



UK COMMISSION FOR
EMPLOYMENT AND SKILLS

UK Futures Programme – Guidance Documents



Types of project

The UK Futures Programme is focussed on addressing problems through testing. We are looking to invest in different types of project that create innovative skills/training solutions to problems that we have identified.

'Stages' of a project – In some cases, it might be appropriate for a project to cover multiple 'stages'. For example, a particularly promising 'development' model might progress to the 'pilot' stage. A successful test at this stage might involve further progression to 'scaling'. However, the success or failure of a project is not determined by whether or not it progresses to the next stage. What is important is that the project generates valuable insights that will allow UKCES to better target solutions in future. Identifying, in a controlled testing and learning environment, what does and does not work is also valuable for all parties. This is particularly the case if it allows for adaptation and development or illustrates contexts in which an idea cannot solve a problem.

The types of innovative projects that we will invest in are the following:



Research

1. Research – A research project will shine new light on the problem that we have identified, for example by explaining the wider context and identifying potential solutions.

Some examples of this could be:

- Developing an explanation of how the problem came to exist
- Informing solutions by detailing previous attempts to solve the problem
- Elaborating on the wider impact of the problem beyond the immediate effects identified by the UKCES

Employers will be welcome to identify gaps in the evidence and the means to address them. However, research projects will not be invited for every competition.



Development

2. Development – A development project turns understanding of a problem into a model for solving it.

Ideas for solving the problem need refining and developing into concrete, practical steps which employers can take. It is important to explain how taking these steps will solve the problem, and to explain through use of the logic chain any other consequences that implementing the solution might have. For information on how to do this consult the 'Potential for Impact' guidance document.

Applicants are encouraged to offer multiple solutions and develop more than one model. Different models could represent different types of innovation:

- Transformative innovation: involving the development of entirely new products or ways of doing things;
- Context-specific innovation: solving a problem by implementing existing practice in a new context;
- Adaptive innovation: modifying existing practice so that it is better tailored to the specific problem, or adapting existing practice so that it has wider application.

For more information on the types of innovation, please consult the 'Innovation' guidance document.



Piloting

3. Piloting – A pilot project involves implementing a modelled solution, identifying its long-term impact and demonstrating its suitability for wider application.

A pilot project would involve testing solutions in a 'real world' context. We would expect the intended outcome of the intervention to be clearly explained in advance by use of the logic chain (see "Potential for Impact" guidance document.) However, the UK Futures Programme is at heart a learning opportunity. As such, the most important feature of the 'piloting stage' is the ability to clearly evaluate the difference made by the intervention.

For more information, please consult the "Testing and Shared learning" guidance document.

Projects which seek to 'pilot' more than one model provide a strong basis for testing what works through providing a controlled environment. This allows us to establish the difference made by the overall intervention and the importance of particular features of the intervention. For example, a project could test two or more ways of engaging with hard to reach employers to see which is most effective, or test alternative models of refining job design in growing workplaces.



Scaling

4. Scaling – A scaling project takes solutions that we know work, and implements them in a different context.

This could involve taking a successful solution to a particular problem and adapting it to a new context, one that requires little new development or testing.

When scaling a solution, it is important to take account of the new circumstances and to ensure that these do not undermine the effectiveness of the solution.

Engaging a wider range of employers

Through the UK Futures Programme, the UKCES expects strong employer leadership of projects, as past investment programmes have shown this to be critical for success. This guidance document considers the issue of widening collaboration amongst employers and enhancing the target market. The extent of employer engagement, and the resulting buy-in, affects how quickly a project can be implemented. In general, the stronger the engagement in the design and development of solutions the easier it is to galvanise involvement in the delivery. There is no “silver bullet” for employer engagement; the time and resources required cannot be underestimated, but engaging the market for the product or service you are developing is critical.

Where employer engagement has worked particularly well, what are the common factors?

Our research has shown factors that have coincided with effective employer engagement, include: a history of engagement and established mechanisms for doing so; the sector has a culture of employer collaboration; and having a clear and convincing business case, often with tangible and quickly achieved benefits. Innovation has been a driver for engagement i.e. because they are seen to offer something different. The UK Futures Programme, by supporting innovation, therefore affords an opportunity to bring likeminded employers together.

