



Cogent Annual Report and Financial Statements

2008



*Skills for Science
Based Industries*



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Chairman's foreword



I am pleased to introduce this Annual Report for a year in which we have continued with our leadership on skills issues for the Cogent Sector, through targeted, employer-led solutions and interventions.

We were delighted to receive the recent news from the Government that our licence has been renewed to allow us to continue with our task of developing the skills base of our Sector.

During the relicensing process the National Audit Office (NAO) on behalf of The UK Commission for Employment and Skills (UKCES) conducted a thorough evaluation of Cogent's performance and we were pleased to be assessed as performing very well in many areas. A number of achievements were singled out by the Commission including:

- Our long-term Strategic Framework for our Sector
- Our five "Big Ticket" programmes for industry, which are detailed inside this report and,
- The Skills Academies for the Process Industries and for Nuclear, which are enabling us to ensure the delivery of our strategic priorities through a high quality provider network.

Our aim is now to sustain and further build on what we have achieved so far.

We are in very difficult economic times, and it is critical that our Sector both remains competitive and ensures that it has the skilled people it needs as the economy recovers. To assist employers in doing this Cogent is working to reform the UK skills supply so that it better meets both employer and learner needs. It is doing this right across the education spectrum from schools, through to colleges and higher education institutions and then into the workplace.

During the year we agreed our Sector Compact with the Learning and Skills Council (LSC): this is a specific offer to employers in the Sector within Train to Gain, and sets out additional flexibilities to stimulate demand for a higher volume of skills. Within this deal, employers can now access funding for repeat Level 2 and Level 3 technical qualifications. This is good news as Train to Gain had traditionally been available only for the first full level 2 qualification.

We are also working closely with our National Skills Academies for the Process and Nuclear Industries to help raise standards, upskill the Sector workforce and to give people the best possible career path throughout their working life.

We also work in an effective partnership with all our stakeholders including providers, Education Institutions, Government Departments, Regional Development Agencies (RDAs), Cluster Groups, Trade and Professional Bodies and Trades Unions. We are grateful to our many partners for their ongoing commitment, contribution and support for our work across the Sector. They all play a key role in our delivery.

Finally, my thanks must go to the Cogent Board for their help and support, to Joanna Woolf, the CEO and her dedicated Executive team, and our hard working employees for their energy and enthusiasm in delivering our Strategy.

Dr John Beacham, CBE

CEO Review

Securing skills for the industries of the future

As we take stock in our Annual Report and review our progress in ensuring a skills pipeline for our industries, we do so against a backdrop of very challenging trading conditions around the world. These are tough times for businesses and the people who work for them.

One thing is certain: this recession makes it even more imperative that we hold firm to our course of action on behalf of the employers we serve.

The industries in the Sector we represent at Cogent do not remain immune from the current economic turbulence. However, these are industries which have seen downturns come and go, and throughout have prevailed, adapting to the changing world around them.

They will do so once more, and we are supporting them to ensure they are in as strong a position as possible when the recovery takes hold.

It is the contribution of their people – through the application of science, through first class engineering skills and through innovation – that has underpinned the Sector’s continued resilience and performance success.

These same skills characteristics will support the hugely important shift that is taking place across the Sector. This is a shift driven by tremendously exciting and fast paced advances in science and technology.

Indeed the Government has acknowledged that these are the industries of the future with emerging technologies in energy including nuclear, new fuels and renewables; in bioscience and in advanced materials all combining to provide a powerful driving force for change.

This continued transition to a new era in science-led solutions to meet mankind’s needs and to ensure sustainability of the planet, will demand the very highest skills levels across the Sector.

In the face of these powerful forces for change we have remained committed to delivering on our strategy for employers and to working with them in order to prepare for both the immediate challenges and the ones that lie ahead.

We are doing this through:

Being the voice of employers on skills: we are providing the “collective voice” of employers on skills for representation and influence to Government and public providers of skills, education and training right across the education spectrum.

Designing fit-for-purpose qualifications: we are developing fit-for-purpose and future-focused qualifications which, where possible, attract Government funding. These standards-based qualifications increasingly match the way employers actually train their people – they are smaller and modular in nature.

Attracting young people into the Sector: we are working to attract young people into the Cogent Sector; helping to shape the STEM (Science, Technology, Engineering and Maths) curriculum and promoting careers.

Understanding Industry skills needs: through our in-depth Labour Market Research we are providing an industry-by-industry picture of the skills needs and issues now and into the future, enabling early action and intervention to be taken to ensure the sustainability of the Sector.

The twin pillars underpinning all of this are the crucial upskilling of the existing workforce (the Sector's "Stock") and attracting new young people to meet emerging new technological challenges, as well as to replace the ageing workforce within the Sector (the Sector's "Flow").

In addition, the Skills Academies for the Process Industries and for Nuclear are ensuring the delivery of Cogent's strategic skills priorities through a rapidly developing, high quality provider network. This includes every kind of provider from Education Institutions through to private training establishments and online provision.

Cogent has developed a close and synergistic relationship with the Academies in order to develop and quality assure vocational training that is valued and used by every company they represent. The Skills Academies' impressive progress in deploying employer-designed products and in growing their provider networks is outlined in more detail inside.

To help the organisation maintain our focus on execution, we have continued to deliver our Strategic Programme through five "Big Tickets" for industry.

These are Cogent's tangible outputs for employers and the report inside details our significant achievements across all the associated programmes of work that sit underneath each Big Ticket item.

Our mission to "meet the skill needs of the Cogent industries to allow them to compete successfully" lies at the heart of everything we do. Above all, we continue to apply the "employer test" to all our work – it is the Sector industries which set our agenda.

The champions on our Employer Advisory Councils are promoting skills as an investment and working with us on programmes to attract new generations of technicians, engineers and scientists.

Together with them, we are promoting the Cogent Sector Skills Pledge as a means of securing the all important employer public commitment to developing and upskilling the workforce. This provides us with momentum and demonstrates industry commitment to investing in the skills of their people.

Employers from right across the Sector are making the Pledge and sharing their success stories with us – more evidence that developing people is a powerful boost to business.

The Cogent Sector industries are providing the social and environmental solutions for our future. The people who work in them can be assured of a long and rewarding career in a Sector that makes an essential contribution to the UK's wealth and to its well-being.

Joanna Woolf
CEO



2008 at a glance...

January

The National Skills Academy Process Industries is formally launched at Westminster, by Skills Minister David Lammy.

The National Skills Academy Nuclear is also launched at the Science Museum by David Lammy and Energy Minister Malcolm Wicks.

February

Cogent Polymer Skills Lead, Tony Pringle receives a certificate on behalf of Cogent, as a 75th anniversary Patron of The British Plastics Federation.

Cogent announces it is committed to securing its second SSC Licence to continue to deliver on the Skills agenda for employers.

March

Philip Jones is appointed Chief Executive of the National Skills Academy Process Industries.

With assistance from the Department for Education and Learning Northern Ireland (DELNI) Cogent carries out an extensive Labour Market Information (LMI) survey in the petroleum, chemical and pharmaceutical industries.

April

Energy Foresight, sponsored by the Skills Academy for Nuclear, receives a Gold Award at the IVCA Awards in London.

The National Skills Academy Process Industries moves into stage two of its pilot Assessment System for Employer Training (ASET) programme.

Cogent's Gold Standard moves forward into modular qualification format. The Gold Standard is a much-needed modular Continuous Professional Development (CPD) Programme through to senior management level.

May

The National Skills Academy for Nuclear presents a membership certificate to Energy Solutions.

The National Skills Academy Process Industries announces the launch of a National Skills Conference, with the inaugural event to be held in April 2009.

June

Springfields is successful in its bid to become an assured engineering training facility for the National Skills Academy for Nuclear.

The National Skills Academy Process Industries launches its North East regional spoke.

Cogent and the Process Skills Academy sponsor the Chemical Industries Association (CIA) Skills Award, won by Billingham based Lucite International

July

The National Skills Academy Process Industries launches regional spokes in the North West, and in Yorkshire and the Humber.

