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***WORLD CLASS SKILLS IN WALKER***

Final report prepared by

**CLES Consulting**

Presented to

**NAC Group and Building Futures East**

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## 1 INTRODUCTION

CLES Consulting was commissioned by Building Futures East and NAC Group to develop a case study of the support offered by the 'World Class Skills in Walker' initiative. World Class Skills in Walker was developed to provide training and employability support on the banks of the Tyne which up-skills long-term unemployed residents to the entry requirements of Nissan UK, feeding into the expansion of production at Nissan's Sunderland plant. The relationship between Nissan, NAC and Building Futures East has led to the development of a Green Collar Training Centre which acts as a base for the training provision using a simulated manufacturing cell that replicates the skills and experiences of working on Nissan's production line.

This case study report provides an overview of the training opportunities provided by a partnership of Nissan, NAC Group and Building Futures East. The case study highlights: the fit between World Class Skills in Walker and the national, regional and local policy context; the impact of developing employability training provision using a world class manufacturer within a deprived area; areas of innovation demonstrated offered by this approach; and opportunities for the future.

The case study has been developed via a series of strategic interviews and a discussion group with beneficiaries of the training. A full list of consultees can be found in appendix one of this document.

### 1.1 Background

The World Class Skills in Walker project is delivered between partnership of NAC Group – a private sector training, consultancy and outsourcing company, Building Futures East – a charitable organisation specialising in the delivery of community based vocational training in the East End of Newcastle and Nissan UK. The partnership combines a complimentary mix of experience and skills including a private sector training specialist; a respected, professional and established provider of vocational training in a community setting; and significant local job opportunities at a world class manufacturer.

NAC Group and Nissan UK have worked in partnership since 1997 to provide Nissan's multi-skills maintenance technicians, and production line manufacturing staff, for the plant in Sunderland. The training and support provided has been typically delivered in Nissan's Global Training Centre at their plant in Sunderland. The need to significantly increase recruitment to meet production demand for the expansion of Qashqai production, the new battery plant and the production of the Nissan Leaf, all in Sunderland, provided the opportunity to take a different approach to recruitment, focusing upon up-skilling unemployed residents to meet Nissan's entry requirements.

NAC Group have established a partnership with Building Futures East to develop the 'Green Collar Training Centre' in the East End of Newcastle to utilise Building Future East's expertise in offering vocational training in a deprived area of Newcastle and their experience of supporting primarily, disadvantaged residents through vocational training. The partnership enables all three organisations to work together to up-skill local unemployed residents to the entry level required for employment at Nissan, and provides beneficiaries with the opportunity of securing skilled full time employment with Nissan UK.

### 1.2 Rationale

A number of factors provide the rationale of World Class Skills in Walker initiative. The primary driver for Nissan is the need to increase recruitment activity to meet the demands created by the expansion of the Sunderland plant in terms of:

- ❑ £200m investment in the electric car battery plant;
- ❑ introducing a third shift of Qashqai production to meet a rising demand for orders;
- ❑ the manufacture of the Nissan Juke and the new electric vehicle – the Leaf.

An estimated 2,500 jobs are expected to be created at the plant with additional jobs likely to be created in the wider supply chain. Nissan also see the training model as an effective method of filling vacancies arising from natural turnover of staff. At the same time, the number of residents in Newcastle and Sunderland that are long-term unemployed is significant. Official figures show that in December 2010 over 5,000 Newcastle and Sunderland residents had been out of work for more than six months, highlighting the scale of the potential pool of candidates for training and employment opportunities within the local area.

The rationale for up-skilling unemployed residents is based upon previous rounds of recruitment at Nissan's Sunderland plant. Through these previous rounds of recruitment, Nissan has identified that unemployed residents have been relatively unsuccessful in securing employment at the plant via their 'open' recruitment processes. Feedback suggests that approximately 12% of new recruits were previously unemployed, much lower than Nissan's internal target of securing 50% of recruits from the unemployment register.

Skills issues were found to be a significant barrier to recruiting unemployed residents which resulted in many being classed as 'near misses'. This means they were potentially employable but were in need of some support in terms of either basic, generic or mechanical skills to reach the standard offered by candidates with a stronger employment history. As a result, Nissan identified a potential pool of labour which was seeking employment at Nissan, but did not meet their entry requirements. The significant increase in recruitment activity at the plant therefore provided an ideal opportunity to up-skill these residents so they could take advantage of opportunities arising at Nissan.

The partnership between Nissan, NAC Group and Building Futures East is a critical element of the success of World Class Skills in Walker. The partnership's use of Building Futures East as a base enables NAC Group and Nissan to be located within the East End of Newcastle where unemployment is high and significant impact can be generated, utilising Building Futures East's strengths and a trusted community based organisation.

## 2 POLICY CONTEXT

This section outlines the policy context in relation to training and employability support offered by the partnership of Nissan, NAC Group and Building Futures East. The review focuses upon initiatives related to the Green economy, as well as policy relating to workforce skills and tackling worklessness, in order to reflect NACs strengths and future plans for the World Class Skills initiative.

