

Hiding the Wiring

Final assessment
of progress on
implementing the
recommendations
in Simplification of
Skills in England

December 2009

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Foreword

I am delighted to present our assessment of progress in implementing the recommendations of “Simplification of Skills in England¹”.

Our report sets out the considerable progress that has been made in the majority of areas. We should celebrate this success and be encouraged that so many employers have told us that they have recognised progress in their experiences of the publicly-funded skills system. In areas such as integrated brokerage and Train to Gain funding and contracting we have found evidence that national policy recommendations have led to meaningful and far-reaching changes for many employers. And our market research suggests that employers are taking their responsibility to train for growth and productivity very seriously, many without having any recourse to support from public funds. However, there is still much to be done to embed the changes and achieve continued impact.

We are also conscious that much has changed since our original report in October 2008. As we pointed out in our recent publication “Towards Ambition 2020: Skills, Growth, Jobs²”, the need is for a long term direction of travel without constant tinkering with the system. If we can achieve this, it is clear that there are many employers who will play their part in rising to the challenge of making our country more productive, by achieving benefits for our productivity and for developing the skills of individuals.

I commend this report to you



Sir Michael Rake

Chairman, UK Commission for Employment and Skills

¹ “Simplification of Skills in England: expert advice to government on simplification of the English post-compulsory skills system for employers” UKCES October 2008

² “Towards Ambition 2020: Skills, Jobs, Growth” UKCES October 2009

Executive summary

In 2008 the UK Commission for Employment and Skills published “Simplification of Skills in England³” containing recommendations designed to “hide the wiring”, to make it easier for employers to obtain the support they need to increase the skills in their businesses, and to conceal the complexity of the different government agencies and delivery organisations involved behind the scenes.

During the past year, we have been monitoring the implementation and impact of these recommendations. In our interim report published in July 2009⁴, we identified progress against fifteen discrete activity strands within six key areas of work. For each of the activity strands, our report contained suggestions for activity and outcomes which would be needed if progress was to be rated as green, i.e. on target, by the end of 2009.

We have arrived at our final conclusions after a documented set of interviews with over 500 people, including employers, regional partners, national government departments and agencies, colleges and other learning providers, and business organisations. We have also drawn on discussions with the Devolved Administrations, and research amongst almost 3000 employers.

Our overall cautious conclusion is that **progress has been good**. Seven of the progress indicators are now green (compared to three in July), and eight amber (compared to three in July). None is rated as amber red (compared to three in July). This represents good progress in a number of areas, but there is still a considerable amount of work to be done, not least in those areas where the progress in implementing new processes is on track, but where we still have to see the full impact on employers of the changes which have resulted. This may be an area where further monitoring of impact in 12 months time might be helpful to establish whether the progress we have seen has been maintained, and whether the early encouraging signs have been embedded.

There has been particularly significant progress in:

- Developing an Integrated Brokerage Service for skills and business support in all regions,
- Meeting employers’ main business skills needs through Train to Gain,
- More consistent branding of national services and organisations, which is helping to reduce confusion and communicate the Government’s messages on investing in skills,
- Ensuring that the new National Apprenticeship Service works effectively with its main partner organisations,
- Continued good support for large employers through the National Employer Service.

Our **employer research** showed that among the sample of almost 3000 businesses we surveyed, 75% of the total were committed or very committed to training and development. 2028, or 70% of the total sample, were engaged with the publicly funded system, i.e. they had knowledge of one or more services or initiatives.

1274, or 63%, of these knowledgeable businesses had used one or more services in the last two years and of these users, the majority, 60%, reported positive experiences. Of the businesses who had engaged with one or more services from the skills system, their general view was that getting information and gaining access to the support they needed was reasonably easy, and that the services they received were delivered professionally and met their business needs.

³ “Simplification of Skills in England: expert advice to government on simplification of the English post-compulsory skills system for employers” UKCES October 2008

⁴ Ibid

26% (754) of total respondents knew of the support available but had chosen not to engage with any of the publicly funded skills services or initiatives in the last two years. A higher number, 1295 or 64%, of the group of 2024 knowledgeable businesses had rejected one or more publicly funded services or initiatives (but may have engaged with other parts of the system e.g. qualifications). For 72% of these knowledgeable non-users, self sufficiency in training was given as the reason for not taking up specific services, but the real or perceived complexity of the skills system was also a factor with more than half (51%) citing bureaucracy as a reason and over a third (34%) reporting that they did not know which organisation to go to. The research also points to the fact that, for many employers, private sector training provision is the route most likely to be chosen to meet their training needs.

Among all respondents, brand recognition of the main skills services and organisations was relatively high, but drawing clear distinctions between brands was more problematic for respondents. It was also clear that those brands with the highest recognition, such as NVQs, were those which had been in existence longest, supporting the views of employers in other parts of the project that short term tinkering made the skills system ever more difficult to understand. Concerns about the plethora of organisational brands and of initiatives at local level were also evident.

Visits to the **English Regions** demonstrated a range of good practice, much of which is included in case studies in Chapter 5. We conclude that, where there is a coherent strategy which all partners in the region own, the outcomes are good. There are positive examples of the way in which the new Integrated Brokerage Service is being used, and the developing relationships with the National Employer Service and the National Apprenticeship Service are proving valuable to employers.

Our conclusions from the visits to the **Devolved Administrations** suggest that Scotland, Wales and Northern Ireland have developed skills systems which respond to their national priorities and context. It is important to note that our employer perception research did not cover Wales, Scotland or Northern Ireland and so we cannot triangulate our observations with empirical research in relation to the Devolved Administrations. We conclude that each of the three systems provides different examples of how a simplified system can work successfully in its individual context. Discussions with the Devolved Administrations also highlighted the value of an approach which responds to employer demand and puts productivity at the centre of the skills system. Continuing to learn about what works for simplification and integration of the employment and skills services across the four nations will help to make systems as clear, transparent and navigable as possible for employers, regardless of where they are based.

Whilst we recognise good progress in relation to some of our themes, we are clear that there is still more to be done in a number of areas. Progress to date has concentrated on presenting the system in a more accessible way to employers. The next challenge is to continue the work on more fundamental simplification of the system, by designing simplicity into the system rather than designing complexity out. Areas for particular attention include preventing re-proliferation of brands and initiatives, reducing the complexity of funding and contracting regimes and increasing the speed of progress on qualifications reform.

Higher level and strategic skills provision is an area where complexity is still an issue, particularly due to the divide between FE and HE, which is not always a helpful schism for employers. This might be reduced by a single strategy for higher and further education, and by more closely integrated funding regimes in the future.

One of the key parts of the first report: “Simplification of Skills in England”⁵, was strongly expressed advice about what should NOT happen, in order to avoid making complexity worse. This focussed on avoiding introducing new brands or new initiatives. In the main, the avoidance of the introduction of new organisational brands has been achieved. The decision of the Skills Funding Agency not to have an external brand is particularly welcome.

During the course of our research, there have, however, been a number of new initiatives, largely related to the need for action to reduce the impact of the recession. Whilst this is understandable, there will be a need to ensure that the growth of new brands and initiatives does not continue. Additionally, the impact of the Machinery of Government changes, with the arrival of the Skills Funding Agency, the Young People’s Learning Agency and the involvement of over 100 local authorities in this area of activity will need to be carefully monitored in order to avoid complexity creeping in by the back door.

There is no room for complacency. The direction of travel suggested by the UK Commission in “Towards Ambition 2020: Skills, Jobs, Growth”⁶ and endorsed by the Government’s national skills strategy: “Skills for Growth”⁷, emphasises de-cluttering the skills landscape and putting the customer - whether employer or learner - at the heart of the system by introducing better information about the quality of provision and the economic impact of skills improvement. Reducing the burden of paper records and streamlining administration will all need a considerable amount of rigour to implement properly, and to avoid further complexity creeping back into the system. The need for consistency in policy and practice, without continual tinkering, has been a clear theme from all of our consultations and should guide practice for the future.

Finally, the achievements documented in this report represent significant progress, which would not have been achieved without the support of a wide range of organisations and individuals at both national, regional and sub regional level. Our thanks go to them for their efforts in improving the skills system to enable better outcomes for employers and individuals alike.

What needs to happen next?

The employer research underpinning these findings has been valuable in pinpointing areas where employers are most concerned about complexity. It provides a baseline against which to measure future progress. Some of this might be done through the **employer perception work** which the UK Commission will be undertaking. We would particularly urge more work to be directed at those employers who have not taken up initiatives or services within the skills system, to see what more can be done to engage this group.

Finally, this project has illustrated the value of **following up recommendations** to identify what has happened, and to begin to understand whether the impact has been what was originally envisaged.

As set out in the body of this report, significant progress has been made in response to the recommendations in our 2008 report, including changing practices, and structures. We have yet to see the full impact of all of these developments and progress will need further monitoring at agreed points to see what the long term impact has been. A commitment to this, as part of the monitoring of progress “Towards Ambition 2020”⁸, together with a clear accountability for taking this work forward, should help to ensure that gains already made are maintained and built on.

⁵ “Simplification of Skills in England: expert advice to government on simplification of the English post-compulsory skills system for employers” UKCES October 2008

⁶ “Towards Ambition 2020: Skills, Jobs, Growth” UKCES October 2009

⁷ “Skills for Growth: the national skills strategy” Department for Business, Innovation and Skills, November 2009

⁸ “Ambition 2020: World Class Skills and Jobs for the UK” UKCES May 2009

1. Introduction

The UK Commission's initial simplification report, published in October 2008⁹, contained a series of 10 recommendations¹⁰ 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” to make it easier for employers to find and obtain the support they need by 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 system:

- Difficulties in accessing the right parts of the system when needed,
- Complexity of programmes and initiatives,
- 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 have addressed the ten original recommendations through six main strands of work:

1. **The talentmap:** *how employers can find out about publicly funded skills services online.*
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.*

In carrying out the work set out in this report we have been greatly helped by partners from the public, private and voluntary sectors who have shared their experiences of the skills system and how it works on the ground.¹¹ We have conducted our work through individual interviews and discussions with groups of people from national and regional organisations, as well as the main stakeholders in Scotland, Wales and Northern Ireland to learn from the different systems and experiences in the Devolved Administrations. We have also undertaken a major piece of employer research, collected case studies and examples of good practice and carried out secondary research and analysis of documentary evidence.

In tracking progress and reaching our conclusions we have used a performance management framework. For each element we have developed, in partnership with key stakeholders, a range of performance indicators and specific, objective and quantifiable performance measures¹².

⁹ “Simplification of Skills in England: expert advice to government on simplification of the English post-compulsory skills system for employers” UKCES October 2008

¹⁰ See Appendix A for the 10 recommendations

¹¹ See Appendix B for the list of organisations consulted

¹² See Appendix C for a detailed methodology

2. Status of progress on the recommendations

Our interim report in July 2009 identified progress against six key strands of work set out in the original report on Simplification of Skills in England¹³ and the constituent fifteen discrete activity areas. For each of the strands, we included proposals for further action to maintain or achieve a green rating by the end of the year. To arrive at our final conclusions, we have continued to work with policy leads at national and regional levels, and to establish an evidence base through our visits to the regions, including discussions with employers and other interested parties. Our employer research has produced a wealth of evidence to inform our overall view.

The initial report also contained advice from the UK Commission about what ought NOT to happen for the future to avoid more complexity creeping in. The original advice is set out at Appendix A, and our conclusions on progress against this appear in Chapter 7.