Cogent announces a new Higher Level Skills Strategy underpinned by the ambitions of "HE at Work" and "Innovation Nation".

August

The National Skills Academy Process Industries takes delivery of over £1m worth of training equipment, to be housed in a state-of-the-art training facility in the Midlands.

Cogent develops the methodology, indicators and web-interface for its "Skills Barometer" Oracle Project. The Cogent Oracle will track workplace trends across the Cogent Sector in the UK.

The development of Cogent's Foundation Degree programme continues to set the pace and partnerships with HEIs are announced. The Degrees are a central plank in Cogent's upskilling programme right across the Sector

September

Cogent launches its latest Research Report, Skills for Science Industries: Skills at Work. The report is available via a unique microsite: www.skillsreport.cogent-ssc.com

The National Skills Academy Process Industries calls for training providers to come forward following the launch of a formal provider accreditation process.

Cogent and the National Skills Academy for Nuclear take part in Nuclear Decommissioning 08 and Nuclear: the next generation conferences.

JANUARY: Process launch: (L to R) Duncan Bannatyne, Entrepreneur; Chris Banks, LSC Chair; Craig Crowther Interim CEO Skills Academy; Chris Horton, Academy Chair, David Lammy



FEBRUARY: Cogent Polymer Lead Tony Pringle, receives a 75th Anniversary Patron Certificate from Calum Forsyth, Chairman of the BPF



JUNE: (L to R) Philip Bailey and Jessica McCole from Lucite receive the award from The Academy's Philip Jones and Cogent's John Holton, with Steve Elliott, CIA Chief Executive



DECEMBER: Boris Johnson at Skills London 2008



JUNE: (L to R) Jean Llewellyn opens the Springfields Skills Development Centre, watched by Michael Jack, MP; Terry Brown, Mayor of Chorley; Gordon Marsden, MP; Mike Tynan, Springfields; John Swindells, Mayor of Preston; and Sarah Smith, Springfields



JUNE: North East launch: (L to R) Jan Nixon, Lester Tawanda, Rt Hon John Denham, Niamh Smith, Richard Harrington



MAY: (R to L) Charlie Bray presenting a membership certificate to Chairman and Chief Executive of Energy Solutions, Steve Creamer



October

The Cogent Advisory Councils for Nuclear, Petroleum, Polymers and Chemicals and Pharmaceuticals hold workshops to develop a Strategic Action Plan for their sector. These action plans will provide the focus for future meetings.

It is announced that the new customer-facing National Apprenticeship Service (NAS) will be launched in April 2009. In future employers will be able to submit their own Apprenticeship frameworks for funding, by drawing from Cogent's 'bank' of qualifications.

November

The Cogent Group welcomes the announcement of the Qualifications and Credit Framework, offering learners a more flexible development route.

The Cogent team joins over 54,000 people, including Boris Johnson and three Government ministers, at the UK's biggest interactive careers event, Skills London 2008.

December

The Government and Cogent Sector Skills Council launch the Train to Gain Cogent Sector Compact. It is part of a three year deal available from 1st January 2009.

The National Skills Academy Process Industries launches the UK's first specialist training provider network for the process industries, through a series of regional roadshows.

Objectives and activities

Cogent is the Sector Skills Council (SSC) for the Chemicals and Pharmaceuticals, Nuclear, Oil and Gas, Petroleum and Polymer Industries.

Cogent was established by employers and is licensed by Government to develop skills strategies, products and services to meet the Sector's skills needs.

Cogent works in collaboration with industry, trade associations and trades unions to raise employer ambition in skills, increase skills across the industry footprint and champion the Sector's skills agenda.

Following Lord Leitch's review on world-class skills in the UK, the UK Commission for Employment & Skills (UKCES) issued its SSC Relicensing Framework with a remit for SSCs which are more sharply focused on three core functions:

- Raising employer ambition and investment in skills at all levels,
- Articulating the future skill needs of their sector,
- Ensuring that the supply of skills and qualifications is driven by employers.

Cogent's strategy has been formulated in line with this focused remit. Cogent's Mission is:

To meet the skill needs of the Cogent industries to allow them to compete successfully

Cogent, as an SSC, is uniquely responsible for:

- understanding and articulating industries skills needs both now and into the future
- defining industry skills standards including National Occupational Standards (NOS)
- Apprenticeship Frameworks, qualifications and training standards
- Brokering the funding of qualifications in the public sector.

Cogent's work is underpinned by evidence, and through its Sector Skills Agreement (SSA) research employers informed us that they continue to face skills gaps and shortages in:

- management and leadership;
- technical and vocational on-the-job skills;
- business improvement techniques;
- change and project management;
- safety, health and environment.

Our research has also confirmed that with an ageing workforce demand for new recruits during the next decade will continue to grow. In response we have identified two strategic priorities that must be addressed:

Strategic Priority 1: Upskilling the existing workforce (STOCK)

The vast majority of the skills that will be required to meet the future challenges faced by Industry will be from people already employed within the Sector. Upskilling the existing workforce is both a huge challenge and priority for the sustainability of the employers within the Sector.

Strategic Priority 2: Attraction and supply (FLOW)

There will be an ongoing need to attract new young people to meet emerging technological challenges as well as replace the ageing workforce within the Sector. Cogent must ensure that the skills pipeline is robust both in terms of quantity and capability.

Sector overview

The Cogent industries are world-leaders, founded upon the UK's strengths in research and development, science and engineering, innovation and a highly skilled and experienced workforce.

Oil connects the industries in the Cogent Sector, both as a source of energy and as a raw material. Over 70% is used for energy and energy fuels (petrochemicals); half of the rest is converted to chemicals, plastics and pharmaceuticals.

The UK Oil and Gas industry is a wealth creator, innovator and increasingly an exporter of skills and technology solutions. New discoveries, ongoing operations, lifetime extensions, decommissioning activities together with the retirement of older workers means the industry has made the

recruitment of new talent and the reskilling and upskilling of the existing workforce a strategic priority.

Petroleum and petrochemical products will be key to meeting our energy needs for decades to come. These industries are operating in an intensely competitive marketplace and their success is dependent upon new strategies in product development, quality as well as efficiency. The critical role played by the downstream industry will only be sustained if a skilled engineering and technical workforce of sufficient strength and range is available to it.

Nuclear is an increasingly important and strategic element of the national energy strategy. The New Build agenda sets the scene for major developments in nuclear power. Defence developments are also in hand for investment in new technologies. The Nuclear Decommissioning Authority's (NDA) programme has grown year on year since its inception. The nuclear industry has a challenging agenda and skills are central to its continued success. Around 17% of national grid supply is currently produced by Nuclear energy sources.

The Chemicals Industry is operating in an intensely competitive marketplace and is heavily reliant on the development of new products and ideas: employers recognise that it is people who generate innovation and bringing in and retaining the right skills to deliver long-term business growth is essential. Chemical companies will also have to ensure that they are addressing not only short-term risks, but also long-term systemic risks such as climate change and shrinking natural resources.

In pharmaceuticals, until the 1990s it was the "blockbuster" drugs that funded expansion. However, many patents have expired in recent years, providing opportunities for cheaper, generic versions. The industry is moving towards the manufacture of bespoke drugs in smaller quantities, and to extremely exacting standards. This is demanding an all-new "factory of the future", where autonomous teams of skilled people with an all-round understanding of the process support the supply of an ever-increasing range of drugs.

Like the other parts of the Process Industries, the Polymers Industry is a critically important engine of wealth creation and supports many other industry sectors. Sustainability is requiring the industry to think very hard about the long-term implications of its activity and to develop products that meet both the environmental and social challenge. The UK's polymer makers are adopting a number of strategic measures to ensure their sustainability in a highly

competitive market environment. This includes greater efficiency, more consolidation and innovation.

