

Skills
Development
Scotland

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Skills Development
Scotland:
Oil & Gas Transition
Training Fund Review

Summary

May 2019

Oil & Gas Transition Training Fund

On 1st February 2016, the First Minister announced the launch of the Oil and Gas Transition Training Fund (TTF) making grants available to unemployed oil workers to help them retrain. The Scottish Government allocated £12M towards this fund over three years running from 2016/17 through to 2018/19 and tasked Skills Development Scotland with implementing this programme.

“This fund will augment the work of the Energy Jobs Taskforce, which is already providing much-needed help to people affected by redundancy by working with bodies such as Skills Development Scotland to support redeployment and training.”

Nicola Sturgeon, First Minister, February 2016

The fund was open to anyone resident in Scotland working in the Oil and Gas sector, or its supply chain and who had lost their job since 2015, or who was at risk of redundancy. The TTF was made up of two main strands:

Individual route

The individual element of the TTF provides funding of up to £4,000 to meet individual's training needs linked to realistic job opportunities. There is no maximum earnings cut-off for applicants. The funding is administered by advisers who provide advice and guidance to ensure individuals' training asks are relevant to the labour market.

Procured route

The procured route aimed to provide a more focused route towards transitioning out of oil and gas through a range of training courses developed in conjunction with training providers and employers. These courses were aimed at training people up for real jobs for which there were acknowledged skills shortages. Various procured training options were made available including:

- HGV driver training
- Rail sector engineering training
- Specialist welding courses
- Wind Turbine Engineering courses



Transition Training Fund

What did it achieve

3,529

grant approvals
between Spring 2016
and end of August 2018
– an approval rate of
just under 40%

£2,425

average amount
awarded to applicants
who found work in Oil
and Gas*

7 in 10

Approved applicants got
jobs or entered further
training*



86%

Improved their job
prospects**

78%

said support helped
them get a job**

69%

improved their job
satisfaction**

66%

Improved their job
security**

- Two thirds considered that the training would help them get work in the Oil and Gas sector.
- Many who sought work in the Oil and Gas sector chose training that provides flexible employment options. This is likely to make them more resilient to future downturns in the sector.
- Most respondents who are given the opportunity to return to the Oil and Gas sector are keen to do so. This is likely to be because the pay is better than most other sectors for comparable skill levels, and that the individuals are familiar with the sector and the nature of the job.

“The people I dealt with couldn't have been more helpful. Without the finance I received, I don't know where I'd be.”

TTF applicant

Sources: Skills Development Scotland TTF Management Information / TTF Customer Survey