Our overall cautious conclusion is that progress has been good. Seven of the progress indicators are now green (compared to three in July), and eight amber (compared to three in July). None is rated as amber red (compared to three in July). A total of eight indicators have moved up a rating band, whilst five have remained the same. This represents good progress in a number of areas, although there is still a considerable amount of work to be done, not least in those areas where the progress in implementing new processes is on track, but where we still have to see the full impact on employers of the changes which have resulted. There has been particularly significant progress in developing an Integrated Brokerage Service for skills and business support in all regions; meeting employers' main business skills needs through Train to Gain; consistent branding of national services and organisations; and in systems and protocols to enable the new National Apprenticeship Service to work effectively with its main partner organisations.

Whilst we recognise good progress in relation to some of our themes, we are still clear that there is more to be done in a number of areas. Progress to date has concentrated on presenting the system in a more accessible way to employers; the next challenge is more fundamental simplification of the system. Areas for particular attention include preventing re-proliferation of brands and initiatives, reducing the complexity of funding and contracting regimes and increasing the speed of progress on qualifications reform.

Higher level and strategic skills provision is an area where complexity is still a major issue, particularly due to the divide between FE and HE, which is not always helpful to employers. This might be reduced by a single strategy for higher and further education and by more closely integrated funding regimes in the future.

A summary of progress against the headline Performance Indicators is set out below followed by more detailed explanatory tables. The Red/Amber/ Green rating system used to summarise our headline assessment can be defined as:

- **Green:** shows that the desired outcomes have been achieved by December 2009.
- **Amber/Green:** shows that the desired outcomes should be achieved in the near future, provided that no major variances occur.
- **Amber:** shows that some good progress towards the desired outcomes has been achieved by December 2009 but that they have not been fully achieved within the timescale and that efforts must be maintained.
- **Amber/Red:** shows that some progress has been made by December 2009 but not enough and that the rate and extent of progress need to be increased.
- **Red:** shows that the desired outcomes have not been achieved by December 2009 and there are serious concerns about past and future progress.

¹³ "Simplification of Skills in England: expert advice to government on simplification of the English post-compulsory skills system for employers" UKCES October 2008

Table 1: Summary of overall progress on indicators

Element	Indicators	RAG July 2009	FINAL RAG Dec 2009	+/-
1. The Talentmap <i>how employers can find out about publicly funded skills services online</i>	i. Employers can access the system by an intelligent portal linked to all relevant services.	Green	AMBER	DN
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	GREEN	
	ii. 1600 brokers all able to deliver effective skills and business support.	Amber	AMBER	
	iii. Professional delivery staff in all Train to Gain providers, providing a business needs based service.	Amber	GREEN	UP
	iv. National Employer Service (NES) providing a high standard of service to employers with more than 5,000 employees.	Green	GREEN	
	v. National Apprenticeships Service (NAS) is engaging employers in the apprenticeships programme with no duplicate approaches.	Amber	GREEN	UP
3. Train to Gain Core Service – <i>the comprehensive service to employers to fit their mainstream business skills needs.</i>	i. Train to Gain provides an accurate identification of skills development needs in the context of business performance, with access to relevant services and a clear agreement on who pays for what within the context of an agreed training plan.	Amber	GREEN	UP
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	AMBER	
	ii. SSC clusters are enabling collaborative working to simplify the service to employers on cross sectoral skills and delivering efficiencies.	Amber	GREEN	UP
	iii. Small and Medium Enterprises (SME) clusters: SMEs are able to access Train to Gain and other related services through appropriate local arrangements.	Amber	AMBER	
	iv. New specialised and higher level skills services are not leading to re-proliferation and employer confusion.	Amber Red	AMBER	UP
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	GREEN	UP
6. Bureaucracy reduction	i. A simplified, rationalised, unitised, system of qualifications that meets employers' needs.	Amber Red	AMBER	UP
	ii. Contracting and funding support demand led provision, outcomes not outputs and value for money for the public purse.	Amber Red	AMBER	UP
	iii. Quality standards: a single self assessment quality standard supported by Ofsted.	Amber	AMBER	

Table 2: Detailed progress on indicators

Progress Indicators	Position in July 2009	Progress required to achieve or maintain a green rating by Dec 2009	ACTUAL PROGRESS TO DECEMBER 2009	CONCLUSION DECEMBER 2009
1. The talentmap how employers can find out about publicly funded skills services online				
1. i. Employers can access the system by an intelligent portal linked to all relevant services.	<i>Position in July 2009</i> <i>Launched on time and to budget with desired level of functionality. Has the support of all major partners.</i>	<i>Progress required to achieve or maintain a green rating by December 2009</i> <i>Monitor uptake by employers to establish the level of usage and impact.</i> <i>We expect to see growing usage and awareness among employers and a sustainable business plan for future development of the service.</i>	Actual progress to December 2009 <ul style="list-style-type: none">• Usage is growing and currently there are about 550-600 hits per day. A survey tool is available on site to measure satisfaction.• Partner support for the framework and approach is widespread but effective links to all other relevant sites are not yet developed.• Negotiations are underway with Business Link to agree performance data collection and with possible partners on the next phase of development.	Conclusion in December 2009 Ensuring the sustainability of the project and developing an appropriate management information collection system to measure impact, rather than just usage and satisfaction. will be crucial if the project is to achieve its potential in providing comprehensive information and have maximum impact on users.
		Rating in July 2009 GREEN		
2. Integrated Brokerage Service for skills and business support: how employers of all sizes access the system				
2.i. Single brokerage service and access point in all regions of England.	<i>Position in July 2009</i> <i>Arrangements are in place in all regions.</i>	<i>Progress required to achieve or maintain a green rating by December 2009</i> <i>There is a need to monitor and evaluate the quality and impact of the brokerage service on skills development for business success.</i> <i>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</i>	Actual progress to December 2009 <ul style="list-style-type: none">• The data on usage and customer satisfaction indicates progress is on target, including market penetration.• Around 10,000 customers received skills brokerage of some kind in Q2. The numbers of Skills Intensive Assists (SIAs), Proposals and Onward Referrals have all increased since the beginning of the year.• Customers receiving intensive skills support through the integrated brokerage service report high satisfaction levels.	Conclusion in December 2009 The integrated service is being delivered according to plan and new employers are being engaged. For the future, impact on businesses needs to be rigorously and objectively evaluated.
		Rating in July 2009 GREEN		

Progress Indicators	Position in July 2009	Progress required to achieve or maintain a green rating by Dec 2009	ACTUAL PROGRESS TO DECEMBER 2009	CONCLUSION DECEMBER 2009
<p>2.ii. 1600 brokers all able to deliver effective skills and business support.</p>	<p>Position in July 2009</p> <p><i>Broker training for skills and business support is being delivered by Regional Development Agencies (RDAs) and Business Links (BLs).</i></p> <p><i>Small Firms Enterprise Development Initiative (SFEDI) has been contracted by RDAs and BLs to review the current broker standard to incorporate skills.</i></p>	<p>Progress required to achieve or maintain a green rating by December 2009</p> <p><i>The impact of training on brokers needs to be evaluated.</i></p> <p><i>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.</i></p> <p><i>Broker qualifications, assessment, Continuing Professional Development (CPD) all require further resolution.</i></p> <p><i>We would wish to see the current review of broker standards completed by December 09 and a plan for National Occupational Standards (NOS) by April 2010.</i></p> <p><i>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.</i></p>	<p>Actual progress to December 2009</p> <ul style="list-style-type: none"> • Employer surveys indicate satisfaction with the service (see 2.i above, and also the UK Commission employer survey) • The work on reviewing broker standards is in hand and on course to finish in December but there is a need to continue to ensure the single standard is achieved and maintained. • The progress on the integrated standard and NOS is broadly on target. • The overall strategy for professionalised brokers including qualifications, CPD and assessment remains to be taken forward. 	<p>Conclusion in December 2009</p> <p>It is too early to carry out a full impact assessment but this should be done.</p> <p>However, we wish to see further progress on this area with a move away from individual accreditation against SFEDI standards to a qualifications plus CPD model for brokers and a much more integrated approach to standards and qualifications generally.</p> <p>This requires leadership and a clear plan of action to achieve this. We now believe that there is a line of accountability although we would wish to see a senior named individual. We recommend that progress on this is monitored to test impact in the future.</p>
<p>Rating in July 2009 AMBER</p>			<p>FINAL RATING DECEMBER 2009 AMBER</p>	

Progress Indicators	Position in July 2009	Progress required to achieve or maintain a green rating by Dec 2009	ACTUAL PROGRESS TO DECEMBER 2009	CONCLUSION DECEMBER 2009
<p>2. iii. Professional delivery staff in all Train to Gain providers, providing a business needs based service.</p>	<p>Position in July 2009</p> <p><i>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.</i></p> <p><i>A review of 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.</i></p>	<p>Progress required to achieve or maintain a green rating by December 2009</p> <p><i>Work to map TQS and the brokerage standard to be completed by October.</i></p> <p><i>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.</i></p> <p><i>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 progress on integration with TQS.</i></p> <p>Rating in July 2009 AMBER</p>	<p>Actual progress to December 2009</p> <ul style="list-style-type: none"> • Good progress has been made on NOS and qualifications for employer facing staff in training providers and this should be available early in 2010. • The final work on mapping the broker standard to the TQS has not been received. (This is dealt with fully under 6.iii Quality Standards). 	<p>Conclusion in December 2009</p> <p>Good overall progress has been made on this area in terms of professionalism of employer facing staff in training providers (NOS and qualifications) led by the LSC which has also supported the single standard for skills and business support.</p> <p>However, work still needs to be done to integrate TQS, Framework for Excellence (FE) and broker standards. Without this, progress may be slower than desirable. This is dealt with further in section 6.iii Quality Standards.</p> <p>FINAL RATING DECEMBER 2009 GREEN</p>
<p>2. iv. National Employer Service (NES) providing a high standard of service to employers with more than 5,000 employees.</p>	<p>Position in July 2009</p> <p><i>Employer feedback on NES is positive.</i></p> <p><i>A protocol on ways of working and employer engagement is ready for sign off between Business Link (BL) and NES.</i></p>	<p>Progress required to achieve or maintain a green rating by December 2009</p> <p><i>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.</i></p> <p><i>The cascade effects of the protocol in the regions for working between all the partners needs to be monitored regularly.</i></p> <p><i>We would expect to see continued evidence of positive employer feedback on NES services and continued evidence of consistency and clarity in terms of ways of working between BL and the NES across all regions.</i></p> <p>Rating in July 2009 GREEN</p>	<p>Actual progress to December 2009</p> <ul style="list-style-type: none"> • Evidence from the NES employer survey indicates that over two thirds of employers find NES meets most or all of their skills needs. • Evidence from regional visits and the UK Commission employer survey indicates NES is working well, and that the service is valued by those employers who use it. 	<p>Conclusion in December 2009</p> <p>The evidence suggests that the NES is achieving its objectives and providing a high standard of service to larger employers.</p> <p>FINAL RATING DECEMBER 2009 GREEN</p>