### 2.1.1 The low carbon economy

The UK is the world's sixth largest low carbon and environmental economy, with 3.5 per cent of global market share. The Environmental sector accounts for £22 billion (21%) of total UK market value, Renewable Energy for £31 billion (29%), and the Emerging Low Carbon sector for £53 billion (50%). The 'newer' sectors of Renewable Energy and Emerging Low Carbon are of significantly higher value than the more established Environmental sector. Just less than 50% of the value of the overall 'local carbon - environmental' sector lies in added value and supply chain activities.

There are approximately 910,000 people currently employed in the UK environmental technologies sector and this is projected to increase to over a million by the middle of the decade.<sup>1</sup> In addition, new initiatives like the Green Deal – which will open up the market and boost energy efficiency in the UK's homes and businesses – is estimated to require over 250,000 skilled trades-people by 2030 to deliver the Government's objectives for the sector. New nuclear power stations will attract billions of pounds of inward investment into the UK and boost British companies in the supply chain. Up to 30,000 new jobs could be created in and around new build sites and across the country.

Building on the framework for supporting British business set out in 'Building Britain's Future: New Industry, New Jobs'<sup>2</sup>, the Government has developed the UK's Low Carbon Industrial Strategy.<sup>3</sup> This sets out Government's vision and approach for ensuring that UK businesses and workers are equipped to maximise the opportunities and minimise the costs linked to the local carbon economy.

A series of supporting documents (including: The UK Low Carbon Transition Plan<sup>4</sup>; The UK Renewable Energy Strategy<sup>5</sup>; and The Carbon Reduction Strategy for Transport<sup>6</sup>) together set out the policies, including in the areas of energy efficiency and renewable energy which, combined with encouraging consumer and business demand for low carbon goods and services, will help drive the transition to decarbonising the economy. Key opportunities include the following:

- ❑ **Offshore wind technologies:** With tens of thousands of miles of coastline, shallow waters and high average wind speeds, Britain is, and will remain for the foreseeable future, the largest single market for offshore wind in the world. Over £200m is to be invested in manufacturing facilities at port sites and technology innovation to support the development of offshore wind power and energy efficiency technology. Offshore wind technologies are of particular relevance to this study due to the opportunities provided by the cluster of activity off the North East coast of England.
- ❑ **Wave, tidal and wind power:** Supporting the development and deployment of wave and tidal energy in the UK and cementing the UK's current position as a global leader in this sector. The North East is home to the New and Renewable Energy Centre (NaREC) in Blyth; and the area has the potential to make the North East a world leader in wind farm turbine fabrication.
- ❑ **Civil nuclear power and process industries:** Supporting consortia of manufacturers from the UK nuclear supply chain and universities to develop business opportunities linked to existing nuclear power plants, decommissioning and global waste management. The North East has world-class plants in petrochemicals such as SABIC on Teesside, Pharmaceuticals in Northumberland and biotechnology.

<sup>1</sup> Innovas (2010): Low Carbon and Environmental Goods and Services: an industry analysis - Update for 2008/09

<sup>2</sup> HMG (2009): Building Britain's Future: New Industry, New Jobs <http://www.berr.gov.uk/files/file51023.pdf>

<sup>3</sup> HMG (2010): The UK Low Carbon Industrial Strategy <http://www.berr.gov.uk/files/file52002.pdf>

<sup>4</sup> HMG (2009): The UK Low Carbon Transition Plan [http://www.decc.gov.uk/en/content/cms/publications/lc\\_trans\\_plan/lc\\_trans\\_plan.aspx](http://www.decc.gov.uk/en/content/cms/publications/lc_trans_plan/lc_trans_plan.aspx)

<sup>5</sup> HMG (2009): The UK Renewable Energy Strategy [http://www.decc.gov.uk/en/content/cms/what\\_we\\_do/uk-supply/energy-mix/renewable/res/res.aspx](http://www.decc.gov.uk/en/content/cms/what_we_do/uk-supply/energy-mix/renewable/res/res.aspx)

<sup>6</sup> DfT (2009): The Carbon Reduction Strategy for Transport <http://www.dft.gov.uk/carbonreduction>

- ❑ **Ultra-low carbon vehicles:** Ultra low carbon vehicle technology is a key market opportunity for UK manufacturers. The UK is considered to be a centre of excellence for power-train development and manufacture, with a particular strength in engines and a long established design engineering sector. The UK's Advanced technology firms are leading innovation in electric vehicle and hydrogen fuel cell technology, as well as other developments in new materials/composites, 'omnivore' engines and aerodynamic design.
- ❑ **Renewable construction materials:** Investing in low carbon affordable homes built with innovative, highly insulating renewable materials. Opportunities exist for business in the building technologies supply chain linked to housing renewal, retro-fit and the Green Deal.
- ❑ **Renewable heat sources:** The Renewable Heat Initiative<sup>7</sup> (RHI) seeks to increase the proportion of heat generated from renewable sources and remove non-financial barriers to installing renewable heat systems. Businesses, public sector and residential properties can all tap into the RHI, meaning it provides significant potential to generate uplift in demand for installation skills and training.

### 2.1.2 The Green Deal

The Energy Bill<sup>8</sup> introduced to Parliament in December 2010 includes provision for a new 'Green Deal'. The Government is committed to the introduction of a self-financing mechanism that will enable households to make substantial improvements to their homes at no upfront capital cost. Starting in 2012, the 'Green Deal' is envisaged as a framework through which a range of different providers (potentially supported by the proposed Green Investment Bank<sup>9</sup>) would provide independent assessments, carry out improvement works and make loans available to households.

