

Simplification of Skills in England

An interim assessment of progress on implementing the recommendations in Simplification of Skills in England

July 2009

Contents

Foreword	3
Summary	4
1. Introduction.....	6
2. Status of progress on the recommendations.....	7
3. Emerging findings.....	16
4. Areas for further work	18
5. Timetable for next report.....	19
Annex A	20

Foreword

In July 2008, the UK Commission for Employment and Skills responded to a request from the Secretary of State for Innovation, Universities and Skills to produce an initial report “to advise Government on simplification of post-19 training and skills in England”.

This request resonated with the Chairman and members of the UK Commission who believed that there was too much complexity and bureaucracy in the system, so that even those employers who were keen to raise the skills of their workforce were too often deterred from engaging with the publicly-funded system.

Our initial simplification report contained 10 recommendations for change, covering 6 main areas for action. These were accepted in their entirety by the Secretary of State for Innovation, Universities and Skills in October 2008, who also asked the UK Commission to monitor progress in implementing the recommendations and whether the proposed changes were having a measurable impact from an employer perspective.

We have spent the last 6 months working with colleagues across government, both nationally and regionally, to look at the activity and the impact of the recommendations on the publicly-funded skills system.

Our interim conclusions on the implementation of the Phase 1 recommendations are that there has been some considerable progress. Section 3 sets out some of the highlights. None of these improvements would have happened without the hard work and dedication of colleagues across the system, and I pay tribute to them for their efforts, particularly given the depth of the challenging economic circumstances that have arisen since our initial report was produced.

However, in spite of some undoubted successes, there is still much to be done in implementing the totality of recommendations in a way which makes it genuinely simple for any employer to participate in and reap the benefits of increased productivity as a result of engagement with the publicly-funded skills system. Those areas which we believe require further work are set out in Section 4.

In summary, this interim assessment points to the fact that good progress has been made, we know that there is still more to be done, and we look forward to being able to report further achievements in December 2009.



Chris Humphries
Chief Executive, UK Commission for Employment and Skills

Summary

The UK Commission's initial simplification report, published in October 2008, contained a series of ten recommendations¹ to address the complexities faced by employers in working with the publicly funded post-compulsory training and skills system. These recommendations were designed to 'hide the wiring' in order to make it much easier for employers to find and obtain the support they need, and concealing complexity behind the scenes with the different government agencies and delivery organisations.

We have organised these recommendations under six main areas for action as follows:

1. **The Talentmap:** *how employers can find out about publicly funded skills services on-line.*
2. **Integrated Brokerage Service for skills and business support:** *how employers of all sizes get access to the support they need for their businesses, through suitably skilled intermediaries.*
3. **Train to Gain Core Service:** *the comprehensive service for employers to meet their mainstream business skills needs.*
4. **Train to Gain "Plus":** *specialised skills services to meet strategic skills needs such as sectoral or higher level skills and services.*
5. **Branding:** *coherent, consistent messaging to business by government on all publicly funded skills and business support.*
6. **Bureaucracy reduction:** *reducing the complexity of funding and contracting systems, simplifying qualifications and making quality assurance fit for purpose.*

How we have established our findings

For each of these six areas, our approach has been to:

- Gather evidence on the current situation
- Identify the scope for further progress
- Understand any barriers or issues impeding progress; and
- Evaluate the impact of current activities and the extent to which they will have reduced complexity from an employer perspective by December 2009.

We have gathered our evidence on each of the six themes by:

- Discussing with the national policy leads in the Department for Business, Innovation and Skills (BIS) and the Learning and Skills Council (LSC) the policy intent, and the action being taken to implement the policy
- Investigating the impact of the changes on the ground through discussions with national stakeholders and visits to regions to hear the views of regional partners, employers and representative organisations.

All our evidence is collected using consistent approaches such as semi-structured interviews with national and regional partners.

This evidence collection process will continue until the end of the year. We will complete our programme of regional visits, continue dialogue with national and regional stakeholders, and commission an independent piece of market research to gather the views of a robust sample of employers. We also intend to visit the Devolved Administrations to discuss differences and examine lessons learnt in order to inform our thinking for the December 2009 report.

¹ The original 10 recommendations are set out in Annex A.