Progress Indicators	Position in July 2009	Progress required to achieve or maintain a green rating by Dec 2009	ACTUAL PROGRESS TO DECEMBER 2009	CONCLUSION DECEMBER 2009
<p>2. v. National Apprenticeship Service (NAS) is engaging employers in the apprenticeships programme with no duplicate approaches.</p>	<p>Position in July 2009 <i>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.</i></p>	<p>Progress required to achieve or maintain a green rating by December 2009 <i>This indicator is rated Amber largely due to the newness of the NAS and the potential for duplication. To achieve a green rating we will need to see evidence that the protocol is being implemented effectively across all regions.</i> <i>The impact of the protocol on organisational behaviour needs to be assessed and monitored to see how the various organisations are working on the ground and whether employer confusion is being reduced.</i></p>	<p>Actual progress to December 2009</p> <ul style="list-style-type: none"> • Regional Operations Groups have agreed how to segment the market. • Evidence from regional visits indicates partners are working together. • BIS reporting shows that for the period April to September 09 there were 461 referrals from Business Link to NAS. For the same period there were 673 referrals from NAS to Business Links. • However, although all regions report referrals to/from NAS, the level of activity varies. 	<p>Conclusion in December 2009</p> <p>The evidence suggests that NAS is being made to work on the ground and that the market segmentation is agreed between partners.</p> <p>Referrals between NAS and BL are taking place, although regional variations need to be addressed, as does the need for accurate segmentation of the market.</p>
		<p><i>Rating in July 2009 AMBER</i></p>		<p>FINAL RATING DECEMBER 2009 GREEN</p>

Progress Indicators	Position in July 2009	Progress required to achieve or maintain a green rating by Dec 2009	ACTUAL PROGRESS TO DECEMBER 2009	CONCLUSION DECEMBER 2009
3. Train to Gain Core Service – the comprehensive service to employers to meet their mainstream business skills needs (Core service provision)				
<p>3. 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>Position in July 2009</p> <p><i>Take up of Train to Gain has been impressive and employers using the service are largely positive.</i></p> <p><i>There is widespread agreement on the integrated core service provision within Train to Gain among partners, brokers and providers).</i></p> <p><i>This information is available for all providers via the LSC Engage website and included with the Integrated Brokerage specification.</i></p>	<p>Progress required to achieve or maintain a green rating by December 2009</p> <p><i>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.</i></p> <p><i>There is evidence that some provision uses a provider-led 'product-push' approach rather than responding to identified business needs.</i></p> <p><i>Progress will continue to be monitored through employer research and regional visits. We will want to see evidence, 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 and that providers and brokers are able to articulate all aspects of the core offer, and that what training is funded by the State and what needs to be funded by employers.</i></p> <p><i>We would like to see agreement on an acceptable deadweight threshold for Train to Gain for tracking performance.</i></p>	<p>Actual progress to December 2009</p> <ul style="list-style-type: none"> • Train to Gain delivery targets have been met but over commitment in new learner numbers has led to delays in being able to meet employer needs in some regions. • The employer survey has indicated that there is a high level of awareness and satisfaction with Train to Gain and, for those employers who have accessed it, that it largely meets business needs. • There is evidence from regional visits that joint working and cross referrals between learning providers and Business Links will continue to develop further in the next phase. 	<p>Conclusion in December 2009</p> <p>Awareness of the Train to Gain brand is high although the understanding of the core offer is less clear and pricing remains an area where employers are often confused.</p> <p>The national skills strategy 'Skills for Growth' published in November 2009 by BIS has re prioritised Train to Gain funding to focus on first level 2 and level 3 and training for individuals that will have most impact on increasing skills levels as well as on priority sectors for the economy.</p> <p>The direction of travel indicated in the Government's Skills strategy to reprioritise some Train to Gain funding may deter some employers from engaging. The impact of the change in policy needs to be assessed and mitigated by, for example, careful communication to SMEs.</p> <p>Whilst deadweight remains a risk, the stress on co-investment from employers in the Government's Skills Strategy may help, particularly if combined with more careful segmentation and targeting.</p>
		<p>Rating in July 2009 AMBER</p>	<p>FINAL RATING DECEMBER 2009 GREEN</p>	

Progress Indicators	Position in July 2009	Progress required to achieve or maintain a green rating by Dec 2009	ACTUAL PROGRESS TO DECEMBER 2009	CONCLUSION DECEMBER 2009
4. Train to Gain Plus: specialised skills services to meet strategic skills needs e.g. sectoral or higher level skills in areas of market failure				
4. i. Sector Compacts and National Skills Academies (NSAs) are developing new specialised skills services linked to Train to Gain access points.	<p>Position in July 2009</p> <p><i>10 Compacts are in place. Some Sector Compacts and NSAs have been well received by employers and are meeting identified specialist gaps. However, some employers are uncertain about the role of NSAs and their positioning within the skills system.</i></p>	<p>Progress required to achieve or maintain a green rating by December 2009</p> <p><i>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.</i></p> <p><i>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.</i></p> <p><i>We will want to see, 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.</i></p> <p><i>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.</i></p>	<p>Actual progress to December 2009</p> <ul style="list-style-type: none"> • Compacts are being superceded according to the national skills strategy, 'Skills for Growth' published by BIS in November by the Joint Initiative Fund, targeted on a few key sectors with funding from autumn 2010. • NSAs are being further funded with a fifth bidding round now underway. 	<p>Conclusion in December 2009</p> <p>This clarification of the role and funding for Compacts has now been provided through the announcement of the Joint Initiative Fund which succeeds them.</p> <p>We have seen some examples of good practice where NSAs are engaging employers in shaping provision. The emphasis on joint investment from employers in the Government's skills strategy is a helpful development.</p> <p>However, we will want to see a clear strategy for ensuring that NSAs do not add to organisational complexity and, in particular, how their role relates to other parts of the organisational landscape and is promoted as part of a coherent brand management strategy.</p> <p>We would also hope to see a strategy for transparent and sustainable funding for NSAs in the future, without the need for public subsidy.</p>
		<p><i>Rating in July 2009</i> AMBER</p>	<p>FINAL RATING DECEMBER 2009 AMBER</p>	

Progress Indicators	Position in July 2009	Progress required to achieve or maintain a green rating by Dec 2009	ACTUAL PROGRESS TO DECEMBER 2009	CONCLUSION DECEMBER 2009
4. ii. SSC clusters are enabling collaborative working to simplify the service to employers on cross sectoral skills and delivering efficiencies.	<p>Position in July 2009</p> <p>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>Progress required to achieve or maintain a green rating by December 2009</p> <p>Further evidence of progress is required across a wider spread of both sectors and regions to be reviewed by October 2009.</p> <p>We will want to see action plans for clustering covering all SSCs and addressing the needs of each region by December 2009. Progress 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.</p>	<p>Actual progress to December 2009</p> <p>The Government's national skills strategy 'Skills for Growth' has mandated the UK Commission to take this forward through working with the relicensed SSCs to come forward with proposals for consolidating into a substantially reduced number of bodies¹⁴.</p>	<p>Conclusion in December 2009</p> <p>Clarification of policy has been included in the national skills strategy. The UK Commission will work with SSCs to reduce the number of SSCs by 2012. This will require a clear plan of action, generated and led by SSCs in partnership with the UK Commission, to achieve a substantial reduction in SSC numbers and overheads by 2012 - without compromising their role as the voice of employers and sectors on skills.</p>
		<p>Rating in July 2009 AMBER</p>		<p>FINAL RATING DECEMBER 2009 GREEN</p>
4. iii. Small and Medium Enterprises (SME) clusters: SMEs are able to access Train to Gain and other related services through appropriate local arrangements.	<p>Position in July 2009</p> <p>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.</p>	<p>Progress required to achieve or maintain a green rating by December 2009</p> <p>Monitoring of the activity in the North West is required. 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.</p> <p>We would expect to see all projects funded through the NAS's Group Training Association (GTA) prospectus to be fully operational and the 19 clusters in the North West to have progressed in line with their business plans. We would also expect to see a clearly articulated policy on funding for SME clusters after December 2009.</p>	<p>Actual progress to December 2009</p> <p>Funding for 9 Apprenticeship Training Associations and three Group Training Associations for SMEs has been announced.</p>	<p>Conclusion in December 2009</p> <p>The GTA work is continuing which is helpful.</p> <p>However, wider SME clustering work is no longer funded. To that extent the policy is now clear.</p> <p>It is recommended that further consideration is given to helping significantly more SMEs to develop joint procurement capacity for training in the future.</p>
		<p>Rating in July 2009 AMBER</p>		<p>FINAL RATING DECEMBER 2009 AMBER</p>

¹⁴ "Skills for Growth: the national skills strategy" Department for Business, Innovation and Skills, November 2009 (P65)

Progress Indicators	Position in July 2009	Progress required to achieve or maintain a green rating by Dec 2009	ACTUAL PROGRESS TO DECEMBER 2009	CONCLUSION DECEMBER 2009
<p>4. iv. New specialised and higher level skills services are not leading to re-proliferation and employer confusion.</p>	<p>Position in July 2009</p> <p><i>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 co-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.</i></p>	<p>Progress required to achieve or maintain a green rating by December 2009</p> <p><i>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.</i></p> <p><i>This 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 specialised 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.</i></p>	<p>Actual progress to December 2009</p> <ul style="list-style-type: none"> • We have identified some examples of good practice in some regions e.g. North West and Eastern. • The Higher Level Skills Framework contains aspects of useful further policy direction on this area. 	<p>Conclusion in December 2009</p> <p>The overall policy direction in the national skills strategy: 'Skills for Growth' published by BIS in November 2009 sets out clearer roles for RDAs and partners as well as for the use of ESF and for SSC clustering (see above).</p> <p>The emphasis in the recently published Higher Education Framework on good information for learners and employers is particularly welcome. Increasing links with Further Education would also be helpful.</p> <p>The policy now needs to be implemented and arrangements put in place for monitoring the impact of the new roles and working arrangements for the future.</p>
		<p>Rating in July 2009 AMBER RED</p>		
				<p>FINAL RATING DECEMBER 2009 AMBER</p>

Progress Indicators	Position in July 2009	Progress required to achieve or maintain a green rating by Dec 2009	ACTUAL PROGRESS TO DECEMBER 2009	CONCLUSION DECEMBER 2009
5. Branding: coherent, consistent messaging to business by Government				
<p>5. i. All publicly funded skills and business support services have brand guidelines which are understood and adhered to.</p>	<p>Position in July 2009</p> <p><i>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.</i></p> <p><i>RDA's 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.</i></p>	<p>Progress required to achieve or maintain a green rating by December 2009</p> <p><i>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.</i></p> <p><i>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.</i></p>	<p>Actual progress to December 2009</p> <ul style="list-style-type: none"> The employer research strongly indicates that the levels of awareness and understanding of all national programme and organisational brands are high, although the evidence from the regional visits suggested that there was still some irritation among employers as a result of the continuous change in brands and product offers. 	<p>Conclusion in December 2009</p> <p>Brand awareness of the main national brands appears to be less of a problem, although the proliferation of schemes, initiatives and organisations at sub regional and local level is still a major issue for some employers.</p> <p>The recent decision by the SFA not to have an employer facing brand is welcome.</p> <p>Continued vigilance will be needed to avoid the re-proliferation of brands and we recommend further mapping going forward to assess the extent of sub regional and local proliferation.</p>
		<p>Rating in July 2009 AMBER</p>		<p>RATING IN DECEMBER 2009 GREEN</p>