The Government is establishing a framework to enable private firms to offer consumers energy efficiency improvements to their homes, community spaces and businesses at no upfront cost, and recoup payments through a charge in instalments on the energy bill. The Green Deal is proposed as a locally-based approach to the delivery of the UK's medium to long-term carbon reduction targets; and proposes delivery of whole home retrofits for communities of between 750 and 3,000 homes.

The Green Deal will provide support to both homes and businesses by providing an energy survey of the property to assess energy efficiency measures, 'Green Deal finance' to develop an energy efficiency package while providing support with 'no upfront costs' to landlords within the private rented housing sector. Finance is available for specific projects, but these will need to be setup in a way that maximises the benefits of any initial funding and addresses the risks for finance providers.

If the business model is set up correctly, studies suggest that it will be possible to attract large-scale 'second tier' institutional investors looking to invest £100 to £300m or more in large, well co-ordinated projects.<sup>10</sup> This scale can be achieved by aggregating community-scale projects into one investment opportunity – starting from around 15,000 to 30,000 homes. Projects would create the certainty to drive investment in the local supply chain and re-skilling, providing jobs growth (and future training requirements in Construction and Manufacturing - Building Technologies) in a market worth an estimated value of £15 billion per annum.

The delivery of the Green Deal programme creates a significant challenge in terms of the range of skills that will be required in order to get it right. This comes at a time when evidence shows that there are skills shortages not just in the construction industry but across the manufacturing base and its ability to diversify into new sectors. Evidence from Decent Homes<sup>11</sup> programmes and retrofit pilots indicates that the right leadership, project management, supplier and sub-contractor relationships and training systems in place for on-site skills, all have the potential to be quickly addressed.

<sup>7</sup> The Renewable Heat Initiative:

[http://www.decc.gov.uk/en/content/cms/what\\_we\\_do/uk\\_supply/energy\\_mix/renewable/policy/renewable\\_heat/incentive/incentive.asp](http://www.decc.gov.uk/en/content/cms/what_we_do/uk_supply/energy_mix/renewable/policy/renewable_heat/incentive/incentive.asp)

<sup>8</sup> HMG (2010): UK Energy Bill [http://www.decc.gov.uk/en/content/cms/legislation/energy\\_bill/energy\\_bill.aspx](http://www.decc.gov.uk/en/content/cms/legislation/energy_bill/energy_bill.aspx)

<sup>9</sup> Green Investment Bank:

<http://www.parliament.uk/business/committees/committees-a-z/commons-select/environmental-audit-committee/news/new-inquiry-announced---green-investment-bank/>

<sup>10</sup> Urbed (2010): Community Green Deal – Developing a model to benefit whole communities, final report:

[http://www.urbedftp.co.uk/SHAP/101129%20Community%20Green%20Deal%20report\\_Final%20print%20version.pdf](http://www.urbedftp.co.uk/SHAP/101129%20Community%20Green%20Deal%20report_Final%20print%20version.pdf)

<sup>11</sup> Decent Homes: <http://www.homesandcommunities.co.uk/decenthomes>

### 2.1.3 Skills and workforce development

The Government launched its consultation on 'Meeting the low carbon skills challenge'<sup>12</sup> in March 2010. The consultation invited views on the priorities, challenges and gaps identified regarding how businesses can best be incentivised and encouraged to respond so that they have the skills they need at all levels; and on how the education and skills system can respond so that it is strongly focussed on the needs articulated by businesses.

The response to the consultation identified the need for a more flexible and responsive skills delivery system which better reflects current and future business needs. However, it is also noted that new low carbon businesses can be poor at articulating their skills needs, and that the UK will need to find better ways to inform and stimulate demand if the economy is to have the skilled workforce it in the numbers required. The consultation also raised the need for more flexible qualifications which support work-based learning.

The consultation highlighted a number of areas relating to the transition to Ultra-Low Carbon Vehicles (ULCVs) that will depend on new skill sets. For example, specialist skills will be needed to develop and design advanced new materials and components to produce high strength, low weight composite alloys and storage technologies such as hydrogen fuel cells and advanced batteries. In addition to the range of new skills required for the design and production of ultra low carbon vehicles, there is a corresponding range of skills required in the maintenance of these new vehicles beyond the manufacturing stage – within the wider automotive sector / dealerships.

The Coalition Government aims to allow local authorities and partnerships to have greater freedom and flexibilities in relation to funding, enabling them to respond to local circumstances. School, colleges and vocational training providers are being given more freedom and flexibility in planning their provision. Whilst there will be increases in adult apprenticeship funding by £250 million a year to 2014 to 2015 in relative terms, equating to an additional 75,000 apprentices a year by this date, adult further education will experience significant funding cuts over the coming years, and a consequence of this is that further education and skills providers and Colleges must change the way they do business.

The recently published National Skills Strategy<sup>13</sup> emphasises an increasing need to create joint enterprises between learning providers, employers and individuals. The approach developed by NAC Group, Nissan UK and Building Futures East clearly offers a blueprint for future training provision that is linked to local (and national) manufacturing employers and the opportunities afforded by the growth in demand for green products and services.