Findings to Date

Under the six strands we have identified fifteen discrete activity areas, of which three currently have a green rating, meaning that they are on track to achieve the desired outcomes by December 2009. A further nine are rated amber at this point, which indicates that we think progress is broadly on track and will achieve the desired outcome, provided planned activities are maintained and built upon. However, the remaining three are rated amber/red. These are the areas which we believe will require greater efforts to deliver a reduction in complexity. We will continue to monitor these areas closely over the coming months.

Overall, there has been good progress, involving a wide range of stakeholders, in bringing the Talentmap into operation, although the proof will be in its usage by employers and the level of real integration achieved with other information and advice portals.

Important steps have been made in moving towards a fully Integrated Brokerage Service (IBS) in each region although more remains to be done in terms of resolving the current complexity of broker standards, qualifications and registers.

Large, national employers continue to receive a good service from the National Employer Service (NES), while the National Apprenticeship Service (NAS) has been established with a clear brief and remit, although it will be important to assess the coherence of its operations with the IBS and NES at regional and national level respectively.

The increase in Train to Gain take-up across the country has been impressive. However it is clear that what some employers continue to experience is provider-driven off-the-shelf training provision, rather than a high quality, needs-based service taken forward within an identified training plan and leading to demonstrable business benefits.

We also need to ensure that the encouraging new focus on more specialised and bespoke skills services can be adequately managed to prevent multiple employer contacts.

In terms of branding, Train to Gain now sits within the portfolio of 30 Real Help for Business products, one of many positive outcomes of the Business Support Simplification Project. However, from an employer's point of view, there are still a number of direct service and employer facing organisational brands involved, including Apprenticeships, National Vocational Qualifications (NVQs), National Skills Academies (NSAs), Sector Compacts, Business Links, National Employer Service (NES), National Apprenticeship Service (NAS), Sector Skills Councils (SSCs), Learning and Skills Council (LSC) and its successor the Skills Funding Agency (SFA), Regional Development Agencies (RDAs), Regional Skills Partnerships (RSPs), Employment and Skills Boards (ESBs) and a range of other initiatives and bodies.

Adding to this branding complexity, many individual organisations of a particular type, for example SSCs and RDAs have also developed their own discrete operating name and corporate identity. We will continue to work with colleagues in the Department for Business, Innovation and Skills (BIS) who have already made some progress, to establish what else can be achieved in our final report, by producing a simpler and more coherent narrative for employers on who does what; for what purpose; and to what end.

On bureaucracy reduction, there is much still to do. In spite of the progress on the Qualifications and Credit Framework (QCF), the qualifications system is still unwieldy and from the visits we have undertaken we have found clear examples of the system not being responsive enough, particularly in relation to the length of time taken to approve some new qualifications. Funding and contracting systems require further rationalisation to ensure that the requirements are proportionate and in line with those changes which have been agreed at the centre of government, whilst the plethora of quality standards also offers scope for rationalisation.

1. Introduction

The UK Commission's initial simplification report, published in October 2008, contained a series of 10 recommendations² to address the complexities faced by employers in working with the post-compulsory training and skills system. These recommendations were designed to 'hide the wiring' in order to make it much easier for employers to find and obtain the support they need, and concealing complexity behind the scenes of different government agencies and delivery organisations. Specifically, these recommendations were designed to overcome the six major underlying causes of employer calls for simplification of the skills systems:

- Difficulties of finding/accessing the right parts of the system when needed
- Complexity of programmes/initiatives, with constant new announcements and changes
- Restrictive constraints on initiatives, leading to unmet employer expectations
- Excessive bureaucracy for those employers who do engage with the system
- Complexity of organisations and structures, all seeking to communicate with employers; and
- Constant change meaning that employers cannot keep track of what is on offer.

We are addressing the ten original recommendations through six main strands of work:

1. **The Talentmap:** *how employers can find out about publicly funded skills services on-line.*
2. **Integrated Brokerage Service for skills and business support:** *how employers of all sizes get access to the support they need for their businesses, through suitably skilled intermediaries.*
3. **Train to Gain Core Service:** *the comprehensive service for employers to meet their mainstream business skills needs.*
4. **Train to Gain "Plus":** *specialised skills services to meet strategic skills needs such as sectoral or higher level skills and services.*
5. **Branding:** *coherent, consistent messaging to business by Government on all publicly funded skills and business support.*
6. **Bureaucracy reduction:** *reducing the complexity of funding and contracting systems, simplifying qualifications and making quality assurance fit for purpose.*

We have spent the last six months working with colleagues across government, both nationally and regionally, as well as with employers and their representative bodies, to evaluate the activity under each work strand and its impact on the publicly-funded skills system. This interim report sets out our findings to date and identifies those areas where we intend to do more work during the remainder of the year, or where we believe that more progress is still needed.