How can these factors be replicated or used to facilitate employer engagement?

Working with existing contacts and through informal networks is the natural starting point for employer engagement, but this can mean that ideas are often tested with a ‘warm’ audience only. Moving beyond the initial group of interested employers to reach a wider group of employers can take considerable planning and effort. It may be possible to use sector specialists and other key players to build trust and respect to engage new employers. It is important to understand the characteristics of different groups of employers and identify key ‘selling points’ that appeal to and benefit different employers. Forums provide one way to stimulate thinking on behalf of sectors or geographical groups of employers by focussing on common issues.

What methods of employer engagement have been found to be effective?

The way in which employers engage, and when, changes from project to project. Examples of effective engagement include:

- employer ‘champions’, peers and supply chains to ‘sell’ project concepts credibly to others;
- individual personnel who advocate for and embed the messages and practices within their firm;
- engaging employers in decision-making is most commonly achieved through project steering groups and employers’ executive boards. This provides the opportunity to monitor the implementation of the project but without dealing with the day-to-day management of the project.

Are there any methods that are particularly effective in helping to engage with hard to reach employers?

All markets have “hard-to-reach” areas. These may be small but they can be significant in terms of changing established standards and practice or influencing reform amongst a wider group. Small and medium sized employers are often categorised as hard to reach; their time is more precious and they typically engage less. But these stereotypes may not be helpful for your target market, as there may be other hard to reach employers that are important to your success. This section considers means of widening engagement to include those who may be crucial to achieving significant and lasting change, including the following:

- having representatives on a steering group – this can include rotating which employers sit on the group to minimise the burden;
- engaging with clusters and other organisations where there may be groups of employers (although this would involve going through a third party);
- working through supply chains, in particular if significant organisations within the supply chain can be engaged effectively, before then spreading the message to others;
- encouraging and facilitating peer-to-peer engagement through informal networks;
- utilising existing forum and workshops that hard-to-reach employers already attend.

How can the burden on employers be minimised?

Effective methods have included meeting at employers’ own premises, and using a mix of face-to-face meetings, web briefings and telephone calls. Planning the method of communication and points for consultation around the requirements and priorities of employers can help to ensure that they do not feel over-burdened. It is important to ensure any contribution is used to best-effect. Providing employers with the opportunity to contribute to strategic direction is a critical part of the design of the projects, as well as shaping the development of new tools and approaches. Testing provides the opportunity to explore whether assumptions on employer demand were realistic and achievable. The effectiveness of this testing is a crucial dimension to developing employer ‘buy in’ to support the future of the proposed solution.

Innovation

Testing new solutions and developing innovative solutions to workplace development issues is the cornerstone of the UK Futures Programme. But what do we mean by innovation and what does good look like? You have to be able to: explain why existing options are not appropriate and how the innovation remedies this; clearly identify the aspects of the project which are new and innovative, as well as the type and nature of the innovation; and be clear if and how the project builds upon existing learning and good practice, either from the same context or from efforts to address similar problems/ apply similar solutions in another context.

What is innovation?

By its very nature innovation is something which is live and changing. Broadly speaking, innovation is about the design and delivery of the new or different. This can include new ways of working, as well as the development of new products and tools. However, ultimately a measure of innovation must be based on the extent to which it has a practical value and provides a service offering new benefits to employers or individuals. All of this is valid innovation and they will be considered in-scope. Different types of project will emphasise different types of innovation. For example, projects which are 'development' or 'piloting' will be more likely to deliver transformative innovation, whilst those that are 'scaling' may be adapting existing innovations. However, this is a broad generalisation. What is important is that the application clearly states the type of innovation.

What are the different types of innovation?