Progress Indicators	Position in July 2009	Progress required to achieve or maintain a green rating by Dec 2009	ACTUAL PROGRESS TO DECEMBER 2009	CONCLUSION DECEMBER 2009
6. Bureaucracy reduction				
<p>6. i. A simplified, rationalised, unitised, system of qualifications that meets employers' needs.</p>	<p>Position in July 2009</p> <p><i>The Vocational Qualifications Reform Programme (VQRP) programme 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.</i></p>	<p>Progress required to achieve or maintain a green rating by December 2009</p> <p><i>Action by VQRPB and partners is required on:</i></p> <ul style="list-style-type: none"> • <i>Minimising re-proliferation by ensuring that qualifications developed are based in employer demand, and that the process is made as easy as possible.</i> • <i>Lack of comparability of size, no. of learning hours etc. across qualifications, including NVQs of the same level</i> • <i>Bureaucracy and costs, for example, the time taken to develop new qualifications needs to be monitored going forward.</i> • <i>Perverse funding incentives and targets: which, for example, do not support the delivery of unitised qualifications.</i> <p><i>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.</i></p>	<p>Actual progress to December 2009</p> <ul style="list-style-type: none"> • The VQRP has continued to make progress in moving from the National Qualifications Framework (NQF) to QCF by 2010. • Streamlining of the approval process is also being achieved and there is an agreed timescale, along with low scrutiny and high scrutiny routes. • Ofqual is reviewing the appropriateness of qualification development and approval systems. • A strategy is being developed with a more clearly defined role for NOS and the bodies involved in qualifications. 	<p>Conclusion in December 2009</p> <p>Progress is moving in the right direction, albeit that this is a complex area where the impact will take time to be fully realised. Provided that there continues to be a clear commitment to resolving the issues quickly and effectively by VQRP and partners we are confident that good progress will be made.</p> <p>However, proliferation of units and qualifications must be contained and should be achieved through a clear strategy covering effective regulation of the Qualifications and Credit Framework and awarding organisations. Changes to the infrastructure for standards and qualifications (to start from April 2010) and the rollout of the new NOS strategy should lead to fewer, more effective bodies developing NOS and improve the quality of national occupational standards.</p> <p>A close watch will need to be kept on the quality of units being placed on QCF.</p> <p>Closer partnership working and clarity of roles between SSCs and Awarding Bodies will be required to streamline the processes further.</p>
		<p>Rating in July 2009 AMBER RED</p>	<p>RATING IN DECEMBER 2009 AMBER</p>	

Progress Indicators	Position in July 2009	Progress required to achieve or maintain a green rating by Dec 2009	ACTUAL PROGRESS TO DECEMBER 2009	CONCLUSION DECEMBER 2009
<p>6. ii. Contracting and funding support demand led provision, outcomes not outputs and value for money for the public purse.</p>	<p>Position in July 2009</p> <p><i>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.</i></p>	<p>Progress required to achieve or maintain a green rating by December 2009</p> <p><i>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.</i></p> <p><i>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.</i></p> <p><i>We will want to see:</i></p> <ul style="list-style-type: none"> • <i>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</i> • <i>Clarity over the progress indicators (quantitative and qualitative) against which success is to be measured</i> • <i>Evidence that the lessons learnt through the electronic record pilots, carried out by NES with large employers, have been disseminated</i> • <i>Employers have benefited from changes introduced as a result of this</i> 	<p>Actual progress to December 2009</p> <ul style="list-style-type: none"> • Some performance indicators have been developed for reducing bureaucracy and streamlining processes in relation to some programmes. • NES lessons on electronic records are being considered. • A framework is in development with an interim report date of January 2010. • Funding guidance is being produced for SFA, with an aim of achieving greater clarity. 	<p>Conclusion in December 2009</p> <p>There is some progress in this complex and wide ranging area. The evidence from our employer survey suggests that the level of bureaucracy is not a problem for the majority of employers who have engaged with initiatives in the skills system.</p> <p>However, amongst those who report problems with the delivery of government programmes, the level of administration is the most frequently reported issue.</p> <p>Overall, progress is not particularly rapid and an increased sense of urgency needs to be a feature of the next phase.</p>
		<p><i>Rating in July 2009</i> AMBER RED</p>		
				<p>RATING IN DECEMBER 2009 AMBER</p>

Progress Indicators	Position in July 2009	Progress required to achieve or maintain a green rating by Dec 2009	ACTUAL PROGRESS TO DECEMBER 2009	CONCLUSION DECEMBER 2009
<p>6. iii. Quality standards: a single self assessment quality standard supported by Ofsted.</p>	<p>Position in July 2009</p> <p><i>The Training Quality Standard (TQS) has been well received and can be adapted to fit this purpose alongside Ofsted inspections.</i></p>	<p>Progress required to achieve or maintain a green rating by December 2009</p> <p><i>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)</i></p> <p><i>Customer online assessment and feedback should be investigated to supplement quality standards information on providers.</i></p> <p><i>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.</i></p> <p><i>Good practice on e-rating schemes such as that in the South West should be evaluated and rolled out by December 2009.</i></p>	<p>Actual progress to December 2009</p> <ul style="list-style-type: none"> • TQS continues to be promoted as the preferred way forward for training providers. • The work on increasing synergy between FfE, TQS and broker standards is still outstanding. • Online feedback is not being promoted or further funded. 	<p>Conclusion in December 2009</p> <p>The progress on TQS and quality assurance in general has not progressed and it is important that more synergy and integration is achieved in this area in the future. This will require clear leadership and ownership of this area going forward.</p> <p>It is disappointing that no customer e-rating or equivalent schemes are being taken forward although we support the direction of travel set out in the Government's national skills strategy¹⁵. In our view, quality assurance needs to be customer based to be meaningful, and this needs to be part of the "food labeling" approach to customer information as set out in the BIS Skills Strategy.</p>
		<p>Rating in July 2009 AMBER</p>		<p>RATING IN DECEMBER 2009 AMBER</p>

¹⁵ "Skills for Growth: the national skills strategy" Department for Business, Innovation and Skills, November 2009 (P65)

3. Findings from the employer research

Employers' experiences and views are the most important yardstick we have used in assessing progress towards simplification. Whilst there is a good deal of anecdotal evidence on employer views, until now there has been a limited amount of quantifiable data. In order to establish what employers really think about the complexity of the publicly funded skills system we commissioned an empirical piece of primary market research.

From July to September 2009, BMG Research undertook a survey of nearly 3000 employers in England¹⁶. The businesses interviewed were selected at random, with the proviso that the sample be controlled to ensure its structure mirrored the distribution of businesses in the English economy. We surveyed only those businesses with five employees or more and did not include the public sector.

Our premise was that simply asking employers about their views on the system and its relative complexity would not elicit meaningful responses, so the research asked instead about their knowledge, views and experience of discrete elements of the system i.e. the main skills support services and initiatives comprising:

- The Business Link brokerage service - diagnostic and referral to appropriate support (which includes skills brokerage as of 2009),
- Train to Gain - access to subsidised training, (delivered by colleges and learning providers, either directly or on referral from Business Link)
- The Leadership and Management Service (LAMAS),
- The Apprenticeship programme,
- National Vocational Qualifications (NVQs),
- Other vocational qualifications (VQs) e.g. Higher National Diplomas,
- Foundation Degrees,
- Skills for Life (literacy and numeracy support).

The research aimed to understand the extent of employers' views of the complexity of the system, and the impact of this real or perceived complexity on employers' decisions to engage or otherwise with the elements of the publicly funded skills system. It also examined organisational complexity and the number of organisations employers had to deal with to access the elements of the skills system set out above and it also looked at employers' awareness and understanding of related branding and communications.

Full interviews were carried out with just over 2000 businesses who had engaged with one or more of a range of publicly funded skills support services or initiatives. The remainder of the interviews were conducted with businesses that were not engaged with any of these services or initiatives but were aware of at least one of them.

¹⁶ "Simplification of Skills in England: baseline survey report" 2009 BMG Research, UKCES

The questions we asked those who had engaged with the publicly funded skills services followed the **customer journey** through involvement with initiatives within the system comprising:

Information gathering

The ease with which employers can obtain information on the skills offer,

Gaining entry to the system

Employers’ experiences of dealing with the organisations in the system,
The efficiency of the referral process,

Delivery

The ease with which employers can get the skills services they want,
The knowledge and expertise of the staff who delivered the services,
The quality of the content of the programmes and their relevance to business needs,
The levels of bureaucracy and complexity of eligibility and other rules,

Paying for support

The transparency of pricing structures,
Employers’ views on value for money,

Communications

The degree of brand recognition,
Clarity of perceptions of the various brands and what they stand for.

For those employers who had chosen not to engage with any of the services or initiatives that comprise the system, we also examined whether, and to what extent, complexity was a factor in this decision.

KEY FINDINGS

The survey evidence suggests that out of 2898 businesses who took part in the survey about 30% (870) were not actively engaged with any of the publicly funded support services or initiatives in question. The majority (785) of this second group of non engaged businesses have heard of one or more of the services but that is all; they have little knowledge and no direct involvement.

Table 3: Employers’ levels of engagement with the system

Engagement /non engagement	No.	% age of total respondents
Not engaged – may have heard of but not involved with any services	870	30%
Engaged – know about at least one service or initiative	2028	70%
Total	2898	100%

Base: 2898

Of the 2028 (70%) of engaged businesses, who have more detailed knowledge of one of more publicly funded services or initiatives, 1274 (63%) have used one or more of the services in the last two years.

Table 4: Usage in the last two years among engaged businesses

Usage /take up	No.	% age of total respondents	% of engaged businesses
Engaged – know about at least one service or initiative	2028	70%	100%
Have used one or more service or initiative	1274	44%	63%
Knowledgeable but have not used any service in last 2 years	754	26%	37%

Base: 2028

26% (754) of total respondents knew of the support available but had chosen not to engage with any of the publicly funded skills system in the last two years. A higher number, 1295 or 64%, of knowledgeable businesses had rejected one or more publicly funded services or initiatives during the last 2 years (but may have engaged with other parts of the system e.g. qualifications). For 72% of these, self sufficiency in training was given as a reason but the real or perceived complexity of the skills system was also a factor with more than half (51%) of this group citing bureaucracy as their main reason for not taking up services and over a third (34%) who did not know which organisation to go to.