In carrying out the work set out in this report we have been greatly helped by the willingness of partners from the public, private and voluntary sectors to share their experiences of the skills system and how it works on the ground. We have conducted our work through individual interviews and discussions with groups of people from all elements of the skills world. Over the next three months we shall complete our programme of regional visits, continue dialogue with the Devolved Administrations to see what practices can be learned and shared across borders, and we will also have the results of a piece of employer market research to test how the revisions to the system have been experienced by employers, and what impact they have had, before producing our final report on Phase 1 in December 2009.

² See Annex A for the 10 recommendations

2. Status of progress on the recommendations

Below is our rating of progress against each of the work elements as of July 2009.

In reaching these assessments we have used a performance management framework. For each element we have developed, in partnership with key stakeholders, a range of performance indicators against which to track progress. Progress against each of the indicators is tracked through a range of specific, objective and quantifiable performance measures. Progress against each of these performance measures has been assessed against documentary evidence provided by the Department for Business, Innovation and Skills (BIS), the Learning and Skills Council (LSC) and other national stakeholders, interviews with employer representative groups and other key stakeholders, and an extensive body of evidence collated during regional visits involving employers, training providers and key regional agencies.

A top level summary of progress against the headline Performance Indicators is set out below.

The Red/Amber/Green rating system used to summarise our headline assessment can be defined as:

- **Green:** is expected to achieve the desired outcomes by December 2009.
- **Amber/Green:** is expected to achieve the desired outcomes by December 2009 provided that no major variances occur.
- **Amber:** is expected to achieve the desired outcomes by December 2009 provided that appropriate action is taken to ensure progress is maintained.
- **Amber/Red:** could achieve the desired outcome by December 2009 if further and additional efforts are made.
- **Red:** achieving the desired outcome by December 2009 is unlikely and there are serious concerns about progress.

Element	Indicators	RAG	Comments	Action Required	Progress Needed to Achieve a 'Green' Rating by Dec 09
1. The Talent Plan: <i>how employers can find out about publicly funded skills services</i>	i. Employers can access the system by an intelligent portal linked to all relevant services.	Green	Progress to date: Launched on time and to budget with desired level of functionality. Has the support of all major partners.	Further action required: Monitor uptake by employers to establish the level of usage and impact.	To maintain a green rating: We expect to see growing usage and awareness among employers and a sustainable business plan for future development of the service.
2. Integrated Brokerage Service for skills and business support: <i>how employers of all sizes access the system</i>	i. Single brokerage service and access point in all regions of England.	Green	Progress to date: Arrangements are in place in all regions.	Further action required: There is a need to monitor and evaluate the quality and impact of the brokerage service on skills development for business success.	To maintain a green rating: We will want to see evidence of how the brokerage is encouraging previously unengaged employers to take up services to improve skills and increase profitability for businesses.
	ii. 1600 brokers all able to deliver effective skills and business support.	Amber	Progress to date: Broker training for skills and business support is being delivered by Regional Development Agencies (RDAs) and Business Links (BL). Small Firms Enterprise Development Initiative (SFEDI) has been contracted by RDAs and BL to review the current broker standard to incorporate skills.	Further action required: The impact of training on brokers needs to be evaluated. Progress on broker standards needs to be monitored and the agreement of a new standard made quickly to avoid further uncertainty and the continuance of multiple standards. Broker qualifications, assessment, Continuing Professional Development (CPD) and the position on broker registers all require further resolution.	To achieve a green rating: We would wish to see the current review of broker standards completed by December 09 and a plan for the integration of existing standards (including skills brokers, Business Link University (BLU) and Business Link broker standards) into a single, National Occupational Standard (NOS) by April 2010. We would also wish to see an action plan for progress on simplified broker qualifications, assessment and validation, including CPD, agreed by BIS, RDAs, SFEDI and Institute of Business Consulting (IBC) by April 2010. A separate review of the need for registers should be conducted by December 2009 by Business Support as a Profession Advisory Group with clear recommendations for a way forward.