A generation ago energy production was a nationalised industry while much of petrochemicals was the domain of a handful of oil companies. In all-encompassing organisations (e.g. ICI) the skills pipeline could be managed from the skills "tidemark" to higher skills "horizons". While free market policies have delivered a sector with flexible, profitable businesses, a downside of this has been a gradual decline in skills investment and a lack of strategic, managed investment in skills across the industries.

Smaller companies can no longer rely on large conglomerates to train the workforce pipeline. And while industry and its workforce are becoming more global, our skills system is not keeping pace with our competitors. In France and Germany substantial proportions of Level 3 and higher qualifications are vocational. In the UK the majority of the widening participation in qualifications has been in full-time, first-time courses for young people prior to employment.

The key Sector drivers for Cogent are:

- a globally mobile workforce in some industries
- a Science, Technology, Engineering and Maths (STEM) reliant skills set that is in high demand from other sectors
- a fragmented sector with the skills chain unbundled across many employers
- informal skills are developed on-the-job but not widely accredited
- a traditional skills infrastructure which has withered
- a safety-critical sector requiring skills for compliance
- an ageing workforce
- carbon-intensive industries when demand for carbon-based energy and materials is on the verge of exceeding supply

80% of the employees in the Cogent footprint work in 20% of the employers. Therefore Cogent's strategy for employer engagement has been to work predominantly with the large companies in our footprint as this is where we will have the most impact.

The fact that all six Cogent industries appear in the top 13 of the former Department for Business, Enterprise and Regulatory Reform (BERR) Scorecard (2007) testifies to the economic value of these vital industries and their skills.

Relicensing process

In 2008 The UKCES commissioned the National Audit Office (NAO) to audit the SSC network as part of relicensing. Cogent was in the first group of SSCs to go through the process and we were visited at Warrington for a week in November, when the auditors interviewed many of our staff and carried out telephone interviews with Sector employers. In addition the NAO representatives visited stakeholders in each nation and attended some of our key employer meetings as observers.

The assessors were looking for evidence that Cogent:

- has the confidence, approval, and support of Sector employers
- provides a clear, credible and coherent voice for employers on the skills and qualifications requirements of the Sector
- has set ambitious and realistic targets
- is well-led and managed
- can demonstrate that it has had a positive and constructive impact on skills within its Sector
- can demonstrate how its Sector has developed and changed since its original licence was granted, and that it represents a significant sector

The NAO reviewed the evidence gathered and we received early positive feedback. We are indebted to all those who took part in NAO interviews, with special mentions going to key employer representatives and members of our Board.

On 11 May 2009 Cogent was successfully relicensed by the government.

Achievements and activity

Cogent and the National Skills Academies in our footprint are advancing their plans to secure the skills that are needed in a world where nothing stands still for long.

This process is boosted by the exceptional support we get from industry, with employer leaders playing a key role in a range of Cogent skills initiatives.

We continue to identify and understand the needs for learning, skills and competence across the Cogent Sector, developing the solutions closely with employers. These range from support for the curriculum, through to new apprenticeships and upskilling programmes for existing staff that lead to Degrees.

The Skills Academies for Nuclear and the Process Industries are bringing a new impetus to the deployment of all of this, working in partnership with accredited providers to get high-quality education and training in place.

Programme delivery through Cogent Big Tickets

Cogent's key and tangible deliverables for industry are focused around five "Big Tickets" and associated programmes of work.

1. Cogent Industry Skills Standards and Qualifications

Cogent is developing national standards, 'Gold Standards' and 'Job Contexts' for key roles in the Sector. Cogent is also producing Industry Training Standards to capture the significant amount of informal learning in the Sector. These standards will be informed by employers, against which Academy-accredited programmes may be delivered. The Cogent Sector Qualification and Training Framework will host these sector relevant qualifications and training standards.



This Big Ticket is central to all our work. In 2008 the number of qualifications achieved relating to the Cogent Sector increased by 3.5% to 8,573.

Key developments:

Sector Qualifications Strategy (SQS) Action Plan

Our SQS action plan was developed and implemented during the year. The plan is inclusive of all parts of the Sector. Sector Qualifications



Strategies are a key mechanism for the delivery of the Leitch vision of employer driven skills supply. The Cogent SQS delivers a framework that recognises achievements at every level; that is employer-led; that is flexible; that adapts to change and that embraces diversity. The SQS is designed to support employers in closing skills gaps and coping with constant change and the new demands that go hand-in-hand with a global economy. Qualifications are a critical tool in meeting this challenge and an important vehicle for managing change.

The Cogent Gold Standard and module development

During the year Cogent continued to develop and promote the Gold Standard which takes key job roles in the Process Industries and defines a framework of training and qualifications to achieve 'world class' performance.

It has had the full endorsement of the industry and is an aspirational standard organised around four skills areas and associated qualifications:

- 1 Technical Competence
- 2 Business Improvement, including quality and innovation
- 3 Compliance
- 4 Functional and Behavioural Skills

Cogent made significant progress in developing these Gold Standards for key individual job roles in the Sector and is delivering them through the National Skills Academy Process Industries and its network of accredited training providers.

This means the training provision has been shaped by employers and designed to agreed, quality assured standards which meet current needs.

A further development as part of Cogent's Sector Qualifications Strategy is moving from full qualifications to modules. During the year Cogent saw the accreditation of a range of modules which are "bite-sized" pieces of learning packaged as Awards, Certificates and Diplomas. This makes the learning more accessible, more relevant and removes the overlap between qualifications. It's ideal for both employers and employees providing an accredited continuous development programme, as well as ensuring that the training is delivered when and how it's needed.

Nuclear Industry Training Framework and Job Contexts

The Nuclear Industry Training Framework (NITF) is providing a database of qualifications and training and the associated standards relevant to the Nuclear Industry. Paralleling the Gold Standard Competency Framework it contains both nationally

accredited qualifications and industry/ employer led training courses. During the year the framework was populated with courses and qualifications.

Development of nuclear Job Contexts covering the key roles across the nuclear industry was progressed during the course of the year. Each Job Context consists of a family of 5 Job Roles at varying levels. An individual Job Role describes the Nuclear Industry Standard competencies and the Nuclear Industry Standard qualifications and training standards required.

An example Job Role is Level 2 Decommissioning Operator. All Nuclear Job Contexts sit within the Industry Training Framework. Eventually all qualifications that arise from Job Contexts will reside on the Qualifications and Credit Framework (QCF).

Both Gold Standards and Job Contexts will link to the Cogent Career Pathways tool, which offers a web-based information, advice and guidance service about careers in the nuclear sector.

National Occupational Standards Development

Cogent is the custodian of National Occupational Standards (NOS) which are statements of the skills, knowledge and understanding needed in order to carry out a particular job role or function. Their development is led by employers to help provide the training needed to enhance the skills within their sector. NOS also underpin the Cogent Gold Standards. Activity during the year included:

- Implementing a house-style for our NOS for greater consistency in presentation and to aid understanding
- Review of the Chemicals, Pharmaceuticals, Petrochemicals Operations NOS to incorporate the Nuclear Processing sector
- Development of NOS for Offshore Surveying
- Review of the Cogent NOS Assessment Strategy
- Development of NOS for the Transportation of Hazardous Goods

14-19 Diplomas

Developed to meet the needs of both universities and businesses, Diplomas will secure a fully-rounded education for all young people. They combine in-depth theoretical and practical study of specific subject areas, a strong focus on English, Maths and ICT skills and opportunities to apply their learning in work-related contexts. Cogent continued to be closely involved in the Engineering Diploma, which was launched in schools last year, as well as the partnership which is steering the Diploma in Manufacturing and Product Design, due to be rolled out in secondary schools for 14-19 year olds from September 2009.

Cogent began leading on Higher Education (HE) engagement in relation to the newly developing Diploma in Science, and is helping to steer the curriculum development for this newly developing Diploma. A consortium of SSCs, led by Semta, has been formed to develop the Diploma in Science. It's aimed at captivating new learners, teaching science in stimulating contexts, and giving young people the knowledge to pursue higher-level study or enter science-related employment.