Figure 1: Key barriers to engagement among knowledgeable businesses



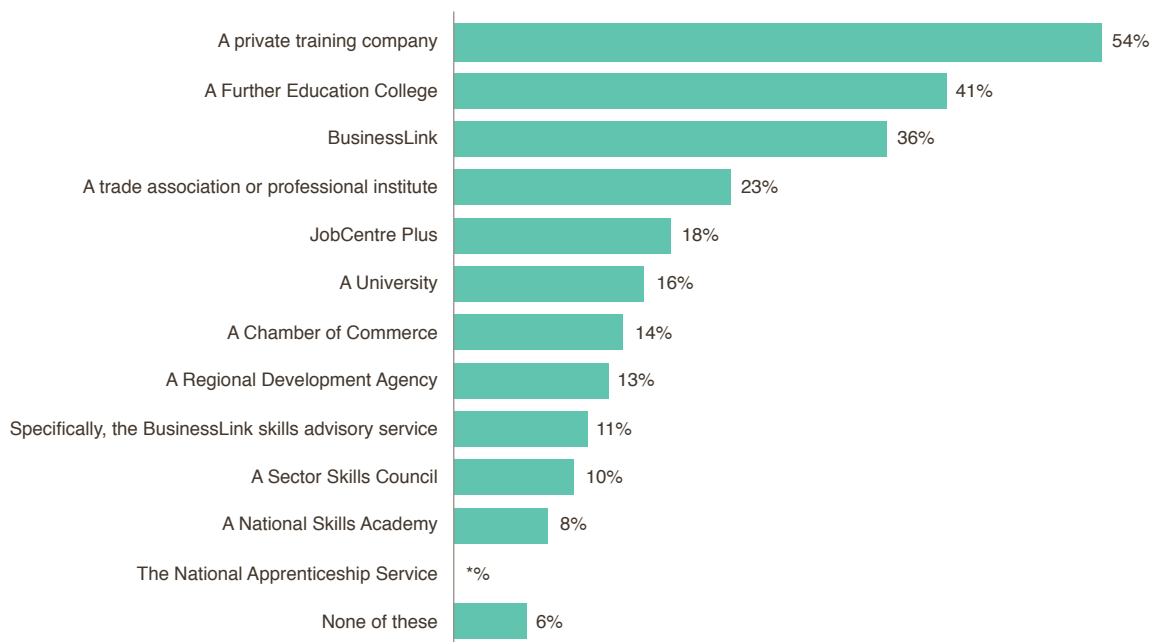
Base: 1295: (Businesses who know about services, but have not taken them up, although they may have engaged with other parts of the system e.g. qualifications)

Organisational involvement

There is a range of organisations involved in enabling employers to access skills services, with private training providers being the most commonly reported by those who have used services in the last two years. Over half (53%) of the 1274 businesses using services or initiatives have had some involvement with a private training provider, followed by 42% with an FE College and over a third with Business Link (38%). The lowest levels of organisational engagement were with National Apprenticeship Service (1%)¹⁷, National Skills Academies (7%) and Sector Skills Councils (10%).

¹⁷ It should be noted that the National Apprenticeship Service is aimed at businesses with more than 250 employees and was very new at the time of the survey.

Figure 2: Percentages of engaged businesses engaged with different types of organisation



Base 1274

Businesses who have engaged with one or more services have frequently had involvement with several different types of organisation; highly engaged businesses engaged with an average of 3.6 organisations whilst less engaged businesses engaged on average with 1.7 organisations.

Programme awareness levels

The highest levels of awareness were for NVQs with 91% of the respondents having heard of these, followed by the Business Link service with over three quarters being aware of this (77%) and nearly two thirds (64%) being aware of Foundation Degrees and Apprenticeships. Train to Gain was recognised by over half or 56% of respondents, which given the relative newness of the programme, is reasonably high. If management and leadership and skills brokerage are included in Train to Gain (as they are often delivered as part of a seamless solution) this rises to over 60% awareness.

Among those who were aware of programmes but had not considered using them, the highest rejection rate of nearly a quarter of respondents (24%) was in relation to NVQs, followed by Foundation Degrees at 18%. This may support the view that some employers can be less highly motivated to engage with qualification-led provision.

Once engaged, the findings are largely positive

Once engaged, the majority of businesses do not report high levels of complexity or difficulty in getting what they need across most aspects of the customer journey. The least satisfactory areas are pricing and value for money and branding.

Information gathering

The majority of businesses found it easy to get information on the programmes they had been involved in with between 78% of Train to Gain service users (including skills brokerage and management and leadership) and 88% of Business Link service users finding it either easy or very easy.

The concomitant of this is that more than 10% who subsequently took up these services found it difficult to get initial information. The highest levels of difficulty in getting information were for Train to Gain services (11% average) and Apprenticeships (11%) suggesting that communications to employers about the publicly funded system may need improvement.

Gaining entry to the system

Around a quarter (24%) of engaged businesses had experience of being referred between organisations or advisers. Of these businesses, over 70% reported that the referral process had been efficient.

The most frequently mentioned problems among the 30% reporting inefficient or neutral referral processes were:

- too many contacts or people involved (40%) followed by
- a third who found information was not passed on or asked for again, nearly a third who got the wrong service,
- nearly the same number who were not routed to the right organisation or person.

Delivery

Respondents rated the services and programmes on a variety of delivery aspects:

- level of paperwork,
- quality of content and delivery,
- knowledge and experience of staff,
- ease of getting involved,
- fit with operations and needs,
- its value to the business and individuals taking part.

Taking the averages of the scores on these aspects for each service, respondents gave 'good' ratings of between 63% (Business Link) and 77% (NVQs). Only 2% to 8% of respondents thought any of the services were poor quality.

Paying for support

In relation to those services where there is sufficient data¹⁸ to form a conclusion, between a fifth (21%) and a half (49%) of businesses responding thought that cost structures were complex. The majority of the respondents, however, rated cost structures as somewhat complex, rather than very complex or incomprehensible.

The least complex cost structures reported relate to 'other vocational qualifications' whilst the most complicated structure appears to be Train to Gain. However, there is confusion about this area – in some cases businesses report making a contribution for services that are usually free. It may be that they are engaged in more than one service and are confused about what they are paying for.

Generally employers reported that the services they paid for were good value for money (48-65%) per service, with only 1-5% reporting poor value for money.

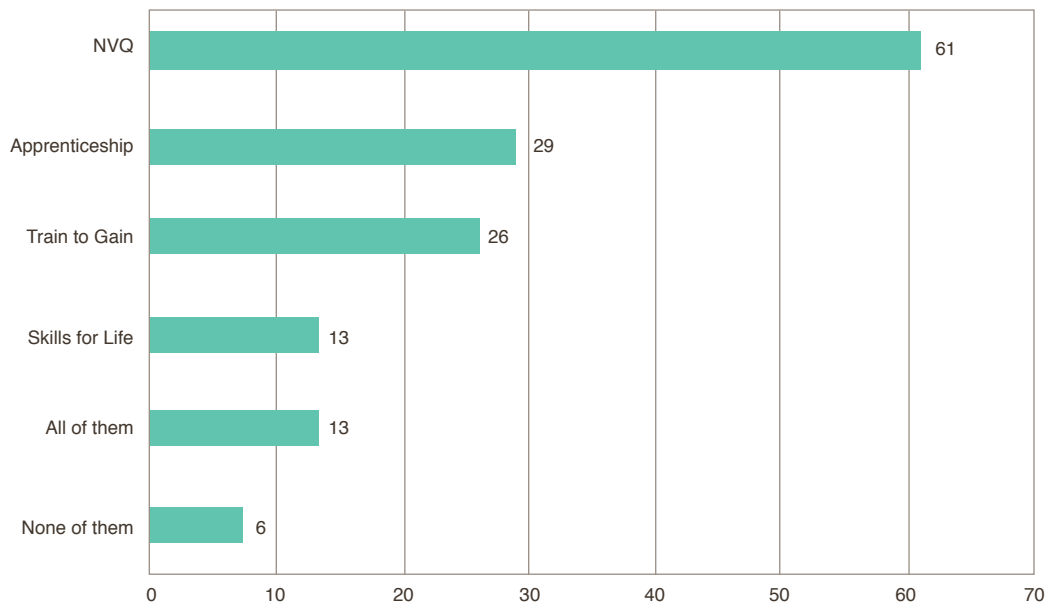
¹⁸ It should be noted that the National Apprenticeship Service is not aimed at businesses with fewer than 250 employees and was very new at the time of the survey.

Communications

80% or four out of five businesses recognise the main brands such as Train to Gain, Apprenticeships, Skills for Life and NVQs. However, only just over half feel they, or other business people, can make clear distinctions between them.

The NVQ brand achieves the greatest level of recognition with 61% of respondents thinking it is particularly recognisable and clear whilst only 30% feel this applies to Apprenticeships. The Skills for Life brand achieves only modest recognition levels of 13% but this is unsurprising as it is often marketed under different names. It was also clear that those brands with the highest recognition, such as NVQs were those which had been in existence longest, supporting a view expressed by employers in other parts of the project who were clearly of the view that short term tinkering made the skills system ever more difficult to understand.

Figure 3: Percentages of employers reporting key brands are particularly recognisable



Base: 2,813 business establishments which had heard of at least one programme, service or qualification

There is a similar picture in relation to organisational brands with recognition levels at around 74% for the main organisations. However, only 55% of respondents were able to distinguish between them with confidence, which suggests that further work in simplifying brands may still be of benefit.

4. Regional findings

A key part of our analysis about the impact of the recommendations in the initial report from 2008 has been to look at how the regions have responded to the challenges of the new approach, and how they have chosen to implement them.

Over the past six months we have visited all the English regions, to talk to key players from bodies such as the Regional Development Agencies, the Regional Employment and Skills Partnerships, the Learning and Skills Council, Business Links, FE Colleges and Universities, private and third sector training providers, local authorities, Sector Skills Councils, the Institute of Directors, the Confederation of British Industry and Federation of Small Businesses, and, most importantly, employers. We also undertook a short emailed survey in October 2009 to give people the chance to share the most up-to-date information about what has changed and been achieved. This is important as we recognise that many of the changes being implemented are still in their early stages, and impacts may take some time to deliver in full.

We have been impressed by much of what we have seen, and in particular by the amount of hard work and collaboration to ensure that learners and employers alike get the best opportunity possible under the current adult skills system to develop their own skills and the profitability and growth of the businesses which employ them. We are grateful to all those people - in excess of 500 - who spared the time to meet us and describe what was going on in their region, what was working well and what still needed to change.

During our visits, we have identified a number of areas of good practice which are featured as case studies in Chapter 5. What these case studies have in common is a desire to make sense of the system from a spatial or a sectoral perspective, and to deliver real change. They cover a wide range of activities and reflect the high levels of commitment which employers and others have brought to their part in the skills system.

Our visits demonstrated to us the strength of regions where there is a very clear and coherent vision. Where this vision links all the regional strategies together, and where there are positive and collaborative relationships between the key players and where business needs are at the core of the strategy, significant achievements are possible, both in upskilling individuals and in improving the prosperity of the region as a whole.

We have also seen some excellent examples of how sharing data and information across a range of partners and providers can enable learners and employers to have a much simpler engagement with what remains a rather complex system.

The new Integrated Skills Brokerage is clearly starting to have an impact. Some of the examples we have seen of the impact this service has had on businesses has been truly inspirational. We have also seen some good examples of employer engagement from Colleges and Universities. Larger employers have talked about the valuable role played by the National Employer Service.

We have also seen some good examples of the development of new qualifications to meet business needs, with excellent collaboration between employers, some Sector Skills Councils and FE and HE providers. The wider impact of the Business Support Simplification Programme run by BIS has also been highlighted as a programme which is beginning to deliver real benefits.

However, some common threads emerged about what stops this happening everywhere. These included:

- **Unclear policy intention.** The answer to why we use public funds to support the adult skills system is not clear, and is articulated as a solution to meet a range of objectives, some of which, such as the response to recession, have only come to the fore since the work on Simplification began.
- **Measures and targets** which at best do not accurately measure the impact of achieving the policy aims, and at worst frustrate the overall intention, by measuring inputs rather than outcomes. A key concern has been the distorting effect of the drive to achieve numbers of qualifications which has on occasions been achieved by Level 2 qualifications obtained by assessment of prior learning rather than training in new skills and knowledge.
- **Complexity of structures** to engage employers, which means that only the most persistent and dedicated will continue to engage with the publicly funded skills system, although the will and desire by employers to play their part in shaping and developing the system is evident, and we have seen some very good examples of how business leadership can change the way in which the public sector delivery takes place.
- Constant **change in structures** and plethora of new **initiatives and brands** which serve to confuse rather than guide those who ought to be able to benefit from them.
- The **wide range of intermediary bodies** whose role is to interpret the skills system for individuals and employers and whose costs necessarily diminish the amount of public money available to be spent on direct service delivery.
- **Length of time to implement new qualifications.** Through the process for getting new qualifications designed, approved and the need to find a business model and system of financial incentives which will make it possible for FE or HE providers' to start to run new provision.
- **Lack of transparent information about quality** of provision for learners or employers, to help to drive more rational choices about course, qualifications or providers, and to drive up the quality of provision.