Element	Indicators	RAG	Comments	Action Required	Progress Needed to Achieve a 'Green' Rating by Dec 09
	iii. Professional delivery staff in all Train to Gain providers, providing a business needs based service.	Amber	Progress to date: Employers should be assured of receiving the same quality of service from all Train to Gain providers, both within and without the Integrated Brokerage Service. A review of employer engagement National Occupational Standards (NOS) for providers is underway which could be used to enhance the Training Quality Standard (TQS) which is proving popular with providers and employers.	Further action required: Work to map TQS and the brokerage standard will be completed by October. LSC will lead on ensuring that TQS and the new broker standards are matched up and will consider how to encourage providers to use the broker standard where appropriate to deliver consistent quality of advice.	To achieve a green rating: We would wish to see progress maintained on the plan of action by October 2009 to develop NOS for employer engagement staff in colleges and providers, drawing on best practice and for the integration with TQS to progress in line with the plan.
	iv. National Employer Service (NES) providing a high standard of service to employers with more than 5,000 employees.	Green	Progress to date: Employer feedback on NES is positive. A protocol on ways of working and employer engagement is ready for sign off between Business Link (BL) and NES.	Further action required: It is not always clear how employers are directed to other specialist or higher level skills services outside the core and extended Train to Gain offers. The cascade effects of the protocol in the regions for working between all the partners needs to be monitored regularly going forward.	To maintain a green rating: We would expect to see continued evidence of positive employer feedback on NES services. We will also require continued evidence of consistency and clarity in terms of ways of working between BL and the NES across all regions.
	v. National Apprenticeships Service (NAS) is engaging employers in the apprenticeships programme with no duplicate approaches.	Amber	Progress to date: NAS has been operational since April 2009. NAS is developing a protocol for joint working with Business Link (BL) to be agreed with the East Midlands Development Agency (EMDA) on behalf of all the RDAs.	Further action required: Agreeing employer engagement protocols is only a first step in ensuring coherence. The impact of the protocol on organisational behaviour needs to be assessed and monitored going forward to see how the various organisations are working on the ground and to establish whether employer confusion is being reduced. This will be measured in the employer market research.	To achieve a green rating: This indicator is rated Amber largely due to the newness of the NAS and the potential for duplication given the fact that there are far more employers with around 250 staff (the delineation point for referral to BL) than 5000 staff (the point of referral to NES). To achieve a 'Green' rating we will need to see evidence that the protocol is being implemented effectively across all regions.

Element	Indicators	RAG	Comments	Action Required	Progress Needed to Achieve a 'Green' Rating by Dec 09
<p>3. Train to Gain Core Service: <i>the comprehensive service to employers to fit their mainstream business skills needs</i></p>	<p>i. Train to Gain provides an accurate identification of skills development needs in the context of business performance, with access to relevant services - within and without Train to Gain core service - and a clear agreement on who pays for what within the context of an agreed training plan.</p>	<p>Amber</p>	<p>Progress to date: Take up of Train to Gain has been impressive and employers using the service are largely positive. There is widespread agreement on the integrated core service provision within Train to Gain among partners, brokers and providers (i.e. that it includes all provision from Entry Level to Level 3, as well as Apprenticeships and Leadership and Management) and this information is available for all providers via the LSC Engage website and included with the Integrated Brokerage Service specification.</p>	<p>Further action required: It is not clear that all training within Train to Gain is delivered in the context of an assessment and plan aimed at business improvement. There is evidence that some provision is dominated by a provider-led 'product-push' approach rather than responding to identified business needs in a holistic way. Brokers may also only be signposting to providers; we will look to see evidence of follow through.</p> <p>Ultimately, this will be addressed through quality standards for all providers' employer engagement staff (see above) but progress will continue to be monitored through employer research and regional visits.</p>	<p>To achieve a green rating: We will want to see evidence, from the employer market research and regional visits that the majority of employers are aware of the various elements that make up the 'Train to Gain core offer' as set out on the Engage website. We will also be looking for further evidence that providers and brokers are able to articulate all aspects of the core offer, and that there is a clearly articulated message about what training is funded by the State and what needs to be funded by employers.</p> <p>In terms of additionality, we would like to see agreement on an acceptable deadweight threshold for Train to Gain and consensus on the measure used to track performance against this threshold. This would facilitate constructive discussion on the performance of Train to Gain going forward.</p>