Cogent recognises that in order to sustain a dynamic environment for economic growth in the Sector it's imperative that the teaching of science, technology, engineering and mathematics (STEM) subjects is made central to the UK's strategy on skills and pursued energetically.

Progression in Science and Engineering

During the year Cogent's Science and HE function continued to pursue an energetic strategy around the uptake of STEM subjects and Higher Education more broadly, including work-based progression. For example, Cogent, was successful in a bid for a £3m plus fund to develop sector-facing Foundation Degrees. The funds will support the development of government subsidised flexible qualifications for employers and employees in the Cogent sector.

Crucially, through Cogent, employers will now shape brand-new provision from universities and colleges to suit their needs and to support the development of a modular progression path for apprentices and Continuing Professional Development across the Sector. Within the next year a consortium of universities and colleges will be formed to set up a framework for the Foundation Degrees to share a common workforce platform of skills. Evidence to date suggests a high level of interest from Higher Education Institutions (HEIs) looking to work with Cogent in this development. The initiative has also been used as an exemplar in a speech by David Lammy, HE Minister to Universities UK (UUK) of how HEIs and SSCs should work together to develop new constituencies for HE.

During 2008 Burton College and London Metropolitan University, together with employers, worked to produce a common framework for a Foundation Degree programme for the polymer industry. Good progress was also made in developing a similar upskilling programme for the UK's nine refineries. This FD work was led by Murco Petroleum.

2. Cogent Apprentices

Apprentices continue to be a major strand of Cogent's work and represent a highly-respected system of training and education. The new Apprenticeship registration system for England and Wales began in April 2008, and since that time we have seen an increase in our Apprenticeship / Foundation Modern Apprenticeship and our Advanced Apprenticeships/Modern Apprenticeships by 16% across the UK.



Apprentices represent the process industries' skilled employees of the future. They will support the continued transition to a knowledge-intensive industry which is dependent upon highly skilled, technology literate operators who can operate flexibly in teams. At the moment the number of skilled young people entering the Cogent industries is not meeting anticipated demand.

During the year the East of England Energy Apprenticeship made excellent progress and a course outline was developed. Oxford and Cherwell Valley College (OCVC) announced the introduction of an exciting new industry-specific Laboratory Technician Apprenticeship. With support from Cogent, East Midlands polymer employers expanded their community apprenticeship training programmes; the students sponsored in 2007 joined Rutland-based employers and students from Lincoln College commenced their sponsorships in September.

Cogent set about reviewing its Apprenticeship Frameworks after consultation with stakeholders and to meet the requirement to make its Frameworks "Blueprint" compliant. The "Blueprint" is used by those involved in the design of Apprenticeships. As Apprenticeships evolve to meet employer's needs, they are subject to periodic revision. Cogent and PAA/IVQ-SET began developing new forms of assessment to enable the underpinning knowledge element of the NVQ to be assessed separately.

Cogent also reviewed its Modern Apprenticeship in Scotland. The Alliance for Scotland introduced SVQ level 2 through to SVQ level 5 Modern Apprenticeships and Cogent commenced discussions with employers on their requirements in relation to these new levels of Modern Apprenticeships.

3. Future Skills

Cogent's Future Skills research programme provides the evidence and essential intelligence to inform Cogent's strategy and programme of activity, as well as providing employers with the trend data to support their own workforce planning.





The Future Skills ambition will be to produce, in addition to the services below, an annual report on the State of the Nation in each Sector plus an in-depth analysis of a futures scenario for a selected sector or skills issue.

During the year Cogent redesigned its research services to give it a sharper focus. This now includes Fact Sheets and Trend Data both of which provide profiles and headline statistics based on industry, national data, primary research and labour market intelligence and education and qualifications. During the year our new regional and industry Labour Market Information (LMI) Fact Sheets proved highly popular with stakeholders and employers alike. Lately a Recession Review was added. The developments and future strategy in Research at Cogent was commented upon favourably by the NAO (relicensing auditors for the UKCES).

Work on the Cogent Industry Oracle was progressed and prepared for upgrading. This will produce an important in-depth data analysis and tracking of workplace trends across the Cogent Sector in the UK. It will provide a baseline human capital benchmark report on skills for the science-using industries over time. Work is currently in progress to develop an accessible web portal to host the expert panel community drawn from the Cogent Industries. The Oracle is using a barometer sample of 200 companies in the Sector, providing comprehensive coverage across all the Cogent industries and all sizes of organisations.

During 2008 Cogent launched its latest Research Report, *Skills for Science Industries: Skills at Work*. This is the 'State of the Nations Report' for 2008. The far-reaching report is available via a unique microsite dedicated to the research: <http://skillsreport.cogent-ssc.com> The report has had wide-ranging hits nationally and internationally since being published in web format. In the report Cogent presents the concept of the "Skills Factory" a stock and flow model of the workforce – where the "stock" is the current and projected level of level of employment in the sector and the "flow" is the rate of people in and out of the sector. Interviews with key players from industry, Unite the Union and academia bring an added perspective to the facts and figures.

The Research team began extensive and comprehensive skills research for the Nuclear Industry in the latter half of the year. This will form a series of in-depth publications during the 2009-2010 period and will inform debate at strategic and government level.

4. Cogent Career Pathways

This is a sector-wide web-based initiative, welcomed by both employers and stakeholders alike.



It is playing an important part in securing the talents the Sector needs now and in the future. The website is a rich resource and provides comprehensive information on career progression, jobs, training and salaries in the Cogent Industries.

The website www.cogent-careers.com was officially launched in March 2008 at the Skills West Midlands event at the Ricoh Arena Coventry. Building on this Cogent attended a series of Careers Fairs around the country and collected over 2000 questionnaires from 14-19 year olds. This data was collated by our research teams to measure STEM take-up and preferred career options.

The website has been developed to include pathways for Chemicals, Pharmaceuticals, Nuclear, Petroleum and Polymer roles. We began the development of an Oil and Gas pathway with OPITO our partner organisation for the oil and gas industry.

Following the launch in March, hits exceeded 110,000 with 4,300 unique visitors. Our target was to attract 5,000 visitors per month which we exceeded in April, with each visitor viewing 25 pages on average.

5. Cogent Skills Benchmarking

This Big Ticket is underpinned by an IT platform which provides the all-important employer benchmarking



against the Cogent standards and job roles, as well as a web-based skills match product which allows individual assessment against the Gold Standard Competencies.

This area of work also includes our online tool: www.cogent-competence.com. As part of this an online questionnaire allows companies to benchmark themselves against the Cogent employer database and identify areas for improvement.

The web-based self-assessment places the all-important emphasis on company-wide competence. It is a total systems check which allows organisations to identify and manage regulatory requirements and business risks. This essential tool can be used to objectively manage and measure improvements in competence performance over time.

Partnership and promotion

Through our partnership with the Skills Academies we are focusing on developing and delivering vocational training that is valued and used by every company we represent.

By working collaboratively with partner Sector Skills Councils, Trade Associations and Regional Cluster Organisations we can ensure that we maximise our impact on common skills issues and that we reach every part of the Sector.

We also work through our excellent Advisory Councils and Employer Forums. These enhance the effectiveness of Cogent, taking forward the long term skills needs of the individual Cogent industries. They continue to make a significant contribution to a range of developments including standards, apprenticeships and our longer term direction.

During the year Cogent continued to increase its profile through the media, through e-marketing and through its websites, eBulletins and regular Cogent *Focus* magazine. As part of our communications around relicensing, we created our own website section and distributed six industry-focused reports, with the Oil and Gas version formally setting out our alliance with OPITO, the Oil and Gas Academy.

We also pursued a proactive publicity campaign across all the professional media in our footprint, with a range of feature articles and opinion pieces. We commenced marketing activity for our Sector Compact, including a dedicated website, Broker Toolkit and a Guide to Sector Funding.