The regional visits demonstrated to us that there is a considerable degree of innovation, linked to high levels of commitment to deliver the best possible skills outcomes for learners and employers alike. The challenge we all need to address is how to take the initial simplification work into new areas to tackle some of these underlying frustrations.

5. Case studies from around the regions

On our series of regional visits, we came across many examples of good practice where partners are working together to make the system work better for employers and learners, from shaping provision to meet their needs, to re-engineering processes such as contracting and funding. We do not have space to include all the examples of good practice but the sample in this chapter summarises examples which illustrate the work that is going on to provide simplified, demand led skills provision.

North East Process Industry Cluster (NEPIC)

NEPIC is a membership organisation which represents over 500 companies of the process industry in the North East region including chemicals, biotechnical, polymer and rubber industries and their supply chains. NEPIC has a leadership team of over 25 senior managers from industry who identify sectoral issues which the organisation works to resolve. These might include, for example, work to promote careers in the process industry, develop new career routes into the industry, advise members on investments and give advice on how to gain public sector funding.

The solution

In the light of the leadership team's concerns about a skills shortage in the sector, NEPIC carried out a skills survey. The survey identified that the sector's workforce was ageing and NEPIC realized that the sector would need around 16,000 new employees over the next ten years, split equally between graduate and non-graduate roles. It developed three programmes aimed at graduates, apprentices and schools to encourage recruitment into the industry.

For example, NEPIC run Apprenticeships on Teeside where they sponsor young people in the initial stages of their apprenticeship with a training provider, allowing them the use of sites belonging to NEPIC members for work experience. Apprentices will then complete higher level apprenticeships with a NEPIC member. NEPIC has also sought to relocate apprentices who have lost their posts because of the current economic climate with other companies in the organisation.

Lessons and Implications

This shows how private clusters can come together and benefit their individual members and learners and tackle concerns about skills and training that affect all members. NEPIC's experiences show that it is important for cluster organisations to have the full support of their members and to have a strong and focused leadership team who are able to exert their influence effectively.

NEPIC in the North East – active employer engagement through clustering to address sector skills needs.

North West Universities Association

Higher level skills are critically important to the future development of the North West economy in order that it can continue to build on its strengths, for example, in science and technology. Increased employer engagement with the higher education sector was identified as a priority to drive up investment in higher level skills and to capitalise on existing effective partnership working amongst the region's higher and further education institutions (HEIs and FEIs) and work-based learning providers.

Solutions

A Higher Level Skills Pathfinder Project has brought together the region's fifteen HEIs with FEIs, Government Office, the Association of Colleges, the SSCs, the RDA, the LSC, the NW Provider Network, Business Link NW and the Regional Skills and Employment Board.

The model is demand-driven and has two main areas of activity: the first supports Business Link NW Skills Brokers in delivering specialist HE advice and brokerage. This is fully integrated with the Train to Gain service. Specialist Advisers from the project work with skills brokers to identify and meet employers' needs to provide a complete skills service from skills for life to post-graduate CPD. The second area of activity comprises work with SSCs and employers to identify gaps in Higher Level Skills provision and then commissions specialist providers to develop demand led provision to meet these employer needs in collaboration with businesses.

Results

- The partnership has funded 54 projects to develop more than 60 courses from foundation degrees to masters, including continuing professional development.
- Over 600 learners have enrolled and at least a further 600 learners are expected to enroll on the 34 courses funded with the HEFCE development funds, North West Development Agency (NWDA) funded projects are still in the development stages but are predicting more than 4500 learners by March 2013.
- Business Link NW have received over 1000 Higher Level Skills referrals since April 2007 with more than 140 of these receiving additional support.

Lessons and implications

Effective joint working between the HE sector and other skills and business support can deliver major benefits for employers in meeting higher level skills needs. The track record of strong partnerships, commitment to employer engagement and a shared understanding the relationship between higher level, specialised skills and economic performance have proved to be key success factors in the North West.

North West – active collaboration between universities and their partners to meet higher level skills needs.

Train to Gain Enhancement Fund

Partners in the region identified the need for additional funds for employers to meet their skills needs that were not covered by Train to Gain to create truly demand led provision.

The solution

The Train to Gain Enhancement Fund is funded by Yorkshire Forward, the Regional Development Agency, and the European Social Fund. It is co-financed by the Learning and Skills Council for Yorkshire and Humber.

The fund of around £50 million can be used to support a wide variety of training in addition to that available through Train to Gain. It can be accessed for qualifications from Level 1 to Level 5 and industry specific qualifications. Employers are expected to make a contribution to training costs at all levels. So far most applications to the fund have been for bespoke or industry led qualifications. The flexibility of the fund means that employers can be supported through changes in the economy and in the market.

Lessons and Implications

Employers' experiences of the fund demonstrate that there is a need for bespoke and specialist skills provision and greater desire for flexibility than can always be met by the Train to Gain core service but that this can be overcome by partners working together to meet employer demand.

Yorkshire and the Humber - combining funding sources to ensure employers' skills needs are met

Birmingham International Airport: Skills for Life

The 140 companies located at Birmingham International Airport provide over 20,000 jobs and, in the medium to long term, this is set to grow due to airport expansion. However, the West Midlands contains high proportions of individuals with low skills including literacy and numeracy (Skills for Life) and those for whom English is a second language. There is a culture of low aspirations and achievement as a result of industrial restructuring. Employers and learners can be difficult to engage and the Airport workforce is no exception.

The solution

Solihull College has developed a partnership with employers to deliver Skills for Life and English as a Second Language (ESOL) provision for the airport. A dedicated project manager is located in the airport to work with the companies there and to develop provision contextualised to the job roles of those requiring up-skilling. The project manager is given as much devolved authority as possible by the college to respond flexibly and create demand-led provision.

Key features:

- The programme is called English and Maths for learners - not Literacy and Numeracy or Skills for Life, both of which terms were found to have negative connotations.
- The corporate identity and branding of the airport is used to promote learning and a sense of local ownership. The Solihull College brand was not used.
- Provision is made available 52 weeks per year and not just term times and the team will work to fit the company's shift patterns.

Lessons and implications

Creating truly demand-led provision takes long term commitment with funders, providers and employers working in close partnership. Critical success factors in the Birmingham International Airport experience have included co-location of a dedicated project manager with a high degree of autonomy and authority, a willingness to fit delivery to the employers' working patterns and business needs and using learners as advocates of the programme.

West Midlands - a partnership approach to meeting basic skills needs in the airport's workforce

Caunton Engineering Training Academy

In order to address a skills shortage within the industry, Caunton Engineering set up a training academy. Previously they had used LSC funded training providers and local colleges to train fabricators/ welders but felt that class sizes at the college were too big, that it was not sufficiently resourced and that the style of teaching did not suit those disengaged from formal learning.

The solution

In 2004 Caunton Engineering decided to open a training academy to train the 5 apprentices they take on every year. They held discussions with the LSC and SEMTA, the Sector Skills Council for Science, Engineering and Manufacturing Technologies, but were not able to get a direct contract due to the low numbers of people involved.

The company then became accredited assessors to deliver National Vocational Qualifications (NVQs) and drew up an agreement with the Engineering Employers Federation (EEF) West Midlands Technology Centre enabling Caunton Engineering to run their own apprenticeship programme. EEF have helped the company with the bureaucracy related to the academy. SEMTA have also provided support. A condition of the contract with EMDA was that it also benefit local schools and Caunton Engineering have partnered with three local schools to deliver an engineering diploma.

In August 2008 the academy was accredited as a Training Centre by EAL, an awarding body for engineering, technology and related sectors. The academy is well equipped and has a model production line and classroom with individual computer stations. Apprentices work towards NVQs at levels 2 and 3 in engineering, fabrication and welding. They also have the opportunity to progress to advanced apprenticeships.

Lessons and Implications

By engaging with the school system and taking a personalised approach to employee development from work experience onwards, Caunton Engineering are able to build employability skills. Their training academy shows that with public funding, private sector organisations can develop facilities that also benefit local communities.

East Midlands - engineering employer taking the lead in developing training and progression

Shared customer information system - RBSIS

Partners in the Eastern region recognised the need to simplify business support to help employers understand what was on offer as well as to provide joined-up delivery and enhanced cross-selling of services and efficiency of referrals and for partners to present themselves to customers in a professional, coordinated manner.

The solution

In February 2006, the East of England Development Agency (EEDA) Board set the vision for a regional business information platform (RBSIS) to enable EEDA and its partners to collect, collate and analyse business information for strategic policy decision making purposes.

The Regional Business Support Information System (RBSIS) was launched in April 2007 in parallel with the new regional Business Link service. It is now used by a variety of partners including the Skills Brokerage, Manufacturing Advisory Service (MAS) East and a number of European Structural Funds (ESF) funded projects and is currently being rolled out across EEDA.

Data sharing protocols are in place to ensure the quality and integrity of the data is maintained. These protocols set out the responsibilities of partner organisations using the system and how data may be shared. Work is now under way to introduce a regional marketing approach which will identify opportunities for joint marketing and ensure that businesses only receive targeted and relevant marketing material.

Lessons and implications

Evaluation in 2008 found that:

- The development of a single, shared customer database and associated systems in RBSIS represents a significant improvement on the pre-existing situation where six Business Links and the Train to Gain brokers worked from different, unrelated Customer Relationship Management Systems (CRMs).
- Evidence is now emerging of improved data quality and the ability to offer a more joined-up service is becoming evident. For example the Train to Gain brokerage reported that working with Business Link was helped by sharing a database, and estimated a 30-40% increase in cross-referrals.
- Without exception, people interviewed recognised the strategic benefit to business support providers and their customers in the region from sharing a common database of customers.

Eastern region - sharing customer information to provide a more professional service to businesses

Retail sector qualifications

The complexity of the qualifications available made it difficult for retail employers to know what qualification holders knew or could do and was deterring them from using accredited qualifications in their businesses. In order to simplify the qualifications on offer Skillsmart Retail drew up proposals based on the views and wishes of retailers.

The solution

When Skillsmart Retail began their work, there were around 150 retail qualifications, of which 98 were vocational. Skillsmart Retail worked together with awarding organisations to reduce the number of qualification titles on offer to nine. Furthermore, Skillsmart Retail encouraged awarding organisations to call similar units by the same name, enabling employers to understand the skills that employees would gain from different qualifications and how these qualifications compared to each other.

These reforms not only decluttered the qualifications landscape, but also enabled employers to make an informed decision about the most appropriate qualifications for their employees to develop the skills they needed for their jobs. Skillsmart Retail hoped that the changes would mean that the main difference between awarding organisations would be in the service they provide and that employers could select training based on quality of delivery.

Lessons and Implications

Skillsmart Retail's work shows that it is possible for bodies which represent specific industries or sectors to work together with awarding organisations to rationalise the qualifications on offer and standardise the names of qualifications and units, making it more straightforward for employers to engage with the system.

London - working with employers to simplify retail industry qualifications

Gloucestershire First and Parklife

In 2001, the South West Regional Development Agency (SWRDA) invited Gloucestershire First to develop a proposal to test an integrated economic development project that brought together regeneration, skills development and business improvement activities.