*TTF Customer Survey findings - correct as at 31st August 2018

** % of applicants who rated the programme support as 7 or above

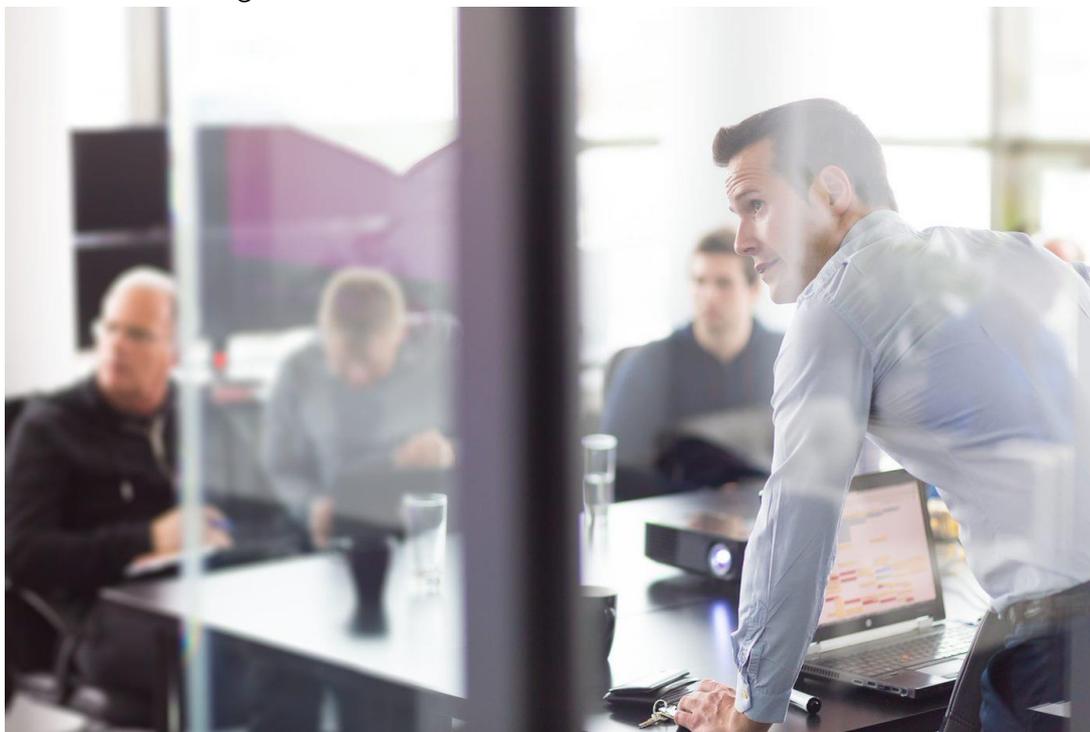
Implementing the Fund

Because of the urgency of the situation facing the sector and the limited availability of wider support, the Fund had to be implemented quickly. The TTF team had to very much 'hit the ground running'. This meant starting to deliver the service before bespoke management information systems, operational guidance or computerised finance systems were in place. It took six to nine months to gain the level of traction required in the business to allow the operating procedures to be finalised. Despite these issues, existing procedures and compliance approaches were deployed to ensure the fund could be administered effectively.

However, the fact that the individual strand of the programme was developed virtually from scratch meant that it could be specifically designed to meet the emerging needs of the sector. It may have been easier to adapt an existing offer, but this would not have met the range of needs from the sector.

The rapid implementation of the new fund was effective in meeting acknowledged skills and labour market transition needs. Delaying the introduction of the fund until all the rules, guidance and processes were in place would not have led to a system that was any more effective but would have significantly reduced the level of impact.

The speed with which the fund was put in place demonstrates how quickly agencies can respond to labour market challenges. Some of the building blocks that have been put in place through TTF could make it easier for SDS and its partners to implement a similar rapid response to other scenarios.



Good practice

Our research identified several areas of good practice from the development and implementation of the Transition Training Fund. In summary, these are:

- Involving people with **industry insight and knowledge** in the development of the response, increased the likelihood that the support that emerged would meet industry needs.
- Linking the funding to **clear evidence of demand** ensures that applicants find out what skills are needed in the labour market. It also encourages training providers to engage with employers to make sure what they provide is relevant.
- Putting **people in control of their own skills needs** means that the training funded will be more likely to be fit for purpose in terms of timing, location and format.
- Having advisers in charge of the application process generally enables applicants to access the level of **information, advice and guidance** that they need to navigate the process.
- **Delegating decision-making to advisers** provides a flexibility to ensure decisions are based on a sound analysis of individual needs and opportunities rather than a rigid set of rules.
- **A dedicated team and manager** provide a consistent framework for decision-making and peer support.
- **Allocating a significant amount of resources** to individuals opens up a wider range of opportunities for individuals seeking to get a relevant qualification, accreditation or package of outcomes that will get them a job

“Everything was exactly what I was looking for. My adviser was really helpful and helped me to source and plan exactly the right courses for what I wanted to do. I’m now in a job that I have wanted to do for a long time (Chemical Engineering with a Water Treatment company), and the TTF made that possible.” Male, 25 to 34, Edinburgh

Future need

A TTF type fund approach could be deployed for large-scale redundancy scenarios in one sector, or in a particular region. This research suggests that there is no obvious sector which is currently most at risk of significant job losses. The prospect of Brexit means that second-guessing which sector to focus on is difficult, however, the level of flexibility built in to the TTF approach means there are several ways that this approach can contribute to addressing economic and labour market shocks. Broadly there are three:

- Brexit-related impacts on specific sectors
- Regional large-scale redundancies
- The broader reskilling agenda

Areas for development

The report identifies several ways in which to build on the TTF approach to improve its effectiveness in the future.

Leadership team

SDS should have a dedicated team, drawn from the various parts of the organisation, available to respond quickly to emerging needs. This should involve senior representatives from Finance, Legal, Compliance and Business teams, alongside those with the required Industry insights and knowledge. Having a Scottish Government representation also strengthens the team in terms of policy links.

Dedicated adviser team

The adviser resource to deliver this type of training programme needs to be flexible to respond to changing demand. It also requires careful resource management within SDS to ensure wider CIAG services are not negatively impacted. The current team has a good blend of skills and experience alongside the specific customer-focused attributes required for the role. Ideally, advisers should be fully focused on supporting the fund; that is not doing it alongside other key roles.

Management & admin support

The TTF programme had no dedicated management budget and had to build up its administrative team from scratch. Having a dedicated management and administrative team in place will be essential to ensuring the rapid deployment and smooth running of any similar programme.