### 2.1.4 Employment and Welfare Reform

Welfare reform is a key priority for the new government. A new single Work Programme will be introduced in Summer 2011 offering targeted, personalised help for the unemployed. This marks an end to all existing welfare to work programmes and create a single comprehensive programme assisting all categories of the unemployed into work. This has brought to an end initiatives such as the Pathways to Work Programme aimed at people on incapacity benefit and the Working Neighbourhoods Fund (WNF) which has supported local authority schemes to get people back to work in deprived areas.

The Work Programme Prospectus<sup>14</sup> emphasises the importance of building appropriate delivery partnerships and the role of the voluntary sector in tackling worklessness. The Work Programme will offer targeted, personalised help through a number of Prime Contractors. Prime contracts will typically be around £10m and £50m in value with the intention that smaller companies and "consortia" compete with each other for sub-contracts which provide an opportunity for prime contractors to work with voluntary and community sector organisations.

The move to more challenging outcome based payments will mean that only large organisations with deep pockets will be able to shoulder the risk of becoming a prime contractor. There will be

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<sup>12</sup> HMG (2010): Meeting the low carbon skills challenge <http://www.bis.gov.uk/assets/biscore/corporate/docs/l/10-849-low-carbon-skills-consultation.pdf>

<sup>13</sup> BIS (2010): Skills for Sustainable Growth

<sup>14</sup> HMG and DWP (2010): Work Programme Prospectus: <http://www.dwp.gov.uk/docs/work-programme-prospectus.pdf>

other measures provided under the "Get Britain Working" banner for people who have been out of work for shorter periods including support for self-employment and volunteering; and increased support for the private sector to develop work placements and apprenticeships.

The Work Programme also seeks to facilitate greater flexibility in the design of support and training so it better meets the needs of individuals. The role of Jobcentre Plus will become more streamlined and flexible, and include management of the New Enterprise Allowance<sup>15</sup> – a move to bridge the gap between unemployment and work by offering the jobless cash payments linked to the value of their benefits as they seek to set up a business. At the same time the Government is pledging to work with the voluntary sector to set up business mentoring back-up for those taking advantage of the scheme, while also clearing access to loan finance, worth up to £1,000, to be used for the purchase of initial equipment.

In addition to the Work Programme, the Coalition Government's Welfare Reform White paper<sup>16</sup> is also of relevance here. 'Universal Credit: Welfare that Works' sets out the future direction of the policy agenda with changes that point towards an increased demand for employability training in the future such as:

- ❑ adjustment in benefit taper rates and a simplification of benefit rules designed to make work more financially attractive for those claiming benefits;
- ❑ changing eligibility requirements for claiming Income Support meaning the number of Job Seekers Allowance claimants, and therefore people who have to actively seek employment or training opportunities, will increase.

The Work Programme clearly provides an opportunity for the World Class Skills in Walker model as it fits the principles of the Work Programme itself by using a private and voluntary sector delivery model. It provides a flexible and tailored training approach with a clear link to both employment opportunities and addressing the skills shortages identified by employers. Policy changes may also result in an increasing number of people actively seeking work and training opportunities – in particular young people aged 16 to 24 that have seen a significant rise in unemployment levels during and after the recession.

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<sup>15</sup> New Enterprise Allowance: <http://www.dwp.gov.uk/adviser/updates/new-enterprise-allowance/>

<sup>16</sup> HMG and DWP (2010): The Welfare Reform White Paper - Universal Credit: welfare that works <http://www.dwp.gov.uk/policy/welfare-reform/legislation-and-key-documents/universal-credit/>

### 2.1.5 Local Economic Partnerships

A major objective of Government policy is to rebalance the national economy, both to lessen its dependence on financial and business services and to redress the imbalance between the north and south. The Government's Local Growth White Paper<sup>17</sup>, published in October 2010, sets out a number of key priorities for Local Economic Partnerships (LEPs) including shifting power to local communities and businesses - by establishing dynamic local enterprise partnerships of business and civic leaders - who will provide the vision, knowledge and strategic leadership needed to drive sustainable private sector growth and job creation in their area. The key incentives to invest time and money in strategic partnership working include the following:

- ❑ developing a shared understanding of the economic priorities of a local area;
- ❑ a desire to create an environment in which local businesses could fulfil their potential and improve the overall prosperity of the local area;
- ❑ the ability to jointly secure central government funding and coordinate and prioritise existing funding streams;
- ❑ building trust between different local organisations, where representative bodies (for example, consortia of local learning providers, local Chambers of Trade and Commerce) can help to act as a mechanism for getting the business voice heard;
- ❑ an opportunity to share expertise and develop creative interventions - reducing duplication particularly around recruitment activity, traineeships and apprenticeships; and
- ❑ promoting a shared stake in the productivity and skills of the future labour market, and the long-term resilience of local economies across the North East.

