAs as one of a range of top priorities without evidencing a clear or direct link to existing or emerging policy priorities. In a subsequent paper, I propose to show how policy continued to develop in the devolved nations during the SSA process. In England this problem could be seen in that there was no clear link to the ‘Train to Gain’ initiative, whereby the SSA policy had to run in parallel to this policy and to fit in into it, as it was already developed as opposed to informing its first principles. Organisations such as the LSC appeared at times to be reluctant to defer their own policy strategies to those emerging from SSCs. The SSA process also began to exhibit a lack of clarity or transparency in some of the deals that were made, this occurring either across geographies or over time. Many stakeholders seem to take the SSA solutions as being ‘optional’, which meant that SSCs lacked the teeth to drive through solutions that (as already discussed within this paper) might challenge regional policy or targets that have been set; and finally, there is no short-term or ring-fenced response available to support SSA solutions, meaning that responses (from stakeholders) are often an indication of the ‘direction of travel’, with uncertainty over outcomes and timescales influencing mainstream provision (SSDA, 2006a, para 2.4 p1-2).

Negativity therefore has come not just from the employers, stakeholders and partners to the SSA, but also from the SSCs themselves, with many SSCs questioning the policy commitment to a ‘demand-led’ system (the very system of course that the SSCs and the SSA were supposed to champion, when the concept was first conceived by Ministers) and whether the SSA can have a direct impact on Government policy across the UK (SSDA, 2006, para 2.5, p2).

The purpose then of extending the five stage SSA process into a six stage process, with the sixth stage being implementation was to identify policy blockages and get round them (SSDA, 2006, para 2.6, p2).

Stage 6 it was proposed would consist of the following attributes. First an annual Ministerial meeting with the Chief Executive Officers of both SSCs in implementation mode and delivery partners to assess progress. Secondly a bi-annual evaluation report from each partner to demonstrate what systems had been put in place to deliver SSAs, progress on delivery of SSA solutions against clear milestones and any barriers to implementation. Thirdly, it was intended that there would be an overarching monitoring system to track progress and fourthly, action plans would be produced with clear roles and responsibilities to address blockages and barriers. Finally it was envisaged that SSA targets would be incorporated within partner target frameworks (SSDA, 2006a, para 3.1, p2).
Perhaps SSDA (2006a) was simply too optimistic in its ambitions as none of these things actually happened in any structured way. To facilitate this however SSCs were supposed to undertake some activities themselves. First, SSCs were expected to produce action planning for each of the solutions in the SSA. Secondly, ensure continued, structured dialogue with partners and employers signed up to deals and to act as a "litmus test" by ensuring that SSA solutions are responding to the changing needs of business. Thirdly, to integrate the SSA into the SSC business plan and core delivery, which regardless of the failures of stage 6 to 'take off' SSCs did; and fourthly, to develop monitoring mechanisms to monitor employer and partner commitment and progress against milestones set by the SSA. Finally SSCs would formally review and refresh the SSA every three years (SSDA, 2006a, para 4.1, p2).

The method to obtain funding for the Stage 6 was through the European Social Fund (ESF), and the SSCs therefore had to bid for funding to the ESF for this funding, although ultimately the funding bid was made on behalf of SSCs by SSDA (see later). ESF funding is match funding, which means that the SSCs had to provide equivalence funding to that which they were getting from ESF.

Specifically the ESF funding was to be used by SSCs to provide, first, greater coverage of the sector footprint where these were originally incomplete. This was to be achieved by SIC code. Many SSCs have such large and diverse footprints that it was not possible in the SSA to cover all of their smaller industries. Secondly, there was funding for greater analysis, and hence quality of analysis and solution. Thirdly, more work with employers, through which it was anticipated that there would be a greater understanding of the employers future skill needs. Fourthly, further research to explore specific issues raised by SSA work completed to date. Fifthly, more work with partners and employers to develop appropriate actions and solutions and sixthly, increased capacity in SSCs to successfully complete the SSA process (SSDA, 2006b, p1).