Element	Indicators	RAG	Comments	Action Required	Progress Needed to Achieve a 'Green' Rating by Dec 09
4. Train to Gain Plus: <i>specialised skills services to meet strategic skills needs e.g. sectoral or higher level skills in areas of market failure where commercial provision is lacking</i>	i. Sector Compacts and National Skills Academies (NSAs) are developing new specialised skills services linked to Train to Gain access points.	Amber	<p>Progress to date: 10 Compacts are in place. Some Sector Compacts and NSAs have been well received by employers and are meeting identified specialist gaps.</p> <p>However, some employers are uncertain about the role of NSAs and their positioning within the skills system.</p>	<p>Further action required: Individual differences between those Compacts agreed early on in the process offer the potential for duplication and additional complexity, particularly for those employers whose work spans more than one SSC footprint. This should be addressed through the current review of Compacts being conducted by BIS which will assess their relevance and future direction in the current economic and funding climate.</p>	<p>To achieve a green rating: We will want to see, following the completion of the review of Compacts, a clear articulation of the role and future direction of Compacts, particularly around their role in simplifying employer engagement. We will want to see further evidence from employers, through market research and regional visits, of the value of Compacts to their business.</p> <p>We recognise that NSAs are, in most cases, very new. We want to gather further evidence from employers over the coming months about their particular experiences and perceptions of NSAs in order to comment on their impact in terms of addressing employer needs.</p>
	ii. SSC clusters are enabling collaborative working to simplify the service to employers on cross sectoral skills and delivering efficiencies.	Amber	<p>Progress to date: The manufacturing alliance and other SSC activities are developing good practice in this area. The SSC Alliance is actively promoting SSC collaboration on core functions.</p>	<p>Further action required: Further evidence of progress is required across a wider spread of both sectors and regions to be reviewed by October 2009.</p>	<p>To achieve a green rating: We will want to see action plans for clustering covering all SSCs and addressing the needs of each region by December 2009. Progress on clustering to date has largely been as a result of SSCs taking their own initiative. It may be helpful if there were to be firmer policy direction in support of clustering.</p>

Element	Indicators	RAG	Comments	Action Required	Progress Needed to Achieve a 'Green' Rating by Dec 09
	iii. Small and Medium Enterprises (SME) clusters: SMEs are able to access Train to Gain and other related services through appropriate local arrangements.	Amber	Progress to date: Phase 1 activity has been carried out but, due to funding issues, all cluster activity has been halted except in the North West. The NAS has recently made £7 million available to support Apprenticeships delivery through Group Training Associations but these projects will not be contracted until September 2009.	Further action required: Monitoring of the activity in the North West is required to develop recommendations for the future. The Learning and Skills Improvement Service (LSIS) review of the Phase One SME Clusters made several recommendations for improving the effectiveness of cluster working and progress on these will be monitored in the coming months.	To achieve a green rating: By December we would expect to see all projects funded through the NAS's Group Training Association prospectus to be fully operational. We would also expect delivery of the 19 clusters in the North West to have progressed in line with their business plans, taking into account the issues for further consideration raised in the LSIS Review. We would also expect to see a clearly articulated policy on funding for SME clusters after December 2009.
	iv. New specialised and higher level skills services are not leading to re-proliferation and employer confusion.	Amber/Red	Progress to date: We identified a number of relevant, responsive and effective specialised and higher level skills initiatives. However we have found little evidence to date of coherent strategies for coordinating these various initiatives although SSCs, Higher Education and Further Education institutions (HEIs and FEIs), Brokers and RDAs are generally aware of the need to work with other partners to achieve coherence.	Further action required: There is a need to work at both national and regional level to examine the relationships between those parts of the system involved in employer engagement in order to minimise overlap and duplication of approaches and promote collaboration e.g. among SSCs, HEIs, FEIs, private training providers, NSAs, Jobcentre Plus and Business Link. We want to look further at some of the good practice examples we have seen in the West Midlands and the North West regions.	To achieve a green rating: Will require a concerted effort from a range of stakeholders at national and regional level. Such a rating will be achieved through the publication and dissemination of a clear strategic framework for specialized and higher level skills initiatives which is clear, coherent and consistently understood by employers. Such a framework should incorporate the recommendations above around SSC cluster working and ongoing sector-specific initiatives such as Compacts. BIS have an important role to play here in terms of setting out, through the HE Framework, how the sector can respond to meet higher level skills needs.