A new LEP for the North East of England - The North East Economic Partnership - was approved in January 2011. The partnership, covers seven local authority areas (Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland, with a population of two million). It will provide strategic private sector leadership to ensure a sharp focus on developing integrated models to support the creation of high-value and sustainable jobs and will focus on the following:

- ❑ promotion of productivity, enterprise and business growth through developing innovation and exploiting research and development capabilities;
- ❑ the development of sectors that are strategic to the UK and are clustered in the North East, such as low carbon vehicles, offshore wind, chemicals and process industries;
- ❑ account managing and supporting enquiries for new investment from both existing businesses and inward investors;
- ❑ bidding for and programme managing the European Regional Development Funds and the Rural Development Programme for England funds;
- ❑ the development and delivery of new approaches to financing and supporting business growth; and
- ❑ providing strategic input on other key related areas linked to economic growth such as integrated transport and energy investment.

Local authorities and their key partners in the LEP will be expected to play a role in ensuring that the training system responds to the needs of the economy and community, and to use labour market intelligence to "nudge" provision in the right direction if they perceive market failure. With less direct levers over skills planning, local authorities will need to extend their influencing role into the skills arena. This will involve developing relationships with the business community to facilitate collection of information on employer demand, and using this information to work closer with training providers to generate a consensus around key skill priorities for now and into the future.

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17 BIS (2010): BIS , Local growth: realising every place's potential, Cm 7961, October 2010  
<http://www.bis.gov.uk/assets/biscore/regional/docs/l/cm7961-local-growth-white-paper.pdf>

### 3 PROJECT DESIGN AND DELIVERY

The World Class Skills in Walker initiative provides generic and manufacturing specific skills to long-term unemployed residents through a private and third sector delivery model. NAC Group, in partnership with Nissan have developed an efficient entry level training course, designed to up-skill unemployed residents so they can compete in securing employment with Nissan. The course takes place over five week to conform to the '16 hour rule' and trainees do not receive a wage for attending the course. However, in the future, the course will be extended to run over six weeks to include an EAL Certificate. Training takes place at the NAC funded Green Collar Skills Training Centre, located at Building Futures East. The centre creates a training experience that mirrors working on the Nissan production line with training focusing upon core production line skills such as body work, spraying and general assembly.

The course incorporates basic skills training and seeks to address the skills gaps identified from previous rounds of recruitment. It is therefore designed to up-skill unemployed residents to the entry requirements Nissan demand from their employees. The provision of basic skills is an important element of the course as trainees are not guaranteed employment at Nissan. It therefore provides essential skills that can be used to help secure employment within Nissan's supply chain.

The training provided by World Class Skills in Walker differs from standard vocational training through the direct link to employment opportunities at Nissan and its emphasis on replicating a real working environment. As a result the Green Collar Skills Training Centre includes a replica of the Nissan production line where trainees can develop their skills on a moving line and undertake a 'line test' to ensure they can work at the speed required on Nissan's production line.

Employees are provided with Nissan work wear and are expected to meet Nissan's requirements in terms of punctuality and discipline. In return, they are treated like full time employees by the training team, which is led by former Nissan employees who are currently employed by NAC group but will be transferred to Building Futures East at the end of the two years. Again, this strengthens and maintains the quality of the training by ensuring the skills taught, and the quality of the trainees, replicates the standards required by Nissan.

#### 3.1 Activities

World Class Skills in Walker brings together the complimentary approaches to training developed by NAC Group and Building Futures East to meet the needs of increased in production at Nissan's Sunderland plant. The following key activities are conducted as part of World Class Skills in Walker.

##### 3.1.1 Recruitment

Trainees are recruited to World Class Skills in Walker via Jobcentre Plus (JCP) and other local partners. These agencies play an important facilitating role for the initiative which seeks to assist individuals that have been unemployed for more than six months. Claimants do not receive a salary while undertaking the training, attendance is entirely voluntary, and there are only minimal entry requirements for the course. Participation is primarily dependent upon claimants having a degree of reading and writing skills or an ESOL Level 2 qualification for claimants whose first language is not English. These basic entry requirements are in place to ensure claimants can understand all the safety procedures at the training centre and communicate any concerns or problems to the trainers. The entry requirements mean that partners play a key role in ensuring World Class Skills in Walker is successful and efficient, particularly by only recommending the training to claimants that appear committed and show an enthusiasm to attend.

JCP reported that there was a waiting list of over 170 claimants on the training course. The quality of the course has clearly been a contributory factor in creating demand for places as interest in the training has grown rapidly, primarily through word of mouth and local networks. This high demand was also recognised by some of the trainees who reported:

*'it's a real sense of achievement in getting onto the training...  
it's very competitive out there.'*

Recruitment to World Class Skills in Walker has clearly been facilitated by Nissan's involvement. Beneficiaries reported that this brought dual benefits through the prospect of securing employment at the plant, while also being able to include involvement with reputable international business and vocational training to their CV.

### 3.1.2 Employability training

The key focus of the World Class Skills in Walker initiative is to develop the skills of beneficiaries to meet Nissan's entry requirements. The Green Collar training centre is split into 'cells', creating a mini Nissan factory where each cell teaches different skills related to Nissan's production line such as skills related to hand tools, chassis build, spray shop and trimming.

The vocational focus of the training means that trainees need to demonstrate competency in the skills required by Nissan, but also in terms of conducting production line tasks at the speed required by Nissan's production line at the Sunderland plant. The speed of task completion is particularly important given that Nissan's Sunderland plant is the most productive plant in Europe.