Funding that was available through ESF therefore was able to support additional staff for research, or for stakeholder/ employer engagement, to buy in/ commission additional research and finally for any other activity that directly supports the development and finalisation of the SSA (SSDA, 2006b, p1-2). The outputs and associated monitoring from the work, were defined as being the number of research reports produced sub-divided into the number of sub-sector reports linked to the increased coverage of the footprint, the number of primary research reports and the number of externally commissioned reports. A further outcome was a measure of the number of providers mapped, as well as the numbers of employers consulted, which could be disaggregated by the type of consultation i.e. face to face, telephone or workshop as a way of showing the ESF contribution to the work. Other methods of displaying outputs were defined as number of employers’ forums and workshops where the views of employers are sought on a group basis. Another outcome defined in SSDA (2006b) is the number of employers ‘signing up’, relating in relation to the ESF project, to some form of commitment to action either from an individual or group of employers. Another outcome would be evidence that employers were adopting new ways of working, which SSDA (2006b) concedes would be difficult to measure, but might take the form ‘eligible’ actions such as training plans in accordance with the SSA (SSDA, 2006b, p2-3).

From SSDA (2006b) it can be seen that even very early on in the inception of Stage 6, the emphasis was changing from being ‘blockage’ remover to being more focussed on an ‘up-lift’ on the original SSA. If there was any doubt that the original
implementation of stage 6 to something far less potent, then SSDA (2006c) should remove them. The title of SSDA (2006c) is very enlightening: “Proposal for how the SSA Checkpoint Review (Formerly Stage 6) would operate in Nation”. From an implementation model, where stakeholders could be brought to account in front of a Minister, what is left is ‘review’ of the performance of the SSA, which it is suggested seems to be putting the emphasis back on SSCs.

This development arose it would appear primarily because SSDA put the concept of an implementation stage to the Project Boards across the UK and the CEOs of the SSCs. The project boards were a collection of the ‘great and good’ (predominantly stakeholder and Government departments) brought together by SSDA to monitor the quality of SSAs, to sign them off on behalf of their relevant organisations, and (less certainly in practice) support implementation of the findings.

The project boards by definition are ‘stacked’ with supply side and Government departments, for whom an implementation stage of the type described by SSDA (2006a) would bring some accountability to them, rather than the SSCs. The consultation raised the following themes: first, there was a commitment to strengthening shared commitment to delivery, by recognising that Stage 5 of the process was not the end of the process, but was a point at which an action plan to implement the required changes is agreed. Secondly, there was a commitment to strengthening the opportunity to develop longer term constructive dialogue (SSDA, 2006c,p1). SSDA (2006c) continues:

“The responses were supportive of a formal implementation phase that allows for continued opportunity to develop longer-term, policy led solutions with partners. It will also allow the SSCs to understand the commitment of partners to accept SSAs as a documents which outline and inform strategic policy and funding decision-making. nN some cases initial action plans will outline direction of travel and it will be over the succeeding months that any detailed activities will emerge.” (SSDA, 2006c,p1).

In SSDA (2006a) the inference is that the ‘direction of travel’ is not the place that the SSAs should have been in at stage 5 of the process, but by SSDA (2006c) this vice has become almost a virtue. SSDA (2006c) reports that the respondents to the consultation process were concerned that (and apparently this came from both SSCs as well as stakeholders) that a formal implementation phase would create additional bureaucracy, if the additional bureaucracy described in SSDA (2006a) were to be adopted. SSDA (2006c) continues:

“Of the component parts identified for both partners and SSCs, it was recognised that much of this was, in fact, good practice for SSCs to incorporate into their stage 5, and thus inform their business planning and for partners to incorporate into existing monitoring and evaluation mechanisms.” (SSDA, 2006c, p1-2)

Finally the respondents to the consultation desired to make the existing process work more effectively (SSDA, 2006c, p2). Taking all this feedback SSDA (2006c) concluded that first SSDA would meet with project board partners to address specific issues and clarify roles and contribution to a revised specification for an SSA Checkpoint review, and secondly, after discussion with DTI (as it then was), DIES (as it then was) WAG, DELNI and SE agreement would be reached on how the checkpoint review would operate in each of the nations. The three proposed points
are that there would be an annual Ministerial meeting with CEOs of SSCs in implementation mode and delivery partners to update on progress; highlight achievements and good partnership practice and in addition indicate any barriers to joint delivery of action plans. It is proposed that this meeting would be informed by a short report from each partners and SSC, using their existing monitoring and evaluation, demonstrate delivery and impact and provide a litmus test ensuring that SSAs are providing a response to challenging business needs. Finally there is to be a question and answer session led by the Minister (SSDA, 2006c, p2-3). Whether this ever happened in the format described is doubtful, although SSC Chief Executives do have meetings with the respective minister now at DIUS on an annual basis.