Communicating to others the way in which an intervention or approach is innovative can be challenging. It is helpful to try to describe the type of innovation and to use a common language to do this. In our research, we have used three categories to understand innovation:

- **Transformative innovation** is where an idea is fundamentally new and radical. But, some ideas may be further along the spectrum to being transformative without being wholly 'radical'; for example, developing a new model that is challenging existing skills funding models and regulations or supporting employers to adopt practices which move their business up the value chain, to stimulate demand for skills.
- **Context-specific innovation** refers to the application of existing models to a sector or geographical area for the first time. For example, developing a professional institute for employees, group training networks, an online portal for tracking training progress, or developing career and skills pathways. The degree of risk is likely to depend on the similarities and differences between the existing context and the new.
- **Adaptive innovation** is typically where modifications are made to an existing product or process so that it appeals to a wider audience and / or is better suited to the needs of a specific audience. Adaptive innovation may also seek to produce greater value for employers at lower costs and higher benefits.

This is not a pure science. An idea / project may be at any point along the spectrum and may include elements of the different types of innovation. The type of innovation is not fixed and can change in type and scale during the implementation of the projects.

This is illustrated in the following diagram:



How is innovation achieved?

There are many contributory factors and identifying the innovative 'idea' is often an organic process. The direct engagement of employers at an early stage has commonly been reported to trigger fresh ideas. The larger the pool from which fresh ideas are drawn the more likely it is that innovation is at the 'radically different' end of the spectrum. Other employers can also bring a 'real world check' to ensure innovation does not compromise practicability.

How is innovation understood and communicated to the target market?

The real test of a solution and its innovation is whether employers (generally the target market for the Futures Programme) are willing to pay for it. So, it helps to consider (as appropriate) how to articulate responses to:

- **Why** is it considered innovative? **How** and **why** is it different to what exists? **How** does it build upon the learning about what exists / what has been tried already?
- How will you explain **what is new** to other employers / the wider audience? Will the proposed audience **recognise** it as new? Will they recognise the benefits on offer?
- Does it provide a service or product with **new benefits**? Does it have a **practical value**? How can this be articulated? How can it be strengthened?

How/when does innovation need to be market tested?

It is often most practicable to work with 'warm' employers (existing relationships) to hone the innovation before promoting it to other employers. However, it is important to engage a broad cross-section of employers at the earliest possible stage. Robust market testing in the initial stages of a project minimises the chances of an innovation being poorly received.

How does the level of risk and potential impact differ by type of innovation?

A project introducing something completely new to a sector has the potential to be transformative, as employers have access to a wholly new service. These projects inherently carry a higher level of risk, as the approach is unlikely to have been previously tested in the market but could potentially transform employer behaviour. Safer and lower-risk investments (adaptive or context-specific) are more likely to have an incremental impact on skills investment and growth, having a greater chance of being sustained and influencing a wider reach of employers. In order to learn "what works" the UKCES expects to contribute to projects which may not be immediately successful, as long as the potential impact and innovation is understood.

What do we mean by testing and shared learning?

Introduction

The UK Futures Programme is intended to advance our knowledge of what works in tackling persistent or emerging skills issues. This will be achieved by co-investing in the development of new ideas, piloting prototypes in new markets or scaling successful ideas in new areas. Integral to this approach is an ethos of testing, which will require projects to have methods in place to enable continuous learning. As projects develop, insights will need to be fed back to improve ongoing development and delivery, and shared with others to maximise the benefits of the learning. In this guidance document we outline:

- 1) What is expected of applicants in the UK Futures Programme in terms of testing, learning and sharing lessons
- 2) The support that will be available from the UK Commission to help with this

What should I test?

What is tested will be specific to each project. We expect the emphasis to be on what is tried anew and / or being applied in a different way or context – the innovation. Put simply, testing is about understanding the innovative elements of the project, working out what makes a difference and what to refine, and learning what works and why. It is important to find out whether the end product / output does what was intended and addresses the problem it set out to tackle. But, it is also important to test the tools and / or approaches that you use to get to that end result. The things you refine along the way can make all the difference.