The solution

Gloucestershire First developed the idea of targeting existing business parks as communities or neighbourhoods of businesses particularly those that would benefit most from the project, which were strategically located but needed additional support and improvement to retain existing employers on site.

The project helps businesses with staff training, recruitment, building contacts, advice, and identifying grants and funding. Gloucestershire First co-ordinates support to the sites in association with key public sector partners. Businesses can also collaborate with other local partners on tackling problems such as crime, signage and transport issues that affect the entire site. Larger businesses are encouraged to share resources such as meeting rooms with smaller businesses on the site and open up their spaces for events which benefit the park as a whole. Businesses are also encouraged to mentor and support one another and develop closer working relationships with each other.

The project includes a Strategic Business Development Programme in which businesses come together to discuss how they operate and share ideas as to how they can improve. As part of this, businesses can identify their skills needs and locate sources of Train to Gain funding where appropriate. The Strategic Business Development Programme can also form part of Leadership and Management training through Train to Gain and act as a springboard into more intensive support through Business Link specialists.

Lessons and Implications

By developing a model that treats business parks as local communities, the Parklife project has been able to reach many small businesses that often don't engage with public sector organisations. Businesses have been able to come together to solve the problems that are important to them and also learn from each other's experiences.

The Parklife Project shows that spatial clustering can bring benefits to business such as greater exposure to public agencies, the opportunity to learn from other businesses and the ability to collaborate in areas such as skills training.

South West - targeting business parks to provide the business community with flexible support and encourage collaboration

Addressing local employment and skills issues

The South East is a geographically large and economically varied region which requires sub regional co-ordination to ensure that policy and delivery are sufficiently responsive to local circumstances and to develop more employer demand led provision.

Solutions

A number of different models of Employment and Skills Boards have been set up across the South East region. They are tailored to local needs and circumstances, working flexibly in partnership with the existing organisations to add value rather than duplicate. In Kent and Medway the board built on the model of the original Learning, Skills and Productivity Alliance with a reviewed membership and an emphasis on a small operational core with links to wider groups.

Its main function is to obtain current information from employers on their skills needs, working mainly through up to nine sectoral networks, and feed up-to-date information into strategies such as Local Area Agreements and Multi Area Agreements. The sector based approach is found to be highly effective (although there is also a small business group run jointly with the Chambers of Commerce.) Existing sector groups are used wherever possible e.g. Digital media and Sector Skills Councils are also engaged.

Key outcomes to date include:

- The University of Kent in Folkestone has developed specialist IT HE courses for Saga.
- Thanet College hospitality and catering students are hosting business events which are used to identify the issues for employers in the sector and ensure provision meets their needs.

North Kent Employment and Skills Board is adopting a different model which can potentially commission provision in its own right. It is intending to take responsibility for minimum level of performance so that colleges can be encouraged to take more risks in developing new employer responsive provision.

Lessons and implications

There is a clear need to increase the alignment between skills and demand and supply sides at the sub regional level and through sector specific approaches. Brokering the dialogue is the key and using existing networks and groups wherever possible helps to keep structures simple and fit-for-purpose. The flexibility of the model means that whilst the overall purpose remains the same – increasing alignment – precise functions e.g. commissioning or brokering can be determined by local circumstances.

The South East - flexible models to integrate employment and skills at the local level

6. Lessons from the Devolved Administrations

The original report on Simplification of Skills in England confined its recommendations to changes in the way the system works within England. But we know from feedback from employers that the differences in practices across the four nations, as a result of the devolution of policies related to skills, can cause some operational problems for employers and learners alike.

Our research therefore included a strand to enable us to understand the approaches that the three devolved administrations have developed in relation to skills, and the processes and practices they have adopted to achieve the integration of employment and skills within the nation.

We visited Wales, Northern Ireland and Scotland and met a range of colleagues from national and regional government, Sector Skills Councils, and employers, including those who are leading local and regional groups, key stakeholders such as Jobcentre Plus, colleges and other learning providers. Our employer perception research did not cover Wales, Scotland or Northern Ireland and so we cannot triangulate our observations with empirical research in relation to the Devolved Administrations.

However, we conclude that there is a variety of good practice in all of the three nations:

- Northern Ireland has taken a proactive approach to responding to employer needs for skills in particular areas, such as ICT related skills, by funding a conversion course for recent graduates to give them practical skills for which there is a known employment need.
- Welsh stakeholders are working well with JCP to join up support to employers and individuals, and through joint work with Business Link, have developed an effective programme, Proact, as a response to the recession, which has clearly been highly valued by employers, employees and communities alike.
- Scotland's Skills Strategy is widely accepted as a coherent and comprehensive statement of priorities and is used to guide actions. It sits within the overall economic strategy for Scotland and is particularly valued by all players as a clear and long standing commitment to high level approaches and outcomes.

We were impressed by the way in which the Devolved Administrations had managed to bring together all of the key players in the skills systems for their nations, and to use the approach to support economic development and other priorities.

It was also clear that many of these things were achievable because of the relatively small populations, meaning that the partnership working requirements were easier to achieve. We also heard that some of the nations would have appreciated having a comprehensive offer available within their range of skills solutions, to offer benefits both to employers and individuals.

An additional theme which emerged from some of our discussions with employers, and from feedback from organisations such as the National Employer Service (NES), is that for employers whose businesses span more than one nation, the difference in practices, policies and funding arrangements cause some confusion and lack of clarity. We recognise that this complexity is a direct result of devolution, and is being tackled through better information and the intermediary services of bodies such as NES.

We conclude that Scotland, Wales and Northern Ireland each provides different examples of how a simplified system can work successfully in their individual context and have in their own areas developed skills systems which respond to their national priorities and context. Each of the three systems provides clear examples which demonstrate how a simplified system can work successfully.

Continuing to learn about what works in the drive for further simplification and integration of the employment and skills services across the four nations will help to make systems as clear, transparent and navigable as possible for employers, regardless of where they are based.

7. Conclusions and next steps

The initial brief for simplification was set out in the UK Commission's report¹⁹ in October 2008 and was confined to "hiding the wiring" to enable employers to access the system more easily and receive more effectively delivered support. We have focused on the six main areas of work covered by the original recommendations and have measured progress towards them.

Our interim report in July 2009 identified a number of areas where we believed that more work needed to be done. We have made our final assessment of progress in this report, set out in detail in the RAG tables in Chapter 2. Our summary conclusion is that initial good progress has been made overall in presenting skills support services that are easier for employers to understand and access under a suite of national brands. Continued vigilance will be needed to maintain this progress. There is still a considerable amount of work to be done to ensure that the full impact of the process changes made to the system is translated into impact for employers.

We have also gathered further information and evidence about underlying structural complexity and other issues which remain to be addressed if we are to achieve the challenging ambitions for radical redesign of the system contained in such policy documents as the UK Commission's "Towards 2020: Skills, Jobs, Growth"²⁰ and the Government's recently published national skills strategy²¹, and the recent Higher Education framework²².

Many of the themes within these documents reflect key issues which have emerged during our investigation. Our interim report in July identified a number of areas where we believed that more work needed to be done. In addition to the progress reports set out in the RAG tables in this report, we have also gathered further information and evidence about other issues which remain to be addressed.

There are three key messages from our research. Firstly, this year has seen much **activity in implementing new processes** which is very welcome. However, the acid test is what **impact this has for customers** as the system develops. The clear message from everyone we have spoken to is the need to build longer term certainty in to the way skills are approached, without unnecessary tinkering or micro management.

Secondly, the changing economic environment since the initial report in July 2008 and increasing pressure on public spending means that there has never been a greater **need to deliver more for less**. A clear message has emerged about the need to save money, by **removing unnecessary processes** and by **positively designing simplicity into the system**, avoiding the temptation to invent new approaches without a rigorous analysis of their long term sustainability.

Thirdly, we have evaluated progress against the strongly expressed advice from the UK Commission about what NOT to do to avoid further complexity being designed in to the system from the first Simplification report: "Simplification of Skills in England"²³ which is included in Appendix A. This focussed on avoiding introducing new brands or new initiatives. In the main, the avoidance of the introduction of new organisational brands has been achieved. The decision of the Skills Funding Agency not to have an external brand is particularly welcome.

¹⁹ "Simplification of Skills in England: expert advice to government on simplification of the English post-compulsory skills system for employers" UKCES October 2008

²⁰ "Towards Ambition 2020: Skills, Jobs, Growth" UKCES October 2009

²¹ "Skills for Growth" Department for Business, Innovation and Skills November 2009

²² "Higher Ambitions: the future of universities in a knowledge economy" Department for Business, Innovation and Skills 2009

²³ "Simplification of Skills in England: expert advice to government on simplification of the English post-compulsory skills system for employers" UKCES October 2008

During the course of our research, there have however been a number of new initiatives, largely related to the need for action to reduce the impact of the recession. Whilst this is understandable, there will be a need to ensure that the growth of new brands and initiatives does not continue. Additionally, the impact of the Machinery of Government changes, with the arrival of the Skills Funding Agency, the Young People's Learning Agency and the involvement of over 100 local authorities in this area of activity will need to be carefully monitored in order to avoid complexity creeping in by the back door.

The recent strategy documents address a number of themes raised during our investigation:

- The provision of “food labelling” information on course **quality and outcomes** is an excellent response to a request we have heard from employers and providers alike. The challenge will be to ensure that the chosen system is as simple as possible, and includes immediate and robust feedback from those who use the system, in this case employers and learners, in the same way as is common practice with commercial consumer research.
- Similarly, the moves to ensuring that as much of the **process and ways of working** for the **Skills Funding Agency** as a low profile, non branded organisation with the bulk of its transactions being undertaken on an electronic basis is to be welcomed. The approach to e-enabled transactions reflects much of the learning from the National Employer Service, and is a welcome development of systems which will be simpler and less paper intensive for everyone involved in the system. Whilst progress has been made on reducing bureaucracy, there is still considerable work to be done elsewhere in the system if the drive in the Government's recent policy documents to move towards electronic record keeping is to be achieved.
- Good progress has been made in clarifying some of the **nationally controlled brands**, in response to employer comments in the past. However, as our employer research demonstrates there is still confusion about some of the local, and sub regional brands. Discussions with Department for Communities and Local Government (DCLG) and those organisations with responsibility for the allocation of European funding, might be helpful to ensure that opportunities for further complexity at local and sub regional level are not mandated or encouraged as a result of new funding streams or local government structures.
- **Organisational complexity** is still a feature of the system in the view of many respondents. Our interviews demonstrated clearly that there is no single view about which organisations play a useful role, and which add to unnecessary complexity. The drive to take a robust view on what organisations can expect to retain public funding should begin to address this issue.
- The impact of **funding and policy changes** gave rise to two main areas of concern wherever we visited. Firstly, employers who had responded to the call to develop skills were disappointed to find that the support they were expecting to access was no longer there (particularly so for SMEs). The second issue was the perception of “*constant tinkering with the system*”. The long term direction of travel set in the Government's national skills strategy²⁴ will be helpful in countering this perception of constant change, but it will only be successful if employers and other partners see a consistent application of the principles and objectives within the strategy.