We began the development of a new suite of Product Information Sheets which provide a clear and user-friendly format to display our range of solutions for employers.

Sponsorship of Design Innovation in Plastics

We sponsored the Design Innovation in Plastics competition. The competition is the longest running student plastics design award in Europe, and seeks to instill innovation in young product designers. First prize is £1,000 and a placement with Bayer MaterialScience in Germany. The student's university receives an additional £500. Second and third prize winners will also receive a cash prize and an industrial placement.

WorldSkills showcase for green energy solutions

Cogent worked in a partnership with Lantra, Semta, UK Skills, the British Geological Survey, Unionlearn and Prospect Trade Union to develop an environmental science competition. The aim is to showcase this as a new competition at EuroSkills 2010 and subsequently at WorldSkills 2011, to be held in London.

Initial work saw the outline for the completely new environmental science competition, and the Skills Minister David Lammy offered his support. The challenge is aimed at young people who will be tasked with devising the "best" combination of energy supply for a purpose-designed island for the next 30 years. Employers from across the energy and environment sectors as well as education providers are involved in the process.

Haydock Park meeting for Providers

Cogent held its first Training Providers Information Day at Haydock Park Race course in April 2008. Key themes on the day were the latest updates from Cogent on Apprenticeships / Advanced Apprenticeships, Diplomas and the Qualifications and Credit Framework.

Cogent around the UK

Our work is UK-wide, but we also deliver for our industries within the context of the regions and the nations. Our solutions are tailored to the specific needs of the needs of the four nations as well as the English regions. Cogent has National Managers covering Scotland, Northern Ireland and Wales as well as Regional Managers who work across the nine English regions. Cogent also launched a series of popular Regional Fact Sheets to show key industry details, the economic picture, Labour Market Intelligence and skills gap indicators around the country.



England

Cogent is playing its part in the delivery of World Class Skills: Implementing the Leitch Review of Skills in England, taking full account of the needs of its Sector. During the year we secured the Sector Compact for employers in the Cogent Sector as part of a three year deal between Cogent SSC and the Government in England, which for the first time, allows the funding of second level two and three qualifications as part of the Learning and Skills Council's (LSC) Train to Gain initiative.

The agreement introduces significant flexibilities into the LSC's Train to Gain funding system to encourage more employers to take advantage of funding for upskilling. It's aimed at the specific skills needs of the science-using Cogent Sector and a range of value-adding qualifications attracts the ring-fenced funding. Apprenticeships, Skills for Life and Management and Leadership programmes also attract the funding.

As part of this development we finalised the Cogent Sector Pledge jointly with the Skills Academies. Importantly this integrates with the National Learning and Skills Council's Pledge.

Scotland

The Skills for Scotland Strategy sets out three major areas in which change is required: a focus on individuals, a response to the needs of the economy and the demand of employers and the creation of cohesive structures.

Much of the focus of the Scottish Government is around cross-sectoral activity and Cogent contributes to the strategy and delivery of the Alliance of Sector Skills Councils through the Education and Qualifications and Science sub-groups, as well as providing the Chair of the Scottish Manufacturing Skills Alliance which is carrying out work to identify cross-sectoral needs in the manufacturing industries.

We also began the process of reviewing the Apprenticeship Frameworks in Scotland and are working with the Modern Apprentice Group (MAG) to achieve this.

Active participation with employer groups and the provider network in Scotland is crucial to Cogent and as such we play an active role in the Chemical Sciences Scotland Skills Topic Group which is promoting a strategy to keep the industry in Scotland at the forefront of skills and workforce development.

Wales

The approach to workforce development in Wales is set out in Skills that Work for Wales, A Skills and Employment Strategy

In Wales, Cogent's Regional Manager has engaged proactively with the Welsh Assembly Government (WAG) and the Department for Children, Education, Lifelong Learning and Skills (DCELLS) and a number of funded project bids have been submitted.

Cogent is also working closely with WAG and the National Skills Academy for the Nuclear Industry which has a cluster in Anglesey, to explore possible funding and support models. As with the other three home nations, Cogent responded to and provided input into key policy consultations such as Skills that Work for Wales. Cogent has a Welsh language policy, pending approval by the Welsh Language Board (WLB). With partners, Cogent has been producing its key public-facing documents in Welsh in print and online.

Northern Ireland

The key context for Northern Ireland is laid out in Success Through Skills the Skills Strategy for Northern Ireland. Cogent has been engaging proactively with InvestNI, and has taken an active role in the Sector Skills Alliance in Northern Ireland through its Cross-Sectoral groups in Labour Market Intelligence and Management & Leadership. Cogent also chairs the Northern Ireland Manufacturing Skills Alliance which is developing a programme of work to support and inform the manufacturing industries in Northern Ireland with support from the Department of Employment and Learning (DEL).

Cogent has also been working closely with the Careers Service in Northern Ireland and has engaged with every careers teacher in the country promoting the Careers Pathway website and the Cogent Fact Sheets as a primary Information Advice and Guidance (IAG) tool for young people and adults. Both have been well received. We have also worked closely with DEL and other SSCs to develop generic Fact Sheets with Northern Ireland specific information with the aim that all SSCs will have a product that can be used for IAG.

The Polymer Apprenticeship which Cogent developed with the Northern Ireland Polymers Association (NIPA) and FE/HE providers is now being delivered to the first intake and proving successful.

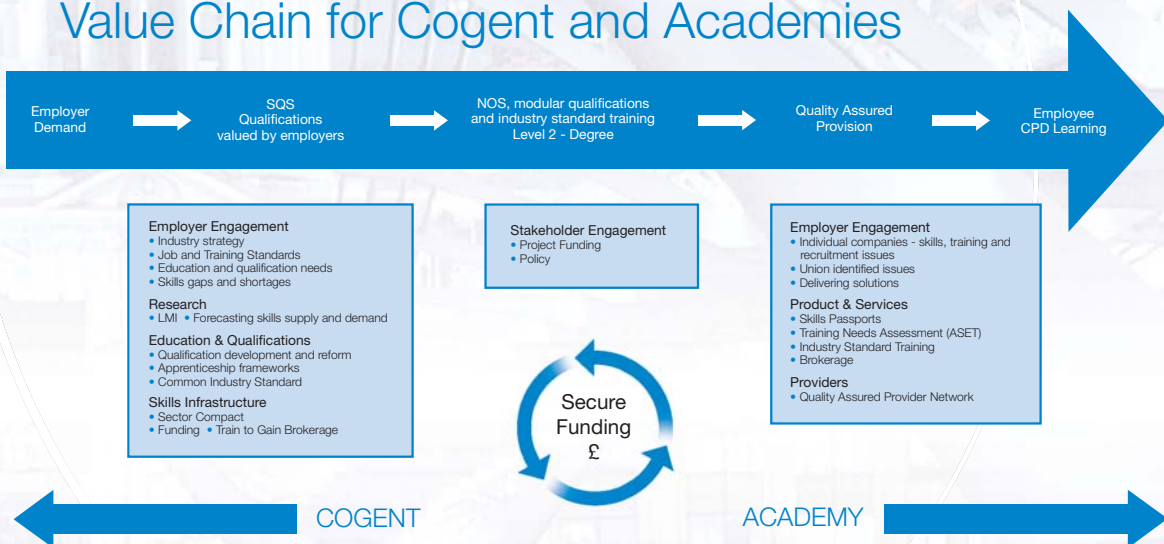
Skills Academies

One critical success factor for meeting the skills challenge is delivering training in the right format, in the right place and at the right time, for both the employer and the learner.

After building a detailed case, and following several years of in-depth lobbying, planning and consultation, Cogent and employers were successful with their bid for the National Skills Academy Process Industries and the National Skills Academy for Nuclear.

Cogent has developed a close and synergistic relationship with the Academies in order to develop and quality assure vocational training that is valued and used by every company they represent. This relationship is represented in the Value Chain below.