Testing applies to:

- The end product
- The hypothesis about the ‘theory of change’ from problem > activity / solution > results
- The tools and approaches that you adopt along the way

Clearly, what you test also relates to the type or stage of project and this will also inform the testing method. This is illustrated in the table below.

| Project type | Broad Question | Methodological considerations | Testing could include, for example: |
|---|---|---|---|
|  Development | What product will best address the problem we are seeking to address? | Test with core group of active employers initially before widening out to a broader cross-section | <ul style="list-style-type: none">• How to engage a cross-section of employers• How to explore and understand recognition and experience of the problem by a cross-section of employers• How to actively involve them in shaping a response to the problem• How to manage and respond to diverse needs• How to identify success measures, monitor and manage them |

| Project type | Broad Question | Methodological considerations | Testing could include, for example: |
|--|--|---|---|
|  Piloting | Does this product work in a real world setting? | Ensure product is piloted with a cross-section of the target audience | See above, and: <ul style="list-style-type: none"> • How to engage a cross-section of employers in piloting • How to minimise the barriers / respond to challenges • How to strengthen the value/benefits • How to evidence the benefits and know if it they would have occurred anyway • How to communicate the offer, innovation, benefits / risk of inaction • How to create a flexible pricing model |
|  Scaling | Does this product work effectively when scaled up to wider delivery? | Test implications with the target audience. | See above, and: <ul style="list-style-type: none"> • How to engage employers in championing the skills solution • how to translate what works for a wider audience / to a difference context • How to ensure the components of what works can be replicated • How to ensure there is flexibility to respond to changes in demand, policy context, etc. |

In addition, all projects will need to identify good indicators of progress towards a ‘successful’ result and how to actively manage and monitor them

When you have identified the key things you want to test and be able to refine or repeat in future, the key questions to explore are:

| | | | |
|----------------------------|------------------|-------------|-----------------|
| What works/doesn't? | When? | How? | Where? |
| What results? | Who with? | Why? | So what? |

What the UKCES is looking for:

Project teams with:

- An openness to share their ideas, discuss their challenges and learn from others
- Continuous reflection: how is it going? What could be better? How can we improve?
- A willingness to learn more about testing and implement the learning in the way they progress their project.

This will be assessed as part of the application process and interview. You will need to:

1. Present a clear idea of what you want to test, linked to the project type or stage, your innovation and logic chain, and some initial thinking about how this will be built into the project.
2. Consider the components of your approach and the methods you'll use.
3. Show initial thinking about how to build in the flexibility so the project can be refined as a result of the learning process.

During the project you will be expected to:

- Refine key success measures
- Collect performance and monitoring data from the outset, and use this over time to plot progress/ review success measures
- Develop and deliver a continuous learning plan
- Make use of the portfolio of testing tools that the UK Commission will make available
- Arrange visits to your site so that the Commission and other co-creation partners can see what you're doing and offer support to the project as a critical friend
- Prepare fully for, attend and participate at a series of group learning lab workshops approximately quarterly throughout the life of the project. Potentially comprised of multiple project teams and other stakeholders, these will be designed to collectively discuss issues and challenges faced by projects and identify solutions to overcome them, as well as sharing the learning
- Use discussions at the learning labs to reassess your project's progress, identify learning points and reshape success measures if required
- Produce output(s) that capture what was tested, how it was tested, what was learnt and the implications for the project, and wider. The report will give an evaluation of the project, measured against its success criteria, following a framework and structure agreed with the UK Commission.

What support will be available from the UK Commission?

We realise that the level and type of support needed will vary, depending on previous experience and the nature of the project. Support and resources available include a template to help you identify monitoring data for collection; a range of tools, including questionnaires and interview outlines to reflect on your progress; and the experience and expertise of UK Commission staff.

Public and private contributions

The UK Futures Programme provides employers with the opportunity to receive public support for the solutions they design to workforce development problems. This support could include financial contributions to encourage innovation and mitigate risk. In addition, the UKCES is looking to develop an on-going co-creation relationship with successful applicants that will result in significant support above and beyond the financial contribution.

The four types of project in which the UKCES is willing to invest will attract different levels of public support. In broad terms, projects that are more highly innovative may attract greater risk, or may take longer before employers receive the benefits of the innovation. In cases such as this, the UKCES' contribution will be higher. In contrast, those projects that are closer to the market, or involve less significant innovation, may be likely to receive a lower level of contribution.

For more information, consult the **“Types of Project”** and **“Innovation”** guidance documents.