²⁴ “Skills for Growth: the national skills strategy.” Department for Business, Innovation and Skills November 2009

- **Public finances** were referred to in every visit we made, and the need to get more from less from the system was a constant theme. The skills investment strategy²⁵ addresses this by being clear about what is likely to be funded for the future. But we also heard the need for sufficient flexibility within the funding envelope to enable the implementation of regional skills strategies to reflect the needs of employers within regions, as well as the obvious national priorities flowing from recent publications. This is an area which will need sensitive handling at a time of increasingly stretched budgets.
- Employers and providers both reported that **targets** appeared to be aimed at meeting numerical Public Service Agreement (PSA) objectives, rather than deliver a genuinely demand led system. The balanced scorecard approach set out in the Government's national skills strategy minimise this risk, but there will be a need to ensure that the relevant PSA targets are properly aligned, in order to drive the behaviours needed to deliver the skills ambitions.

What needs to happen next?

The employer research underpinning these findings has been valuable in pinpointing areas where employers are most concerned about complexity. It provides a baseline against which to measure future progress. Some of this might be done through the employer perception work, which the UK Commission will be undertaking. We would particularly urge more work to be directed at those employers who have not engaged with the system, to see what more can be done to engage this group.

Finally, this project has illustrated the value of **following up recommendations** to identify what has happened, and to begin to understand whether the impact has been what was originally envisaged.

As set out in the body of this report, significant progress has been made in response to the recommendations in our 2008 report, including changing practices, and structures. The full impact of all of these developments has not yet been realised and is likely to need further monitoring at agreed points to see what the long term impact has been. A commitment to this, as part of the monitoring of progress towards Ambition 2020²⁶, together with a clear accountability for taking this work forward should help to ensure that gains are not dissipated.

²⁵ "Skills Investment Strategy 2010-11" Department for Business, Innovation and Skills November 2009

²⁶ "Towards Ambition 2020: Skills, Jobs, Growth" UKCES October 2009

Appendix A:

The ten recommendations

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

We have brigaded the 10 recommendations into six main work strands as follows:

- **The talentmap:** how employers can find out about publicly funded skills services online.
- **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.
- **Train to Gain Core Service:** the comprehensive service for employers to meet their mainstream business skills needs.
- **Train to Gain “Plus”:** specialised skills services to meet strategic skills needs such as sectoral or higher level skills and services.
- **Branding:** coherent, consistent messaging to business by Government on all publicly funded skills and business support.
- **Bureaucracy reduction:** reducing the complexity of funding and contracting systems, simplifying qualifications and making quality assurance fit for purpose.

Preventative Measures for the Future

In the original report, Simplification of Skills in England, Chapter 7 contained advice on preventative measures for the future as follows:

“Most analyses of the complexity of the current system suggest that there was never any intention by successive governments to create an unnecessarily complex system – most initiatives, programmes, projects, rules and procedures were introduced iteratively and with good intent. The real problems have resulted from the combination and interaction of a whole series of initiatives, organisations and approaches over an extended period of time.

The UK Commission is concerned that even if the system is simplified by these proposals and subsequent further work, the tendency for the system to regress will be strong. Consequently, and whilst acknowledging that these may be difficult to accept as blanket rules, the UK Commission would wish to encourage Ministers and officials to strongly resist the tendency for reversion, and to adopt five key principles on what not to do in the future:

- No new disconnected initiatives,
- No separate contracts for different elements of the Train to Gain service,
- No different reporting or monitoring rules outside the current set,
- No new business facing brands beyond those suggested here – Business Link, Train to Gain and Apprenticeships,
- No new agencies beyond those already announced.”

Appendix B:

List of organisations consulted

Listed below are the main organisations that we spoke to in the course of the project. A full list can be accessed via our website (www.ukces.org.uk):

- Department for Innovation, Universities and Skills
- Department for Business, Enterprise and Regulatory Reform
- Department for Business, Innovation and Skills
- Department for Work and Pensions
- Her Majesty's Treasury
- National Audit Office
- The Learning and Skills Council
- The Federation of Small Businesses
- Regional Development Agencies
- National Employers' Service
- Employment and Skills Boards
- Confederation of British Industry
- British Chamber of Commerce
- Office of the Qualifications and Examinations Regulator (OFQUAL)
- National Apprenticeship Service
- Institute of Directors
- Business Link
- Sector Skills Councils
- Providers including private providers and Further Education Colleges
- Association of Colleges
- Jobcentre Plus
- National Institute of Adult Continuing Education
- Government Offices
- Higher Education Funding Council for England
- Local Authorities
- Lifelong Learning UK
- Welsh Assembly Government
- Department for Employment and Learning in Northern Ireland
- Invest Northern Ireland
- Scottish Government
- Scotland's Colleges
- The Scottish Training Federation
- Skills Development Scotland
- Scottish Funding Council
- Scottish Qualifications Authority

Employers including:

- Sainsbury's
- Kwik Fit
- Nestor Plc
- Serco
- Barchester Healthcare
- Compass Group
- TUI
- Jaguar Landrover
- Birmingham International Airport
- London City Airport
- EoN
- Veolia
- Sony
- Rolls Royce
- Siemens
- Toyota
- Pace
- Flybe
- First Group
- NHS
- Over 50 SMEs

Appendix C: Methodology

This appendix documents the methodology used to analyse the evidence gathered in the process of drafting this report.

We began by identifying the main recommendations in the 2008 “Simplification of Skills in England” report and brigading these into six key work areas. We then decided on appropriate indicators to measure the degree to which the implementation of the recommendations had been successful. The 6 themes are set out in Appendix A.

Having established an appropriate framework against which to measure progress we met all the national policy leads in the relevant government departments at the time: the Department for Business, Enterprise and Regulatory Reform (BERR), the Department for Innovation, Universities and Skills (DIUS), the Department for Work and Pensions (DWP) and Her Majesty’s Treasury (HMT). These meetings considered the Departmental view of the system and enabled us to discuss policy intentions and future policy directions.

A significant amount of the evidence for the report was drawn from a major survey of English employers we commissioned. Acting on our behalf, BMG Research contacted almost 3000 employers to examine their experiences of the skills system. They spoke to around 2000 employers who had engaged with the system about their views on its specific elements. They also interviewed a further 1000 employers who had not used the system, to understand the factors that had discouraged them.

One of the major sources of evidence for the report was the series of visits we undertook to the English regions. In a focused programme over 2 days in each region we met representatives from a broad range of organisations involved in the skills system including Regional Development Agencies, Regional Skills Partnerships, the Learning and Skills Council, Employment and Skills Boards, Jobcentre Plus, the Federation of Small Businesses, local Chambers of Commerce, local authorities, Business Link, brokers and providers and a range of employers in each region. We obtained their views on all six key areas, as well as hearing views on how the system could be improved more generally, some of which informed the UK Commission report of October 2009, “Towards Ambition 2020: Skills, Jobs, Growth”.

Although the remit of the project is limited to England, we also undertook visits to the Devolved Administrations in Scotland, Wales and Northern Ireland where we met representatives from the administrations alongside employers, providers and representatives from other bodies including Sector Skills Councils. These visits enabled us to see how different skills systems within the UK operate, providing a mirror in which to view the English system and showing us examples of how simplified systems can work in practice. Our visits to the Devolved Administrations enabled us to evaluate the English system from a different perspective and identified what has worked well elsewhere.

In addition, we collected evidence through meetings with other partner organisations on a national level, including Sector Skills Councils, the CBI, the Institute of Directors, the Federation of Small Businesses, the British Chamber of Commerce and the Learning and Skills Council. We also drew information from reports produced by a variety of organisations including other areas of the UK Commission, the National Audit Office, and the Learning and Skills Council. We have also been mindful of the impact of Machinery of Government changes such as the formation of the Department for Business, Innovation and Skills and the implications of the Government’s recently published national skills strategy “Skills for Growth”, the “Skills Investment Strategy 2010-2011” and the Higher Education Framework “Higher Ambitions: The Future of Universities in a Knowledge Economy”.

Our Management Information Framework ensured that we collected all the necessary information, including the source. We have analysed the evidence against the original performance indicators and allocated each recommendation a red/amber/green rating to demonstrate how successfully it had been implemented.

Our interim report in July 2009 used evidence gathered from the first regional visits and national stakeholder meetings to produce initial ratings of the recommendations as well as to indicate what was needed to achieve or maintain a green rating. This report was sent out to or key stakeholders and to people who had participated in regional visits. It was on the whole well received and formed a basis for the current report, alongside the other information sources set out above.

Appendix D:

Glossary of Terms

Association of Colleges (AoC): self-funded organisation representing and promoting the interests of colleges in England, Wales and Northern Ireland

Apprenticeship: formerly known as modern apprenticeships, these consist of an NVQ, Key Skills and a technical certificate, in a work related area and can be taken at Level 3 advanced and higher level

Department for Business, Enterprise and Regulatory Reform (BERR): former government department, now forms part of BIS

Department for Business, Innovation and Skills (BIS): central government department with responsibility for skills and training

Business Link (BL): publicly funded free advice and support service to businesses

Confederation of British Industry (CBI): UK business lobby organisation

CRM: Customer Relationship Management

Department for Communities and Local Government (DCLG): central government department responsible for local government

Department for Innovation, Universities and Skills (DIUS): former government department, now forms part of BIS

Employment and Skills Partnerships: local or regional partnerships between organisations and individuals with an interest in the skills agenda

ESF: European Social Fund

FEIs: Further Education Institutions such as colleges, managed by the LSC

Federation of Small Businesses (FSB): self-funded organisation representing and promoting the interests of small businesses

GTA: group training association

HEFCE: Higher Education Funding Council for England

HEIs: Higher Education Institutions such as universities

Integrated Brokerage Service: integration of Train to Gain and Business Link brokers under one brand, providing a 'one stop shop' for employers

Institute of Directors (IoD): self-funded organisation supporting business leaders

Leadership and Management: specific Leadership and Management training available through Train to Gain

Learning and Skills Council (LSC): Non-Departmental Public Body responsible for managing post-16 further education

Learning and Skills Improvement Service (LSIS): advises the further education sector

National Apprenticeship Service (NAS): LSC funded body to promote and support apprenticeships

National Employer Service (NES): organisation which helps businesses with more than 5000 employees with workforce development

National Occupational Standard (NOS): describes the skills, knowledge and understanding needed to undertake a particular job of task to a nationally recognised level of competence

National Skills Academies (NSAs): employer-led academies delivering skills required by sectors of the economy

National Vocational Qualification (NVQ): work-related, competence based qualifications at level 2 or level 3

Ofqual: Office of the Qualifications and Examinations Regulator. Regulates examinations in England.

Ofsted: Office for Standards in Education, Childrens Services and Skills. Inspect learning providers to ensure they are efficient, effective and promote value for money

QCF: Qualifications and Credit Framework to make it easier to understand and compare qualifications

Regional Development Agencies (RDAs): responsible for regional skills agendas and responding to regional needs

Skills Funding Agency (SFA): new body due to replace the LSC from April 2010

SFEDI: Small Firms Enterprise Development Initiative. Standards setting body for business support and business enterprise

Skills for Life: Literacy and numeracy training available through Train to Gain

SMEs: Small and Medium Enterprises. Businesses with fewer than 250 employees

Sector Skills Councils (SSCs): independent, employer-led, UK-wide organisations designed to build a skills system that is driven by employer demand

talentmap: a web tool to help employers in the UK identify and easily locate relevant and appropriate education, skills and employment services

Training Quality Standard (TQS): a framework and an assessment certification process which recognises the best organisations delivering training and development to employers

Train to Gain: government funded initiative in England delivering vocational training

VQRP: Vocational Qualifications Reform Programme

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.

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