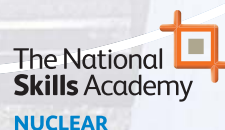
Value Chain for Cogent and Academies



Cogent's focus is towards the left side of the Value Chain – developing strategic skills action plans, considering future business environments and the implications on skills, as well as setting standards and representing the employer voice. At the other end of the Value Chain the National Skills Academies engage with employers and then commission and deliver skills solutions, products and services to meet their needs. Their focus is on gearing up the delivery and uptake of qualifications by employees in the sector.

National Skills Academy for Nuclear Review

During its inception year, the National Skills Academy for Nuclear met and exceeded the targets set out in its very challenging agenda. One of the main reasons the Skills Academy has had such a successful start is due to nuclear employers being actively involved, and responding so positively to the Skills Academy agenda.



The original Skills Academy Business Plan covers most of the sub-sectors of the Nuclear Industry including defence, the whole fuel cycle, operations and decommissioning. Over the last 12 months it has become apparent that New Nuclear Build and Deep Geological Disposal are to be progressed and so the Skills Academy is now developing a broader strategy to support achievement of the industry's 2020 Vision, ensuring the industry has a safe, skilled and effective workforce to deliver this broad agenda.

The key objectives for 2008 were to establish a sound and robust company and to successfully pilot and roll out the following programmes, all of which have been achieved.

Energy Foresight programme

This is offered via the National Skills Academy for Nuclear as part of its portfolio of products aimed at supporting the STEM agenda. Initial roll out to schools has been very well received and the product, Electrical Energy, Production and Distribution, achieved the Gold Award for e-Learning at the International Visual Communication Association (IVCA) awards ceremony held in April 2008.

Apprenticeships

The Nuclear Decommissioning Authority (NDA) funded Community Apprenticeship Scheme has provided extra financial support to supply chain companies including, Nuvia, APD Ltd, JGC Engineering, Gows Lybster, Holbro, Johnson Controls Ltd, MB Faber, TIS Cumbria, Lab Impex System Ltd to employ additional or new apprenticeships. In 2008 the scheme injected an extra 30 apprentices into the supply chain.

Bursaries

With funding provided by the NDA and Serco, the Skills Academy successfully managed the Nuclear Bursary Award Scheme. The scheme is aimed at attracting a broader mix of new entrants into the Nuclear Industry and into the wider Science and Technology agenda. A total of 49 Bursaries (ranging from £500 to £3,000) have been awarded, providing students with financial help towards an array of qualifications from Foundation Degrees to Masters Degrees, which will help start or further their careers in the nuclear sector.

Foundation Degrees and HNDs

The Skills Academy has achieved its target for Foundations Degree enrolments. A total of 4 courses have been endorsed by the Skills Academy, which include:

- UCLAN - Foundation Degree in Nuclear Related Technology
- UCLAN - Foundation Degree in Nuclear Decommissioning
- UCLAN - FdSc HVAC Energy Engineering
- UCLAN - Foundation Degree in Nuclear Project Leadership

In addition to the Foundation Degree endorsements, the Skills Academy has made significant progress with the Universities of Central Lancashire and Portsmouth, in developing a leading-edge Foundation Degree in Engineering. First enrolments are expected September 2009.



Employer Associate Membership

The Skills Academy achieved its target of gaining 40 Associate Members in its first year of operation, demonstrating the employer support for the Skills Academy.

Quality Assured Providers

The provider network has developed significantly in 2008, developing a strong product delivery mechanism.

The Providers who achieved Quality Assurance from the Skills Academy in 2008 are:

- GEN II
- TTE Ltd (Training Tomorrows Engineers)
- Springfields Apprentice Centre
- Blackpool & The Fylde College
- Hartlepool College of Further Education
- Defence College of Management and Technology
- Nuvia Ltd
- Bridgwater FE College

The Skills Academy has created links with Higher Education (HE) providers to ensure that career progression throughout the Skills Pyramid is accessible to learners. In 2008 the Skills Academy engaged with four HE providers as part of the network, UCLAN, Portsmouth University, the University of Highlands and Islands and the Open University, which was appointed as the first HE Associate Member of the Skills Academy. The Skills Academy has a close and highly effective relationship with Cogent SSC, and this collaborative approach is demonstrated in the Nuclear Skills Passport, which will help to develop and sustain a qualified mobile workforce with transferable skills for a world-class nuclear industry. The Skills Passport is developing well with phase one roll out expected in 2010.

With Cogent SSC the Skills Academy is also working closely with the English, Scottish and Welsh Governments to ensure that the challenges faced can be addressed in a truly national approach and aligned to the relevant policies across the UK.

National Skills Academy Process Industries Review



Following the official launch of the National Skills Academy Process Industries in January 2008, great progress has been made.

The response from employers has been excellent – employers and training providers of all sizes have been quick to recognise the benefits and to come forward and be part of the Academy’s regional skills boards and network development groups.

This allows them to direct industry change from the inside, which is vital for making sustainable progress. The sign up now represents 20% of the Process Industries workforce, giving employers one voice through which to lobby at the highest levels.

Regions

The Skills Academy has established regional spokes in the key hotspots of the East and West Midlands, the North West, the North East, Yorkshire and the Humber, and the South East and London. Each region’s activities are driven by its own employer-led skills board and the Academy is building strong partnerships with regional training providers, networks and other stakeholders.

Across the regions it has also created several high level training environments, thanks to the handover of several million pounds worth of industry equipment from a number of Regional Development Agencies.

Now that the current spokes are firmly established, the plan is to roll out footholds in Wales, Scotland and Northern Ireland over 2009 - 2010. The creation of an Employer Engagement Team has significantly increased the number of contacts and supported the efforts of the Academy’s Regional Skills Managers and strengthened partnerships with employers throughout England.

Training Provider Accreditation

The Training Provider accreditation scheme is now well underway, with the first public and private sector providers signed up as academy-endorsed providers. The provider network is a key element of the strategy – it gives employers confidence that they are investing in quality training that will help their businesses meet current and future challenges. It also creates opportunities for providers to further develop the industry-specific training that employers need.

Creating a solid skills and development framework will also make a Process Industries career very attractive to the thousands of young graduates and apprentices the industries will need over the coming years, and the Skills Academy continues to develop its partnerships with further and higher education providers to encourage the flow of young people.

The extra funding and support for apprenticeships announced by the Government in 2008 was a very welcome and positive move towards supporting employers in their efforts to gain highly skilled and motivated people via the apprenticeship route.

Products and Services

Development of a range of products and services continues to gather pace, with some excellent results, including the launch of the web-based Skills Passport, the Accreditation System for Employer Training programme (ASET), and the development of e-learning modules. A new website at www.process.nscademy.co.uk was launched at the end of the year, offering a digital one-stop-shop on skills issues, and hosting a wide range of information for employers, providers and people considering a process industries career.

The formal announcement of the Sector Compact was seen by The Academy as a great boost for employers, giving them the funding to support additional, higher level qualifications training. This is making it much easier to attract people from other sectors, or those who already have above minimum level qualifications, but still train them in sector specific qualifications.

The downturn in the global economy has not been easy for businesses across all sectors, and the process industries have not been immune to the effects.

However the Academy continues to reinforce the message that despite the gloomy headlines, this is not the time to cut training budgets. In response to the difficult economic climate and the pressure on budgets Cogent and the Skills Academy are launching a variety of new membership packages – including an option of free individual membership – and increasing the range of benefits on offer.



OPITO

During the year Cogent and its founding partner OPITO the Oil and Gas Academy formed an alliance partnership to enable them jointly to deliver on the skills agenda for the industry.

This important partnership reinforces OPITO's efforts to ensure continued workforce capacity and capability in a dynamic UK sector which is of strategic importance given the nation's priority of security of supply and sustainable energy.

OPITO, the Oil & Gas Academy is an industry funded, employer-led organisation committed to developing the oil and gas industry's workforce now and in the future.

