

## **1 What is a sector compact?**

A sector compact is a non-contractual agreement between the Department for Innovation Universities and Skills, the Learning and Skills Council and a Sector Skills Council (or sector body) to work collaboratively to drive up demand for skills across England through Train to Gain.

The sector compact sets out the specific offer to employers in the sector within Train to Gain and makes a reality of “something for something” deal called for by Lord Leitch’s report on skills. In return for additional flexibilities in Train to Gain secured through the sector compact, the SSC or sector body will work with Train to Gain to stimulate demand for higher volume of skills in their sector. The LSC then undertakes to deliver the flexibilities agreed in the compact consistently across England in line with delivery of the levels of demand set out by the SSC.

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 sector 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 Why have sector compacts?**

Train to Gain Plan for Growth (published by the Learning and Skills Council in November 2007) sets out a series of “flexibilities” to ensure that Train to Gain evolves and continues to respond to the feedback from employers. One of those flexibilities was to create sector compacts, aiming to identify the key changes needed by employers in a specific sector within Train to Gain in order to deliver increased volumes of learners and meet their specific skills challenges.

## **3 How long does a sector compact last?**

Each sector compact will be different, and elements in each sector compact may run for different lengths of time. They are partnerships in which we and the sector can learn how best to drive up demand for skills and then build on what works best. This starts with the plan that each sector compact will run for three years with reviews at six monthly intervals. Formal reviews will take place towards the end of each year of the sector compact rollout.

## **4 How many sector compacts will there be?**

Over time, the aim is to agree a sector compact where this model delivers the right balance in increased demand for skills from employers. We are also exploring the potential of sector compacts for large cross-sector projects.

## **5. How many compacts have been agreed?**

Ten sector compacts have now been announced since the first on 28 May 2008. These ten, listed with their lead Sector Skills Council/Sector Body are as follows:

- Broadcast, film, video and multimedia (Skillset)
- Chemicals, Nuclear, Oil and Gas, Petroleum and Polymers (Cogent)
- Construction (ConstructionSkills)
- Engineering construction (ECITB)

- Facilities management, housing, property, planning, cleaning, parking (Asset Skills)
- Fashion and Textiles (Skillfast-UK)
- Hospitality, leisure, travel and tourism (People 1<sup>st</sup>)
- Justice (Skills for Justice)
- Process and manufacturing (Proskills)
- Science Engineering and Manufacturing technologies (Semta)

**6 Now that the Train to Gain has been expanded to include a wider range of support for employers including the recent addition of further flexibilities for SMEs, what is the benefit to employers for agreeing a sector compact in their sector?**

The sector compact is a three year agreement covering all sizes of employers in the sector. Flexibilities agreed as part of the sector compact will therefore remain in place for three years, providing that demand exists from employers. Within Train to Gain the sector compacts are also the only agreement that enables employers to access support for second and subsequent Level 3 qualifications.

The SME flexibilities are interim arrangements designed specifically to support employers with less than 250 employees. At this time, these flexibilities are not part of the permanent Train to Gain offer to employers and therefore may not remain in place indefinitely.

The Sector Compact therefore provides employers in a sector with three key additional benefits within Train to Gain:

- The commitment to a set of flexibilities over a three year period
- Access to support for second and repeat qualifications at Level 3
- Access to these flexibilities for all employers within a sector, regardless of size

**7 What kind of additional training and skills are sector compacts expected to deliver?**

Every sector compact has at its heart a target or aspiration for new levels of employee and employer demand for skills. The sector compact sets out levels of increased volumes identified by the SSC as deliverable as a result of the new offer to employers in its sector. These volumes include engaging additional numbers of employers in making and delivering a commitment to the Skills Pledge, and also increasing the number of employers accessing support for skills through Train to Gain, through colleges and providers, skills brokers and other specialist skills advice within the Sector Skills Council.

Additional learner numbers will be delivered through increased levels of demand and achievement from employers and individual employees in Apprenticeships, skills for life, leadership and management and qualifications, primarily from level 2 onwards and basic skills. The sector compacts also include progression and skills in higher education.

Sector compacts are expected to deliver additional employer engagement measured through Train to Gain and the uptake of the Skills Pledge, and learners achieving

qualifications.