Signposting support

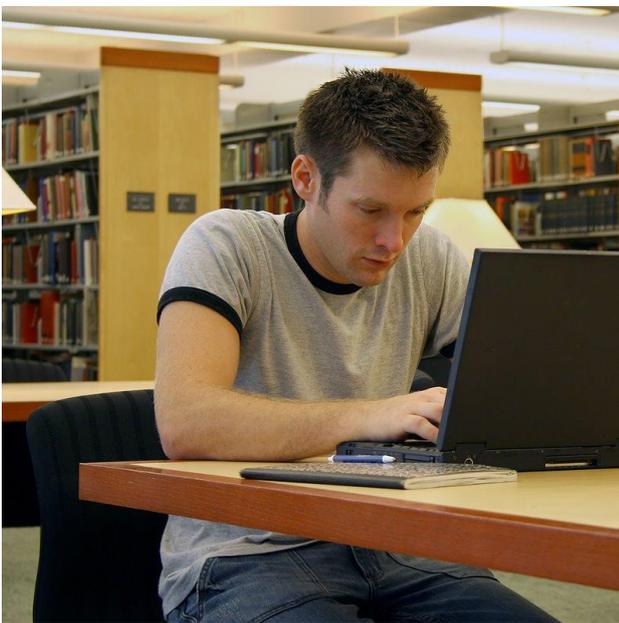
Alongside the marketing and promotion of the funding, SDS should make it clear that wider support is available for those who may need extra help to navigate the process. This may be because they have particular barriers to engaging with the process, such as dyslexia, poor literacy, or do not have good enough English language skills. Or they may lack the ICT skills, have poor self-confidence or are simply out of touch with the process of looking for a new job or accessing training.

“I couldn't have done this training if I hadn't had the fund. It's opening so many doors.” Male, 35 to 44,

Aberdeenshire, currently in Higher Education

Balance of procured training

The use of procured elements of training can be helpful in connecting opportunities for training with skills needs and real jobs. To be most effective procured training options need to be carefully considered and planned to complement the training delivered through the individual route, and not compete with it. This may require limits on the individual route for any courses provided through the procured route.



Engaging providers

Early dialogue with training providers would give them more of a sense of ownership in the programme; however, this requires time and resources that are not always available. If feasible, targeted dialogue with key providers may help to identify opportunities for developing procured elements of training

and allow discussion on the most effective way of phasing payments.

Staged payment for training

The move to payment only on completion of training shifted all of the risk onto the training providers. Future programmes should consider a staged payment approach that takes into consideration the cost, length and delivery format of training. This will help to maximise involvement of providers in supporting the programme.

Monitoring impact

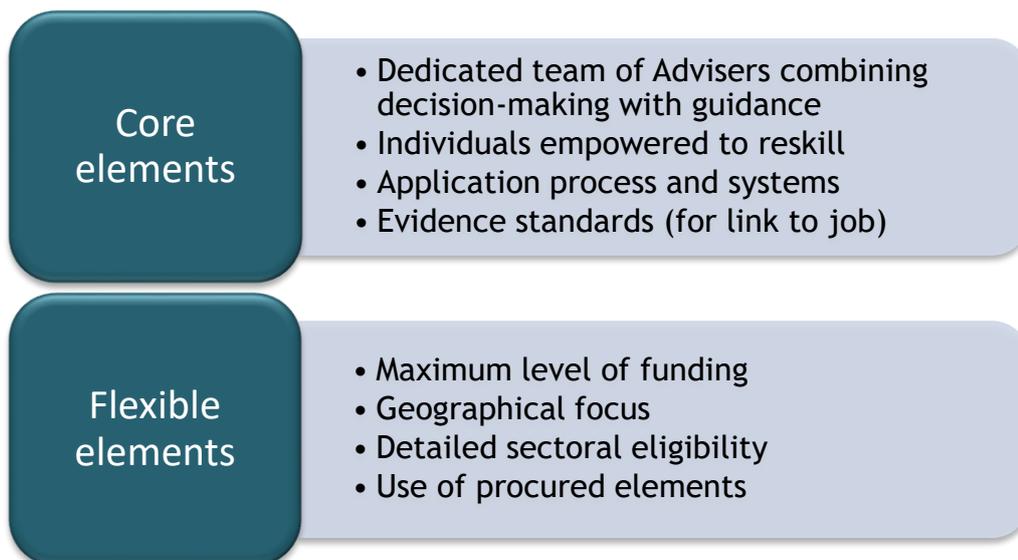
SDS should develop an effective monitoring approach to this type of training programme that can track its impact on accessing employment, and transitioning people towards more skilled and secure employment. There should be agreement on a core series of indicators that can be easily used across different sectors and contexts.

“When some of the TTF candidates start the course, they have been out of work for quite a while and their self-esteem is quite low. When you see them going through the training you start to see their self-esteem is coming back up as well. That’s a softer outcome but it is important as well.” Training Provider

A model for TTF

There are several core aspects of TTF that underpin its successes. However there always needs to be room for flexibility to ensure that whatever is developed meets the needs of the specific sector, geography or demography being targeted. Figure 1 below sets out which elements would be core aspects of a similar approach and where there should be flexibility to adapt it.

Figure 1 Elements of a future TTF model



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