An important aspect of the employability training is that it replicates the experience of actually working for Nissan. This is achieved through the skills developed, but also the culture and code of conduct under which the training operates. Trainees are required to attend on time, are managed by training staff that are former Nissan employees and are provided with Nissan work-wear.

The beneficiaries consulted as part of this case study appeared to respond well to this environment which appeared to provide a motivating effect. Beneficiaries provided the following comments:

*'You are treated really well, like an adult, you can ask any questions you like and get a useful response.'*

*'You are like part of the workforce, they give you uniform and that makes you feel part of the team.'*

Finally, the support provided by World Class Skills in Walker tackles aspirational and cultural challenges which have resulted from long term unemployment. Feedback suggests a small number of trainees initially had a defensive attitude when they first arrived, possibly because of previous training or education experiences. The initiative works to overcome these barriers by developing personal pride, building trust and mutual respect between the trainers and trainees, and highlighting the opportunities the training can bring in terms of future employment prospects. This is an area where the expertise of Building Futures East adds particular value and encourages the retention of trainees.

### 3.1.3 Assessment and job search support

The training and support provided by World Class Skills in Walker culminates with a skills test and a PC based aptitude test, the results of which determine whether trainees are offered the opportunity to take a 'line trial' at Nissan. These tests determine whether a trainee meets the standards required by Nissan. Successful trainees, who pass the subsequent 'line trial' are then eligible for immediate employment at Nissan or placed on a retention list for recruitment when demand arises. Wherever possible, trainees are also offered posts with companies in the Nissan supply chain or other manufacturing companies that already have a relationship with Building Future's East.

As would be expected, not all trainees secure employment with Nissan or pass the required tests to meet their entry requirements. In this instance, some trainees have been offered additional support by staying on at Building Futures East to gain further skills and employment support with opportunities to gain skills via vocational training opportunities in sectors such as construction, ICT, health and social care.

## 3.2 Performance

This section of the case study outlines the performance achieved by World Class Skills in Walker. It highlights that the initiative is performing well in terms of both outputs and outcomes.

### 3.2.1 Outputs

The figures below provide a headline indication of the outputs achieved by World Class Skills in Walker.<sup>18</sup> The figures show the initiative is achieving a high proportion of completions – between 81% and 84% over the three waves of activity. The proportion of trainees passing the course, and therefore meeting the entry requirement for employment at Nissan, is also high. 77% of completions in wave one and 97% in wave two passed the course, meaning they met Nissan's entry requirements. These proportions stand at 64% and 79% if considered in relation to the initial number of 'starts' on the training.

	Wave 1	Wave 2	Wave 3
Enrolments	100	100	100
Starts	98	86	82
Completions (number attending final week of training)	82	70	67
Number passing the course	63	68	*

Estimates provided by NAC suggest that 40% of beneficiaries enter employment within Nissan while 75% are reported to have secured a job within a year at either Nissan or with other employers. However, it should be noted that information regarding the number of trainees securing employment were not available to JCP at the time of the study; and feedback suggested such information would be useful in terms of helping Personal Advisors to assist future rounds of recruitment.

### 3.2.2 Outcomes

Beneficiaries from World Class Skills in Walker provided their opinions in relation to their training experience. Many of the respondents had been involved in other training and recruitment schemes, although these had primarily focused upon opportunities within the retail sector. Beneficiaries were incredibly positive about their training especially when comparing it to these past training experiences. In particular, World Class Skills in Walker was felt to provide 'real experience' through its vocational approach with a very real opportunity of securing employment upon completion. Beneficiaries provided the following observations:

*'This training is really good, you are doing things which you would be in the job, and when you ask questions you get an answer from people who have worked on the line, not from a text book.'*

*'It's much better, its structured, vocational, not sat in a classroom like school children doing puzzles.'*

#### **Improved job prospects**

All respondents said that they thought they would leave the training with better job prospects, but indicated that getting a job at Nissan was the main success factor they were looking to secure. However, beneficiaries noted how the training had improved their chances of securing work with other employers too:

*'There's no guarantee of a job, but the opportunity is there if you work hard enough, it's there at the end of the day and that's not what you get from any other training.'*

*'I've noticed an improvement in responses to job applications now I've got this down on my CV.'*

*'I'll be clear with you, the best thing about this training will be if I get a job.'*

<sup>18</sup> Source: JCP, November 2010. Number passing the course not available for wave three of the project.

### **Improved work related skills and employability**

Beneficiaries talked about the different areas of the production-line training they had participated in including: welding; chassis build, tooling, paint-shop and body-work. All said how much they had benefitted from the vocational experience and working on the line trials. Beneficiaries stated:

*'It was nerve wracking, the hardest thing, but it's really good to know that you can do it after doing the tasks.'*

*'The practical and team tasks have been the best part, it's proper hands on experience which you don't get anywhere else.'*

*'It think it's given me more confidence, and I've learnt new skills for the production line tasks, about the bodywork section, line-tests, teamwork, things like that really.'*

The impact of the training is highlighted by the increased success rates of unemployed applicants. Feedback from Nissan highlighted that 60% of candidates that meet their entry requirements were previously unemployed, meaning the training provision is playing an important role in helping to tackle long-term unemployment in Newcastle.