**8 What kind of skills and qualifications are being prioritised by the sector compacts?**

Most sector compacts will set out a specific list of qualifications that are needed to meet the skills needs identified within the sector compact. This list will always be drawn from the relevant Sector Qualification Strategy, developed by the SSC for their sector or relevant qualifications identified from the SQS of other sectors.

Any provider or organisation offering advice to employers in the sector would be expected to focus on these qualifications.

**9 What kind flexibilities are contained in sector compacts?**

Each sector compact will be different in response to skills needs in the sector but for example may include:

- A Sector specific skills pledge, building on the existing Government Skills Pledge.
- Repeat L2 and L3 funding for learners with an existing L2 or equivalent qualification <<hyper link to Train to Gain>>
- Sector specific support and advice to employers leading to / working jointly with the Train to Gain skills brokers
- Development of occupation and skills mapping tools to enable employers, learners and providers to identify the best fit for purpose skills and qualifications.

**10 How will the skills and qualifications set out in the sector compacts be delivered?**

Sector compacts aim to secure demand for skills at all levels and bring together Apprenticeships, National Skills Academies and the range of providers delivering skills to employers through Train to Gain. The training, skills and qualifications within sector compacts will be delivered in the main through this existing network of providers with a Train to Gain contract.

The skills and qualifications set out in sector compacts will be funded through the existing / current allocation of Train to Gain volumes agreed with colleges and training providers holding a Train to Gain contract. Colleges and training providers will not usually expect to hold an additional contract nor usually draw down additional funding. However, contract values may grow where colleges and training providers successfully deliver the qualifications set out in the compact and meet compact priorities for learner and employer engagement if demand from employers is sufficient to warrant additional capacity.

On occasions where the skills set out in the sector compact are new to Train to Gain, additional arrangements may be necessary but all providers delivering within the sector compact will be expected to hold a Train to Gain contract for delivery. Any additional arrangements will be managed by the Learning and Skills Council.

**11 What is the role of the National Skills Academy in delivering sector compacts?**

Where an NSA exists in a sector, it will be up to the SSC to define and set out clearly the role of the NSA in supporting a sector compact in their sector. This will differ from sector to sector and sector compacts have not set out any expectation or proscribed role for NSA or their provider network in sector compact delivery.

**12 How are the commitments within sector compacts paid for?**

Funding for sector compacts is from within existing LSC Train to Gain budgets. If an employer is willing to invest in the skills of their staff, then the sector compact will ensure that the product is right, that the price is agreed and that it is backed by appropriate Government funding. If the demand does not come through then the funding associated with that sector compact will flow to another sector compact where demand is rising.

**12 How do sector compacts link with the Skills Pledge?**

The Skills Pledge is a public commitment by employers to support the skills of their staff to at least skills for life and a first Level 2 qualification. The Skills Pledge encourages employers to identify the full range of skills needs for staff in their organisation. The sector compact aims to set out the main offer for employers in the sector so skills offered within the sector compact are available and relevant to employers working through the skills pledge.

**13 How quickly after announcement does the new offer for employers become available as part of Train to Gain?**

Each compact is unique and contains a range of specific flexibilities within Train to Gain in line with what is needed for each sector. Once agreed, the Sector Skills Council/Sector Body and the LSC then develop the models, guidance and protocols as needed to implement each element within the Sector Compact. This length of time that this process takes varies significantly across the Sector Compacts and information will be made available through the Bulletins as each model is finalised. The exception to this is the list of L3 qualifications available for funding as repeats. This is published on the LSC's website at the same time as the Ministerial announcement.

**For Further Information:**

**14 For further information on each sector compact and for any queries please contact:**

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For each compact a range of information is produced for Brokers, Providers and employers. These are now being added to the LSC website LSC and will become available for most of the first ten Sector Compacts during March 2009 with others to follow in line with future announcements. The range of public documents to be made available is broadly as follows, though this may differ slightly in line with each Sector Compact:

At Announcement:

**Train to Gain Sector Compacts – Q and A**  
**Updated 27 February 2009**



- Press notice
- List of qualifications eligible for funding as repeat qualifications
- Sector Compact key fact sheet

Leading learning and skills

As the Sector Compact offer becomes available to employers:

- Sector Compact Questions and Answers
- Protocols between key partners

**LSC Sector Team**  
**Skills for Employers**  
**February 2009**