Energy & Utility Skills (EU Skills) the Sector Skills Council for the gas, power, waste management and water industries – has worked extensively with employers over the last three years to understand the scale and nature of the skills challenges facing the sector. All evidence points towards a critical skills shortage across engineering and technical skill sets emerging within the next 15 years.

The gas, power, waste management and water industries have an ageing workforce profile whilst at the same time experiencing growth through significant capital expenditure programmes, in particular, new technologies. EU Skills’ Workforce Planning Model and other sector intelligence estimate that there are requirements to recruit and train over 30,000 staff over the next five years. This number could probably be doubled if the supply chain is taken into account.

However - despite the compelling evidence - the sector as a whole is still not investing sufficiently in skills and talent pipe development, with likely outcomes being salary inflation and the need to buy expertise from abroad in order to maintain safe levels of competence within the workforce.

So what is preventing investment?

Employers – particularly smaller organisations within the supply chain – face multiple barriers which make the levels of workforce renewal activity we require increasingly difficult to achieve in the current economic climate. These barriers include:

- **A lack of suitable training provision** – employers often require highly specialised training in low volumes, meaning buying power and choice is severely limited.

- **High risk recruitment** – in industries where short term contracting arrangements are the norm, longer term investment in quality training and apprenticeship programmes is not always viable.

- **Regulation** – employers subject to price control reviews are often unable to carry significant numbers of non-productive staff (i.e. those in training) on their headcount).

- **Cost and bureaucracy** - for smaller organisations in particular the support and pastoral care required by apprentices or graduates, breadth of work placements and additional paperwork incurred are too costly.

Talent Bank – the solution

EU Skills has worked closely with employers to understand how these barriers need to be overcome and have arrived at an exciting and ground breaking solution for the sector – Talent Bank.
Utilising the Government’s Growth and Innovation Fund (GIF) to support start-up costs, Talent Bank will be managed and administered by EU Skills and is designed to minimise and spread the risk associated with medium to long-term investment in workforce development, ensure our industries and local communities can capitalise on the rapid growth expected in Renewable Energy and new technologies, and create high quality industry endorsed training programmes giving both learners and employers greater choice whilst driving down costs.

Broadly based upon a Group Training Association (GTA) model, Talent Bank will use an innovative commercial model to deliver solutions supporting skills development at all levels across the four nations, with a particular focus on ensuring the supply chain can benefit from the opportunities on offer. Talent Bank will provide the following range of services:

**Partnership Service:** Talent Bank will identify and pool demand for training outcomes (including Apprenticeships), then broker collaborative arrangements between cohorts of employers to fund trainee costs and share the risk of recruitment.

**Recruitment Service:** Talent Bank will drive down the costs associated with wide scale recruitment whilst ensuring all participating employers have access to high calibre candidates. This will be achieved by: a) harnessing best practice from across the sector to design, implement and manage robust assessment centres and associated materials; b) providing a centralised application processing service relieving organisations of time consuming administration; and c) creating sector attractiveness marketing campaigns based on industry specific value propositions.

**Employment Service:** Carrying unproductive trainees on headcount can be prohibitive for employers, particularly in high risk recruitment scenarios (for example, where contracts are yet to be allocated). This can prevent investment in much needed trainees. To overcome this, Talent Bank will have the capability to act as the direct employer of trainees until successful completion of their training.

**Learner Management Service:** Talent Bank will provide each trainee with a Learner Manager responsible for coordinating their learning plan and managing work placements. Additionally we will offer pastoral care designed to enhance trainees experience, provide support and guidance, a HR service and ensure that opportunities to maximise employability skills are taken.

**Education and Skills Provider (ESP) Management Service:** Talent Bank will source and manage training provision contracts on behalf of employers; negotiate best prices; ensure non-accredited provision is fit-for-purpose and meets industry standards. Talent Bank will ensure all Education and Skills Providers complete EU Skills’ Quality Assurance and Recognition of Learning Programmes accreditation to ensure they are both a high quality provider and deliver courses in an industry specific and contextualised way.

The initial target is that Talent Bank will support 400 new Apprenticeship places and the training of 400 higher level learners by 2015. The sector requires a minimum of 32,000 new entrants into the sector by 2016 and the Talent Bank is seen as a key vehicle to driving this growth. Additionally, Talent Bank will be able to support employers in attracting graduates, facilitating placement and sponsorship programmes and providing up-skillling opportunities for existing staff.

Effective engagement with ESPs – across both Higher and Further Education - will be a critical element of the project’s development. We will work with our existing networks and seek to develop these further in order to develop the range and quality of provision needed in order for our industries to meet the challenges ahead. Importantly, Talent Bank will seek to stimulate and aggregate demand, making cohort sizes viable for specialist provision and enabling providers to engage with more employers, particularly SMEs.

Our employers see the Talent Bank as a vehicle to collaboratively overcome future skills demands that they cannot resolve as individual companies. We have received support from across the energy and utilities sector with major companies such as; E.ON, National Grid, Scottish Power, Severn Trent and Viridor being supporters of this Talent Bank.

Tim Balcon, Chief Executive of EU Skills states: “Receiving the funding to develop this Talent Bank will have a very positive impact on the energy and utilities sector. Without a resource efficient gas, power, waste management and water sector the economy, and indeed society cannot effectively function. Employers are very clear that the Talent Bank addresses issues that are common to the sector and cannot be solved by individual companies alone. “

Currently in the development phase, Talent Bank will start its first cohort of learners in September 2012. For further information, please contact Richard.johnson@euskills.co.uk or angela.edwards@euskills.co.uk.