### **Softer skills development**

Beneficiaries stressed the importance of the improvements to their 'softer skills' as a result of attending the training. Improvements in team working and leadership skills, problem solving and knowledge of lean management were all identified. However, one of the main impacts of the training was growing confidence and motivation:

*'The training provided a good start for what you are doing at Nissan, I'd say yes confidence is one of the big things it gives you, because you know you can do the types of things needed.'*

*'It's good getting to know people at the line, it rubs off on you, you make friends.'*

*'It's given me much more confidence, apart from the setbacks when applying for jobs and being unemployed, it's given me more confidence, to hold you head up high that your working at a well recognised place like this.'*

### **Development of the Nissan brand**

An unintended outcome from the World Class Skills in Walker initiative has been the impact upon the Nissan brand within the local area. Beneficiaries spoke positively about Nissan as a locally based organisation that provides quality employment. The close link between the training and Nissan has been a key factor in encouraging participation. Nissan clearly benefit from World Class Skills in Walker as they are provided with a skilled and efficient workforce which is locally based. Stakeholders also felt the initiative provides Nissan with Corporate Social Responsibility benefits by helping to reduce unemployment and increase prosperity within the local area. It should be noted that this is an 'unintended outcome' and was not a primary motivation for Nissan's involvement in the initiative. However, this factor is important as it could help to promote the delivery model if it is exported to other employers in the area.

Up-skilling local unemployed residents has also provided benefits for the wider manufacturing sector locally. World Class Skills in Walker has reduced the extent to which Nissan recruits from other small and local manufacturing employers who offer lesser terms and conditions to employees. At the same time the local manufacturing sector has also become more resilient as World Class Skills in Walker is increasing the supply of job ready employees which are available for employers in the sector to recruit.

### 3.3 Additionality and sustainability

World Class Skills in Walker creates additional benefits in a number of ways. These are outlined below along with the areas where the delivery model shows aspects of sustainability for the future.

#### 3.3.1 Additionality

The primary area of added value generated by the World Class Skills in Walker initiative is the link between community based vocational training and real job opportunities at a major local employer. The potential offer of a job at the end of the training increases demand from unemployed residents and provides the support with a focus upon the skills directly required by Nissan. It is unlikely that the uplift in unemployed residents meeting Nissan's entry requirements would have occurred through the provision of more generic employability or manufacturing training which lacks the tailored training approach offered by World Class Skills in Walker.

The delivery model and partnership between NAC Group, Building Futures East and Nissan also provides significant levels of added value. NAC's partnership with Building Futures East provides a unique blend of skills, linking NAC's lean approach and investment in the Green Collar Training Centre to Building Future East's track record of delivering high quality vocational, employment and personal development training - with a particular specialism in generating softer and basic skills, the same as those required by Nissan.

Local Stakeholders were incredibly positive about Building Futures East and felt that the initiative would not have been successful without their involvement. Stakeholders were particularly complimentary about Building Futures East's community based ethos and approach, which adds value to the nature of provision offered, over and above the support typically offered by Further Education providers. Stakeholders were particularly positive about the supportive and personalised approach to training which seeks to overcome barriers and build skills. This means that Building Futures East was widely recognised as providing a welcoming and approachable offer for residents that face multiple barriers to the labour market such as confidence and employability skills. Indeed many World Class Skills in Walker beneficiaries have previously experienced negative experience of education and so would be less reluctant to attend the training if it was hosted in a more traditional college environment. Finally, Building Futures East provided added value due to their geographical location on the banks of the River Tyne. This has provided World Class Skills in Walker with adequate space for the development of the Green Collar Skills Training Centre. It also means the initiative is well placed to take advantage of the growing green manufacturing facilities on the Tyne.

#### 3.3.2 Sustainability

The World Class Skills in Walker initiative is closely aligned with increases in production at Nissan's Sunderland plant. However, the design of the Green Collar Skills Training Centre and NAC's expertise within the green economy provide the initiative with the opportunity to sustained beyond Nissan's recruitment drive. The flexibility of the training 'cell' means it can be adapted from serving Nissans recruitment needs to providing space for the training and skills development required by the green energy and off-shore wind turbine industries. NAC and Building Futures East are well placed to take advantage of opportunities such as providing links to United Technologies Corp (UTC) who are manufacturing wind turbine blades on the banks of the Tyne, the retrofitting of environmental technologies such as solar panels to residential accommodation; opportunities emerging via the Green New Deal and possible links to facilities such as the National Renewable Energy Centre (NaREC) in Blyth and South Tyneside which hosts the worlds' largest wind-turbine testing facility.

The successful Local Economic Partnership bid submitted by North East Councils highlights such key strengths as well as the opportunity for the Tees Valley to become a hub for entrepreneurial activity in biofuels, environmentally friendly methods for waste disposal and cleaner, greener manufacturing processes. Opportunities are also apparent linked to the largest planned Round 3 wind farm zone, based directly off the coast of Sunderland. All of these opportunities, aligned with the flexibility of the Green Collar Skills Training Centre, provide opportunities to sustain the World Class Skills in Walker delivery approach. There are other potential opportunities that are being pursued by NAC group that could sustain the innovative partnership approach such as building upon NAC's links with SERCO via the Work Programme. In addition, Hitachi's potential move to County Durham, creating an estimated 800 jobs, linked to manufacturing of rolling stock for the Intercity Express Contract, also provides future training opportunities.