Element	Indicators	RAG	Comments	Action Required	Progress Needed to Achieve a 'Green' Rating by Dec 09
5. Branding: <i>coherent, consistent messaging to business by Government</i>	i. All publicly funded skills and business support services have brand guidelines which are understood and adhered to.	Amber	<p>Progress to date: Progress has been made through Business Support Simplification Programme branded Real Help for Businesses, of which Train to Gain and Apprenticeships, NVQs and Skills for Life are sub brands</p> <p>RDAs have started to map non-Train to Gain branded skills services in each region but there is less clear evidence of the way protocols and processes for ensuring multiple contacts are avoided.</p>	<p>Further action required: We will use the market research into the views of employers to test their views as to whether the proliferation of brands continues to be a problem.</p>	<p>To achieve a green rating: There will need to be recognition that the desire of organisations to have a public facing brand may not be helpful in removing complexity. A discussion and agreement between the key players as to how to remove the proliferation of brands would be a good start, as would a decision by the SFA to restrict its external branding.</p>
6. Bureaucracy reduction	i. A simplified, rationalised, unitised, system of qualifications that meets employers' needs.	Amber/Red	<p>Progress to date: The Vocational Qualifications Reform Programme (VQRP) is identifying key actions such as specifying a maximum time for qualification development and there has been good progress on the Qualifications and Credit Framework (QCF) which has great potential to be responsive to employer needs.</p>	<p>Further action required: By VQRP and partners on:</p> <ul style="list-style-type: none"> • Minimising re-proliferation by ensuring that qualifications developed are based in employer demand, and that the process is made as easy as possible • Lack of comparability of size, no. of learning hours etc. across qualifications, including NVQs of the same level • Bureaucracy and costs: for example the time taken to develop new qualifications needs to be monitored going forward • Perverse funding incentives and targets: which, for example, do not support the delivery of unitised qualifications. 	<p>To achieve a green rating: We would expect to see an agreed framework for action to address these issues and achieve significant progress by 2011, as well as arrangements for effective monitoring and evaluation on key measures such as progress on time reduction and take up of units.</p>

Element	Indicators	RAG	Comments	Action Required	Progress Needed to Achieve a 'Green' Rating by Dec 09
	<p>ii. Contracting and funding support demand led provision, outcomes not outputs and value for money for the public purse.</p>	<p>Amber/Red</p>	<p>Progress to date: There is evidence that some paperwork has been rationalised and that the amount of paperwork involved in Train to Gain has reduced to some extent.</p>	<p>Further action required: There is much more to be done to ensure that national level decisions lead to measurable improvements for employers. Efforts should be made to ensure that pilot measures that have been proved to work, such as the use of electronic signatures to reduce the need for paper records, are rolled out nationally.</p> <p>As part of the work being taken forward around the setting up of the SFA it is important to develop services and systems that are more responsive to employers' needs. This should include sending out a clear message about funding and contracting requirements and ensuring that there are clear lines of accountability for ensuring that these measures are effectively implemented.</p>	<p>To achieve a green rating: We recognise that the creation of the SFA has the potential to reduce bureaucracy through establishing nationally consistent and clear contracting and funding requirements. As work to establish the SFA will still be ongoing in December 2009 we would want to see the following progress in order to rate this area 'Green':</p> <ul style="list-style-type: none"> • A clear plan of action, including assigning key roles and responsibilities, as to how funding and contracting burdens are to be reduced in the first months of the SFA • Clarity over the progress indicators (quantitative and qualitative) against which success is to be measured • Evidence that the lessons learnt through the electronic record pilots, carried out by NES with large employers, have been disseminated through the system as a whole and that as many providers as possible have benefited from changes introduced as a result of this • Clear indications from employers that they are consistently feeling the impact of reduced bureaucracy.

Element	Indicators	RAG	Comments	Action Required	Progress Needed to Achieve a 'Green' Rating by Dec 09
	iii. Quality standards: A single self assessment quality standard supported by Ofsted.	Amber	Progress to date: The Training Quality Standard (TQS) has been well received and can be adapted to fit this purpose alongside Ofsted inspections.	Further action required: The TQS is not intended to be a compulsory standard but should be promoted as the way forward for training providers, subject to integration of NOS based standards for employer facing staff (see section 2 on IBS). Customer online assessment and feedback should be investigated to supplement quality standards information on providers.	To achieve a green rating: We would wish to see an articulated commitment by BIS and partners to a single standard such as the TQS for providers to complement the Ofsted inspection regime. Good practice on e-rating schemes such as that in the South West should be evaluated and rolled out by December 2009.