The partnership with Cogent, as the SSC for Oil and Gas, is ensuring industry representation within the Cogent Sector and with both central Government and other key stakeholders around the UK.

Cogent does this through its officially recognised strategic role in each of the four nations and through the UK Commission for Employment and Skills (UKCES). In this way the industry can ensure that it has a clear voice in the development of skills strategies in each nation.

Through this strategic partnership, the industry is securing this important additional route to talk to regional, central and devolved governments on the skills agenda. It also ensures that industry needs are fully considered in the important vocational reform that Cogent is managing on behalf its Sector, as well as being able to access important initiatives such as Train to Gain in England.

The production and dissemination of sound Labour Market Information for the industry and information on careers and guidance to support recruitment both across the Cogent footprint and the Oil and Gas Industry is another important facet of this partnership.

Cogent benefits from OPITO's close contact with and deep understanding of the Oil and Gas Industry. With observers on each others' Board, and a shared agenda around boosting the uptake of Science, Technology, Engineering and Maths (STEM) as well as the joint incentive to ensure sectoral portability of skills it's a strong integration that will undoubtedly exceed the sum of its parts.

SASL

Back in 2007 it was concluded by the Cogent Board that a partnership arrangement with a successful specialist Awarding Body would best address all the factors influencing Cogent's subsidiary, and Awarding Body, Skills Assurance Services Limited's (SASL) current and future performance. SASL had been the Awarding Body for the Polymers Sector and also Signmaking.

To that end, and following a detailed review of the best way forward, in July 2008 SASL was acquired by PAAIVQ-SET. The acquisition complemented PAAIVQ-SET's existing operations and gave its approved centres access to, among others, the following qualifications:

- Polymer Processing and Related Operations, Levels 1 – 3 NVQs
- Signmaking, Levels 2 & 3 NVQs
- Certificate in Signmaking, Level 3 VRQ





Our people

Our people are the key to our success. Last year we expanded our team in order to further the delivery of the objectives set out in our business plan. However, we remain focused on being a lean and effective organisation with employees who have a wide range of skills and experience that benefit the employers in our Sector.

We are keen to ensure that every Cogent employee can reach their full potential and in our fast-growing organisation we must ensure all our staff are fully equipped to do their job. We have an appraisal process to manage performance and set challenging goals for the organisation.

Our Board meets quarterly and guides our strategic direction and our plans for industry, ensuring they are relevant, realistic and future-focused.

The Cogent Senior Management Team, led by our CEO Joanna Woolf, is responsible for delivering the annual budget and plan and ensuring that we have the right people and level of resources to execute this. We have a strong focus on internal communications through our regular Communications Days, Internal website and Chief Executive's Reports. We are in Investor in People organisation.



Plans for future periods

Pharmaceuticals, energy and biotechnology are undergoing rapid change and development with new technology and innovation at the forefront. The Government recognises that support is crucial if these industries are to excel and attract young talent.

Employers from across this valuable and vital UK business sector are working with us to make real and lasting change to the skills and education infrastructure including the culture change that recognises skills as an investment.

Our industries recognise that to sustain growth they need to attract new generations of technicians, engineers and scientists into long and rewarding careers in some of the world's most innovative companies. Employers are increasingly looking to Cogent to bring coherence and co-ordination to successful attraction initiatives.

In our first four years, Cogent has moved from pathfinder SSC status through the Sector Skills Agreement with industry to the establishment of its two industry supported National Skills Academies- for the Process and for the Nuclear industries, as well as the Oil and Gas Academy OPITO.

Cogent is uniquely placed to articulate the strategic needs of employers over the long term and to ensure that provision is demand led and fit-for-purpose for workforce development.

Our research and collection of Labour Market Information (LMI) continues to build unrivalled intelligence and analysis about the skills needs of the sector. The precision and presentation of this LMI in the form of Fact Sheets and our web-based Career Pathways service has received national approval from employers and stakeholders alike.

Here we will focus on capturing new roles in areas such as emerging technologies and the sustainability agenda.

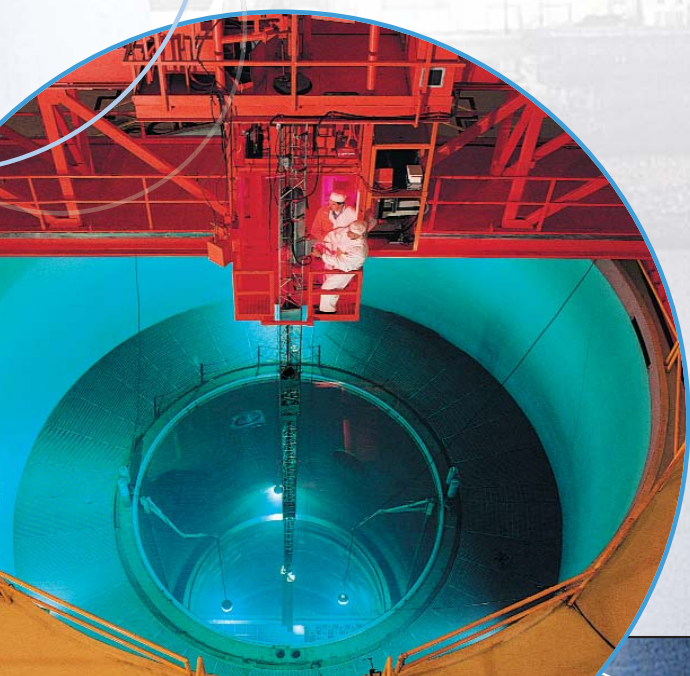
A second licence will enable Cogent to implement our highly regarded Sector Qualification Strategy to ensure that qualifications are genuinely transformed to meet the needs of employers.

We have calculated that increased productivity and competence derived as a result of industry upskilling is worth £1.5bn to the economy. Fundamental to the success of the Cogent vision for our employers, will be a national skills funding system that enables the funding of bite-sized modules of learning, and Cogent is keen to continue to work with government agencies to achieve this.

Our industries are keen for us to support innovation and business improvement techniques in their business and to help meet the regulatory demands and public expectations on environmental sustainability.

Whilst we will be focused on UK skills we will seek to exploit the potential of international markets for branded skills products and standards in a similar way to the highly successful operations of OPITO the Oil and Gas Academy.

Through its new licence from the UKCES, Cogent is committed to ensuring that our employers and the people who work in our industries can compete successfully in a global economy and ensure a prosperous future for the UK.



Cogent Group Boards

Cogent SSC Board

John Beacham	Chair
David Barber	British Energy plc
Amarjit Basi	Walsall College
Tony Burke	Unite
Phil Davie	AMEC Natural Resources
Andy Evans	Astra Zeneca
Karl Gorge	Cogent Sector Skills Council
Anthony Higham	Aesica Pharmaceuticals
Chris Horton	LINPAC Packaging Limited
Dai Hudd	Prospect
Ian Hudson	Nuclear Decommissioning Authority (NDA)
Chris Hunt	UKPIA
Brian McCann	Clarehill Plastics
George Ritchie	Sembcorp Utilities UK Ltd
Lynne Sampson	Shell UK Oil Products Ltd
Jane Stirling	Total UK Ltd
Steve Westhead	Solutia UK Ltd
Joanna Woolf	Cogent Sector Skills Council
Brian Worrall	Chevron

National Skill Academy Process Industries Board

Chris Horton	LINPAC Packaging Limited - Chair
David Berridge	Industry Expert
Tony Birch	Industry Expert
Paul Booth	SABIC UK Petrochemicals
Jennifer Clucas	Chemicals Northwest
Gillian Collinson	One NorthEast
Ian Fyfe	INEOS Olefins & Polymers
Mike Holding	Contract Chemicals (Knowsley) Ltd
Pete Jackson	Reaxa Ltd
Bill Mortel	Trelleborg Industrial AVS
Jim Mowatt	Unite
Michele Roberts	Learning & Skills Council
Derek Willison-Parry	GSK
Joanna Woolf	Cogent Sector Skills Council