In previous papers, I have spoken of the principal-agent control techniques that the SSDA sought to exercise over SSCs in the development of their SSAs. SSDA called a workshop in June 2006 to develop the ESF bid (SSDA, 2006d). The first point to notice is that Stage 6 has been completely dropped as being a function of the ESF primarily. Even the revised concept of ‘checkpoint review’ has disappeared. The purpose of the workshop has been reduced to five key points, the first of which is to develop a common level of understanding. Secondly to fill in any of the gaps not covered by the guidance, thirdly to share knowledge and create a pool of network ESF experts who may be able to advise other SSCS. Fourthly, to identify any outstanding issues or questions, and fifthly and finally to provide the SSCs attending with sufficient information to develop an appropriate work plan that enhances their SSAs and meets the needs of ESF (SSDA, 2008d, p1).

If there was any doubting that a subtle change had occurred in the whole focus of the rationale for the ESF bid, SSDA (2006d, p2) is clear that the reason for doing the bid was to develop quality SSAs, as these were critical to the success of the Skills for Business Network, with secondly, a recognition that that most SSCs are severely constrained by the level of resources available to the delivery of SSAs, with the ESF being a significant opportunity to develop SSAs, although the SSDA went on to say that they were not forcing SSCS to apply for funding as SSDA wanted to satisfy itself that the impact on quality on the SSA, as a result of ESF funding was justifiable in relation to the administrative burden that the SSDA would be taking on. Finally SSDA identified that the bid could be a testing ground for any future network bids under the next round of ESF between 2007 and 2013 (SSDA, 2006d, p2).

Only in a presentation by McManus (2006) does the subject of implementation arise in relation to the concept of adding value to justify the ESF expenditure. The things that SSCs would need to demonstrate according to McManus (2006) are ‘greater coverage of the sector ‘footprint’, and secondly, a greater depth of analysis, and hence quality of analysis and solution. Thirdly, further research to explore specific issues raised by SSA work completed to date. Fourthly (and it is here that implementation type actions begin to emerge) to do more work with partners and employers to develop appropriate actions and fifthly an increased capacity to complete the SSA. Sixthly there is the rather obscure definition of “follow on actions-implementation MCMANUS (2006,p3-4). In relation to added value Mcmanus (2006) concludes that the ESF will be looking for a clear transparent starting point and outcomes for the ESF funded activity and for the match to be current and relevant. As with SSDA (2006b) and SSDA (2006c) the outputs are more employer focussed than perhaps SSDA (2006a) appears to envisage, with reports, consultation events, agreements, deals, action plans and employers signing up being the criteria (McManus, 2006, p5).
In this short paper, it is argued that I have shown in what actually was a very short time period, how a robust control mechanism that as enunciated in SSDA (2006a) had in only a matter of a couple of months or so, been transformed from a key to bringing more accountability to the partners and stakeholders, by allowing the identification of blockages by those partners and stakeholders for some of the reasons that are discussed at the beginning of this paper from implementing the SSA; to a process whereby the emphasis appears to have shifted towards employers and away from the Government agencies and the supply network. That this outcome would support the Government agencies and provider network is axiomatic, as there is no effective lever through which to effect the radical change that the SSA was supposed to usher in on these two main groups.

I would however like to conclude by putting in qualification to this conclusion. The failure of the stage 6 implementation to develop properly may in part be due to the need to use the ESF fund to secure additional funding. Applications for ESF funding were made from Objective 3 Priority 4 Measure 2 of the ESF criteria, related to identifying and meeting developing skill shortages including those at higher levels, with types of actions under this heading being first, to identify skill shortages within all sectors in each region including skills emerging from the knowledge driven economy. Secondly providing training to meet identified skills shortages including new and creative methods of training delivery, with thirdly, promoting effective investment in training by employers, and fourthly making sure that teachers in schools know about identified skill shortages (SSDA, 2006e, p3).

It is suggested that none of the examples under Objective 3, Priority 4, Measure 2 are very implementation focussed in the way that was envisaged in SSDA (2006a), and therefore it is suggested that this coupled with the lack of enthusiasm shown in SSDA (2006b) may have helped in ‘watering’ down the original proposal.

References


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