3. Emerging findings

Our findings to date on the implementation of the Phase 1 recommendations are that there has been considerable progress. We have seen evidence of real willingness to change the system, and the fact that so much has been achieved is a tribute to the efforts of government departments and their various delivery agencies. Section 2 of this report set out our current view on how much progress has been achieved against each of the recommendations. It also highlighted those areas where we will be measuring progress in our final report, due to be published in December. And it recognises that whilst progress has been made, there are inevitably areas where much still remains to be done.

Areas where has been significant progress over the past six months include:

- The Talentmap, which was launched on 7 July
- The Integrated Brokerage Service, which is now in place across all English regions
- Joint working between some Sector Skills Councils - notably those involved in manufacturing
- Sector Compacts are in place and delivering specialist skills needs for a number of key sectors
- Employers are reporting a reduction in some elements of bureaucracy relating to funding and contracting
- Train to Gain is providing a relatively coherent skills service offer to employers and is generally well received by those who have experienced it
- The Qualifications and Credit Framework (QCF) is almost complete and the unitised, flexible modular delivery that employers have asked for is now increasingly possible
- Employers are now better able to develop their own qualifications and have their in-house training accredited, where they have the resources to do so.

However, there are areas where much still remains to be done as detailed below:

Added value

- Concerns about the extent to which some Level 2 qualifications are contributing towards business improvement through the development of new skills
- The extent to which brokers are able to provide the specialist support and advice that employers need to increase productivity
- Concerns about reluctance of providers to initiate genuinely new training activities as requested by employers
- The continued complexity of the qualifications system, including the number of institutions who are involved in developing and approving qualifications, and the length of time which this process can take.

Alignment of aims, targets and systems

- A lack of consistency and clarity, in some cases, over public funding and employer contributions and who pays for what and in what proportion
- The fact that some aspects of funding formulas and targets within the system have slowed down progress in implementing bite-sized training units, and made links with higher education and higher level skills more difficult to achieve.

Organisational complexity

- The increasing number of organisations involved in the skills system
- Concerns about the impact of the Machinery of Government Changes on the system
- Whether National Skills Academies will further add to the complexity
- While there were examples of support for Sector Skills Councils and praise for their work some employers and stakeholders expressed concern about the lack of clarity around their role and whether, in some cases, they added to the complexity of the system.

The offer to employers

- The wide range of publicly funded skills initiatives that are outside the Train to Gain offer and how these should be managed so as to avoid multiple employer contacts and confusion
- The range of organisational and service brands in the system which can be confusing for employers.

Quality and standards

- The need for clearer and simpler quality standards for providers, especially those who deliver Train to Gain directly to employers outside the brokerage service, in order to assist employers in making informed purchasing decisions
- Ongoing deliberations about broker standards and the need to streamline the process for keeping these updated and relevant.

Value for money

- Significant issues around the proportion of Train to Gain money going to public sector employers, or for training activity which is either required as result of legislation or which employers would have undertaken anyway without public funds. This raises questions about the best use of scarce resources in helping businesses and individuals progress and become more productive
- The effect of the over commitment of Train to Gain expenditure and the “stop-start” effect that this is having on provider ability to meet employer demand
- Issues as to how the emerging Skills Funding Agency (SFA) will balance flexibility to meet national and regional priorities at a time when budgets are likely to be under increasing pressure.

4. Areas for further work

Under the six strands we have identified fifteen discrete activity areas, of which three currently have a green rating. A further nine are rated amber at this point which indicates that progress is broadly on track and will achieve the desired outcome - provided it is maintained and built upon. However, the remaining three are rated amber/red as we think greater efforts will be needed to deliver the outcomes required. We will continue to monitor these areas closely over the coming months. We will also be looking at the issues set out below, where progress is underway, but where we believe there are significant gains to be made for employers if we can see even more activity.