National Skills Academy for Nuclear Board

David Bonser	Westinghouse - Chair
Jerry Abbott	AMEC/UKAEA/Scotland
Steve Ball	URENCO
David Barber	British Energy - part of EDF Energy
Peter Bleasdale	National Nuclear Laboratory
Jim Carrick	Washington Group (also representing the consortium with Areva)
Brian Cothran	GE Hitachi Nuclear
Nigel Couzens	Nuclear Decommissioning Authority
Nick Cusick	Finance Director - National Skills Academy for Nuclear
Greg Evans	Energy Solutions (inc Magnox North and South)
Mike Graham	TUC
Jon Heley	MoD/AWE
Jean Llewellyn	Chief Executive - National Skills Academy for Nuclear
Paul Renshaw	Serco
Jerry Schneider	Fluor Ltd
Mike Tynan	Westinghouse and Springfields
Mark Watters	Doosan Babcock
Joanna Woolf	Cogent Sector Skills Council

Summary financial information

Structure, Governance & Management

Governing document

Cogent SSC Limited is a company limited by guarantee with charitable status, registered in Scotland with OSCR. It was awarded a five year licence by government on 1 February 2004 to act as Sector Skills Council and it was announced on 11 May 2009 by the skills secretary John Denham that Cogent had been successful in its application for a further trademark licence to operate as a Sector Skills Council. Cogent is governed by its revised Memorandum and Articles of Association to allow for its current governance arrangements. There are currently 17 members, each of whom agree to contribute £1 in the event of the charity winding up.

Appointment of trustees

As set out in the Articles of Association, the trustees are appointed by the Members through the nominations committee. There are twelve employer nominated trustees (from the industry sectors that Cogent represents), three trade union trustees and up to five others. All trustees are in office for three years, with the option to be re-elected for a further term. The nominations committee is made up of five trustees. It considers the requirement for specialist skills and appropriate regional representation when recommending trustees to the Board.

Training and induction for trustees

All trustees receive an induction pack on joining the Board which includes the Memorandum and Articles of Association, the Cogent business plan, annual report and market assessment on the sector industries. Training for trustees takes place to brief them on their legal obligations under charity and company law.

Organisation

The Board of Trustees, which can have up to 20 members, administers the charity. The Board meets quarterly and there are sub-committees covering nominations, finance and audit and remunerations, which meet as and when required. A Chief Executive Officer is appointed by the Board to manage the day to day operations of the charity. To facilitate effective operations, the Chief Executive Officer has delegated authority, within the terms of delegation approved by the trustees, for operational matters including finance and employment.

Internal control

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The trustees review the strategic plan and annual budget and

approve the same. They consider the financial results on a regular basis including variances from budgets. The audit committee meets at least twice a year under its terms of reference.

Related parties

The charity has three wholly-owned subsidiaries – Cogent Telford Limited, National Skills Academy for Nuclear Limited (NSAN) and National Skills Academy Process Industries Limited (NSAPI).

Business review

Cogent SSC Limited (Cogent) is the Sector Skills Council (SSC) for the chemicals, pharmaceuticals, nuclear, oil and gas, petroleum and polymer industries. The results for the year show a pre-tax surplus of £59,000 (2007 deficit of: £413,000) with total income of £7,581,000 (2007: £11,206,000). The reduction in income is caused by the sale of OPITO during 2007 with sales of £6,930,768.

Following the successful relicensing the current three year contract with the government that is due to expire at the end of December 2009 will be replaced with a new strategic funding contract for a period up to 31 March 2013 to allow the charity to continue with its charitable objectives. During the year a strategy review for Skills Assurance Services Ltd (SASL) was undertaken. One key objective was to explore how the SASL offer could be broadened and how it could better serve employers in the sector. As a result, on 4 July 2008 the SASL business was acquired by the awarding body PAA\WQ-SET. SASL within the Cogent family was then renamed Cogent Telford Ltd operating administration services for Cogent.

Income generation

Cogent's main source of revenue are products and services delivered in the UK, employer contributions, project funding from government and other agencies and core funding through a 3 year SSC contract for £4.8m with the UK Commission for Employment and Skills.

The main source of income for the two Academies came from grant funding from the Learning and Skills Council (LSC) and Regional Development Agencies (RDAs). These grants topped up contributions received from employers within the Nuclear and Process Industries, leaving the Academies at break even for the fourteen months to December 2008 as expected. By the end of 2010, the Academies aim to be self sustaining, using grants to purely fund development activities or specific projects. Income will be generated through the sale of products and services.

The financial information in this report has been extracted from the annual accounts for which an unqualified audit opinion was issued.

Consolidated Statement of Financial Activities for the year ended 31 December 2008

	£'000	2008 £'000	£'000	2007 £'000
Incoming resources				
<i>Incoming resources from generated funds:</i>				
<i>Continuing operations</i>				
Voluntary income	1,645		1,599	
Activities for generating funds	523		555	
Investment income	163		145	
		2,331		2,299
<i>Discontinued operations</i>				
Activities for generating funds		-		6,931
<i>Incoming resources from charitable activities:</i>				
Continuing operations		5,413		2,121
Total incoming resources		7,744		11,351
Resources expended				
<i>Continuing operations</i>				
<i>Cost of generating funds:</i>				
Trading, costs of goods and services		4,204		619
<i>Cost of charitable activities:</i>				
Occupational standards, education and qualifications		1,012		411
Research, policy and engaging with employers		2,422		3,254
Secondment		-		109
Governance costs		47		40
Discontinued operations	-		6,751	
Loss on disposal of subsidiary undertaking – exceptional item	-		667	
		-		7,418
Total resources expended		7,685		11,851
Net incoming/(outgoing) resources and net movement in funds		59		(500)
Fund balance at:				
1 January		1,148		1,648
31 December		1,207		1,148

Balance sheets as at 31 December 2008

	Group		Company	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000
Fixed assets				
Intangible assets	-	42	-	-
Tangible assets	587	133	110	92
Investments	13	13	13	18
	600	188	123	110
Current assets				
Debtors	812	1,144	444	1,090
Cash at bank and in hand	4,275	714	1,079	644
Cash held on behalf of Third Parties	1,945	-	-	-
	7,032	1,858	1,523	1,734
Creditors				
Amounts falling due within one year	(6,127)	(898)	(461)	(483)
Net current assets	905	960	1,062	1,251
Total assets less current liabilities	1,505	1,148	1,185	1,361
Creditors: amounts falling due after more than one year	(277)	-	-	-
Provisions for liabilities and charges	(21)	-	(21)	-
Net assets	1,207	1,148	1,164	1,361
Funds				
Unrestricted reserves	1,207	1,148	1,164	1,361
Total funds	1,207	1,148	1,164	1,361

The financial statements were approved by the Board of trustees on 11 June 2009 and were signed on its behalf by:



Trustee

Consolidated income and expenditure account for the year ended 31 December 2008

	2008 £'000	2007 £'000
Income		
Continuing operations		
Charitable income	5,413	2,121
Non-charitable trading activities income	2,168	2,154
Total continuing operations income	7,581	4,275
Discontinued operations		
Non-charitable trading activities income	-	6,931
Total income	7,581	11,206
Expenditure		
Continuing operations		
Charitable expenditure	3,481	3,814
Non-charitable trading activities expenditure	4,204	619
Discontinued operations		
Non-charitable trading activities expenditure	-	6,664
Loss on disposal of subsidiary – exceptional item	-	667
Total expenditure	7,685	11,764
Deficit for the financial year before interest and taxation	(104)	(558)
Interest receivable	163	145
Surplus / (deficit) for the financial year before taxation	59	(413)
Taxation	-	(87)
Surplus / (deficit) / for the financial year	59	(500)

The group has no recognised gains and losses other than those included in the Statement of Financial Activities.

There is no difference between the deficit for the year and the historical cost equivalent.

The consolidated income and expenditure account is derived from the Statement of Financial Activities.





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