## 4 CONCLUSIONS

The partnership between NAC Group, Building Futures East and Nissan has clearly been successful in terms of up-skilling unemployed local residents to the entry requirements demanded by Nissan UK. The key lessons and opportunities for the future identified during the study are set out below.

### 4.1 Key lessons

The relationship between NISSAN, NAC Group and Building Future's East provides a number of key lessons that can be replicated in other similar initiatives across the country. The partnership between the three organisations provides a complimentary blend of advantages including: a significant number of local and quality job opportunities; an offer of high quality - entry level training; and training provision from a trusted local organisation within a community setting. The combination of delivery organisations is regarded as being particularly innovative and a model that has the potential to work in other locations across the country. However, it is likely to be dependent upon developing relationships with large employers, or a consortium of employers with very similar training needs, to provide the scale and efficiency required to establish delivery elsewhere.

In terms of key strengths, the impact of the Nissan brand and the prospect of securing employment at a well regarded local employer should not be underestimated in attracting and motivating unemployed residents to participate in the training. Nissan's values in terms of the quality and standards they expect of employees also drives the quality of the training and helps to ensure that successful trainees are job-ready.

The relationship between World Class Skills in Walker and Jobcentre Plus is also a key strength and has been an important factor in the success of the initiative. JCP have helped to recruit unemployed residents to the training and have played a role in terms of identifying suitably motivated claimants. This is especially important as trainees are not paid for participating.

### 4.2 Opportunities for the future and recommendations

World Class Skills in Walker provides a number of opportunities for the future both in terms of developing provision at Building Futures East and rolling out the delivery model to other locations. These are outlined below.

#### 4.2.1 Future areas of delivery

A number of futures areas of development are apparent for the World Class Skills in Walker project. These include:

- ❑ **Meeting the skills needs of the Green economy** – The World Class Skills in Walker initiative was initially established to take advantage of employment opportunities at Nissan. However, this clearly leaves the initiative susceptible and decreases within production and job opportunities at the plant. The flexibility of the Green Collar Training Centre, and its ability to be converted into a training centre for the green economy, clearly provides a key area of future potential. These opportunities are important given the opportunities within this sector both on the banks of the Tyne and off-shore.
- ❑ **Explore training opportunities via the DWP Work Programme** – The quality and success of the training offered by World Class Skills in Walker, and NAC's existing relationship as a sub-contractor to SERCO, means significant potential is available via the DWP Work Programme. The flexibility and ability to convert the Green Collar Training Centre is key to this and adds a further element of innovation to the initiative.
- ❑ **Exporting the delivery model to other areas of the UK** – The success of the World Class Skills in Walker initiative suggests that the approach has the potential to be rolled out in other areas of the country. Current activity to gain accreditation and the development of links with the Science, Engineering, Manufacturing and Technology Association (SEMTEA) will help to facilitate the approach being exported to other manufacturing companies across the country. However, due to the lean and efficient nature of the delivery model, it is most likely to be successful where it is attached to a major employer rather than serving a number of smaller employers - who may all have slightly different expectations of their employees.

- ❑ Consideration should be given to whether the efficiency of the approach may restrict the transferability of the model in terms of having the flexibility to deal with the varying needs of smaller employers. A further consideration in exporting the model to other areas of the country is the need to identify a suitable delivery partner. One of the key success factors of the World Class Skills in Walker initiative has been the role, approach and skills provided by Building Futures East. This suggests a need to identify similar, well established, community based delivery partners if the model is exported to other parts of the UK.

#### 4.2.2 Amending current delivery

Consultation with beneficiaries provided incredibly positive feedback and demonstrated the value generated by World Class Skills in Walker. However, a small number of minor improvements to the training were suggested which could be considered in the future:

- ❑ **Provide a faster transition from the classroom to the production line** – Beneficiaries indicated they would benefit from less classroom based number work, and would gain greater value from number work related to practical problems at the plant.
- ❑ **Personalised feedback** – Beneficiaries would benefit from more one-to-one feedback from tutors regarding the scores achieved throughout the training and areas for improvement, rather than a purely 'pass or fail' feedback. Beneficiaries felt this would help to improve their overall motivation and confidence.
- ❑ **Opportunities to demonstrate progress** – Beneficiaries felt they would benefit from the opportunity to undertake pilot tests early in the training provision so trainees can see how they have progressed and the difference the training has made making. Again the will help to improve trainee motivation and could help to drive up overall achievement.

# **APPENDIX 1**

## **Consultees**

## CONSULTEES

The following stakeholders were consulted as part of this study:

Name	Organisation	Role
Anthony Woods-Waters	Building Futures East	Chief Executive
Steve Pallas	Nissan UK	Training and Development Manager
Paul Robson	NAC Group	Managing Director
Chris Elves	NAC Group	Project Manager
Don Burn	NAC Group	Building Futures East Centre Manager
Cllr. John Stokel-Walker	Newcastle City Council	Elected Member for Walker ward
Gillian Hewitson	Newcastle Futures Group	Chief Executive
Brenda Grey	Jobcentre Plus	District Manager
Angeline Brown	Jobcentre Plus	Account Manager
9 x project beneficiaries		