- Broker standards continue to be an important part of the review. We are encouraged by the moves to see employer-facing staff in all providers reaching a similar standard of professionalism as that expected of Business Link brokers. We want to ensure that the relationship between the new National Apprenticeship Service, Integrated Brokerage Service and National Employer Service translates into a coherent approach to employer engagement at regional level.
- Further progress is required to ensure that employers are receiving a consistent business needs-based, rather than product-led service from Train to Gain across every region. Working to ensure that suitable systems are in place to link specialised and bespoke skills services to the Train to Gain core offer remains a challenge.
- Although Train to Gain now sits within the portfolio of thirty Real Help for Business Products, there is still a wide range of service and organisational brands from the employer point of view including for example, National Skills Academies, Sector Compacts, Business Links, the National Employers' Service, Sector Skills Councils, the Learning and Skills Council and its successor the Skills Funding Agency, Regional Development Agencies, Regional Skills Partnerships and a host of other initiatives and bodies. We hope to see some further work on how to simplify this from an employer perspective.
- In spite of the progress through the Vocational Qualifications Reform programme - on Qualifications and Credit Framework for example - the qualifications system is still seen as unwieldy, for a number of underlying reasons. The length of time taken to develop new qualifications is often disproportionate and the current funding system does not support or incentivise the delivery of bite-sized units.
- Funding and contracting systems require further work to ensure minimum bureaucracy and cost effectiveness and that public funding provides value for money and real additionality, and that the right behaviours are incentivised among providers and employers.
- More simplicity, consistency and clarity is required in funding and contracting regimes across the country as inter regional differences make it hard for employers to know what they can expect to pay for and at what level. A common message emerging through our evidence gathering is that employers do not object to paying for training if it is the right training, delivered to an appropriate standard and with a clear understanding of what they can be expected to fund themselves.

5. Timetable for next report

The timetable for our final report on Phase 1 is December 2009. Between the publication of this report and the final report in December we will:

- Continue to hold regular meetings with national policy leads in BIS and the LSC to discuss progress and agree areas for further action
- Communicate regularly with national stakeholders such as the Alliance of SSCs, the CBI, Federation of Small Businesses (FSB), British Chambers of Commerce (BCC), the Institute of Directors (IoD) and others to obtain feedback and recommendations
- Gather evidence of progress on implementation through a continuing programme of regional visits
- Use the information from a national survey of employers to test the impact on them, and to identify what more needs to be done to simplify their involvement in the skills system
- Hold discussions with stakeholders in the devolved administrations to identify areas for further alignment and to investigate good practice and lessons learned.

Annex A

Recommendations	Desired outcome
a. The Talentmap	Functioning interactive, intelligent, web-based tool for employers to support workforce skills development
b. Integrated brokerage service	Single coordinated team of brokers for all skills and business support
c. Train to Gain – the integrated skills service for employers	All mainstream skills services integrated into Train to Gain single brand with a clear offer and tariff
d. Specialist strategic skills priorities	New services are developed as needed under the Train to Gain brand to meet identified specialist, strategic skills priorities
e. The role of the Sector Skills Councils	SSCs are working strategically in clusters, delivering compacts, & identifying higher level skills needs
f. Regional/ sub regional /community skills priorities – within Train to Gain	Regional partners are integrating all regional and sub regional skills offers and initiatives into the Train to Gain offer and using the brand
g. Training Quality Standard Providers as ‘tied brokers’	Providers who meet TQS requirements are operating as ‘tied brokers’ for their own Train to Gain provision
h. Reaching SMEs – Train to Gain Centres located near SME ‘clusters’	Learning development centres for SMEs in high SME density locations - 2 pilots initially in 2009
i. Bureaucracy busting - a coordinated approach	Contracting, financial reporting and qualifications processes are reviewed, rationalised, simplified and coordinated, reducing the burden for the customer
j. Integrated marketing to employers	Government has an integrated and coordinated approach to marketing skills and business support to employers across departments

The UK Commission aims to raise UK prosperity and opportunity by improving employment and skills. Our ambition is to benefit employers, individuals and government by advising how improved employment and skills systems can help the UK become a world-class leader in productivity, in employment and in having a fair and inclusive society; all this in the context of a fast-changing global economy.

Because employers, whether in private business or the public sector, have prime responsibility for the achievement of greater productivity, the UK Commission will strengthen the employer voice and provide greater employer influence over the employment and skills systems.

Having developed a view of what's needed, the UK Commission will provide independent advice to the highest levels in government to help achieve those improvements through strategic policy development, evidence based analysis and the exchange of good practice.

UKCES

3 Callflex Business Park
Golden Smithies Lane
Wath – Upon – Dearne
South Yorkshire
S63 7ER

T + 44 (0)1709 774 800

F +44 (0)1709 774 801

UKCES

28-30 Grosvenor Gardens
London
SW1W 0TT

T + 44 (0)20 7881 8900

F +44 (0)20 7881 8999

This document is available at
www.ukces.org.uk under 'publications'