The role of the UKCES in every competition is to support employers to develop their own solutions, and to ensure that whatever lessons are learned inform businesses and policy makers in future. Further detail on the level of UKCES support will be provided in each of the individual competition briefs.

| Type of project | | Indicative levels of UKCES Investment |
|--|--|---|
|  Research | Increasing collective understanding of a problem and identifying the potential solutions. | Research will be generated as a social good and will therefore attract a UKCES contribution close to the full cost of the project. |
|  Development | Progressing and refining existing ideas into products and services. | Employers will have an active interest in shaping the product/service being developed and will see the potential long term benefit of supporting the project. Public investment mitigates risk, which supports innovation and wider learning by enabling certain projects to go ahead. UKCES is likely to provide the majority contribution. |
|  Piloting | Piloting products on a small scale in the “real world” and evaluating their outcome and the feasibility of scaling up. | Piloting identifies if the product/service works and is of benefit to the intended user. We expect employer contributions to be higher than the development stage reflecting proximity to market. Risks are present but less than in the development stage. UKCES contributions aim to mitigate risks and support the emphasis on wider learning about what works. Although the public contribution is expected to be less than the development stage it may still provide the majority investment. |



Scaling

The growing and spreading of a product/practice/idea.

the implementation or scaling up of a product or service may be more costly but, if there is greater chance of success and the benefits this creates, private contributions are expected to cover the majority of the project costs. The public contribution will again facilitate wider learning, mitigate risk and will continue to be backed with non-financial support.

Purpose of co-investment

Co-investment combines public and private investment so the two work together to increase the potential for successful innovation and longer term sustainability. Public contributions and support can be effective at encouraging employers to take the lead in developing more effective solutions to skills and employment challenges.

The right balance of cash and in-kind

UKCES will accept in-kind contributions alongside cash contributions. All private contributions should seek to add value beyond its monetary worth by applying resources to their best effect. There is no science in getting the balance right as long as it addresses the problem, has a sound rationale, is realistic and achievable and considers longer term sustainability. This is reliant upon a good understanding of what/how the solution can be achieved and gives due consideration to the nature, quality and the timing of the contributions.

For both cash and in-kind contributions, it is important that the contribution is both quantifiable and well evidenced. It is also necessary that the contributions occur within the timespan of the competition we are funding.

What type of 'cash' is acceptable?

Employer cash contributions are vital to the success of a project, but the level of engagement and involvement will depend on the approach and the means by which the contribution is made. The biggest challenge for employers will be ensuring that their partners do not make cash contributions in exchange for a product or a service, but rather play an active role in the creation of the solution. We will be particularly interested to see how you will meet this challenge.

Cash contributions toward the set-up, design, testing and development have an important role in demonstrating commitment and engagement to the project and therefore the level of employer buy-in. The following can be counted as cash investment:

- Direct cash contribution from an individual or collaboration of employers
- Reserves from the lead employer or body
- Assigned membership fees or levy fees that are not funded from other public sources.

Quality in-kind investment

In a co-investment model, the **in-kind contribution**, whilst it has a monetary value, is more about the added-value. In-kind contributions can support the project in many different ways; but, some have more power to influence the success of a project than others. We want the nature and purpose of the employer contribution to be clearly defined.

Where employers take a driving or active role in a project (through their investment of time, expertise and resource) by shaping the solution, testing it and championing it, the likelihood of success is greater. Where the contribution positions employers in a passive and/or distant role from the project this will not be considered sufficient to ensure the viability of the approach in question.

Further information about contributions is provided in the financial investment template referenced in the application form.

Potential for impact

This guidance supports consideration of how the solution addresses the original problem in order to maximise the potential for impact. Due to the deep roots of many of the problems targeted by the UK Futures Programme, it is unlikely that we will be able to measure tangible impact and determine the effectiveness of solutions within the available funding period. So it is therefore critical that a pathway to impact is demonstrated in which the appropriate milestones are used to measure the effectiveness of the solution and guide modifications were necessary. We are concerned with testing the means to the end more than the end itself.

In assessing the potential for impact, we ask applicants to demonstrate the potential effectiveness of a solution by providing a clear understanding of the problem. We advocate using a logic chain to support doing so, including the identification of factors that will require testing and the appropriate success measures of key milestones. This guidance document provides further detail on these issues.

Understanding the problem/challenge

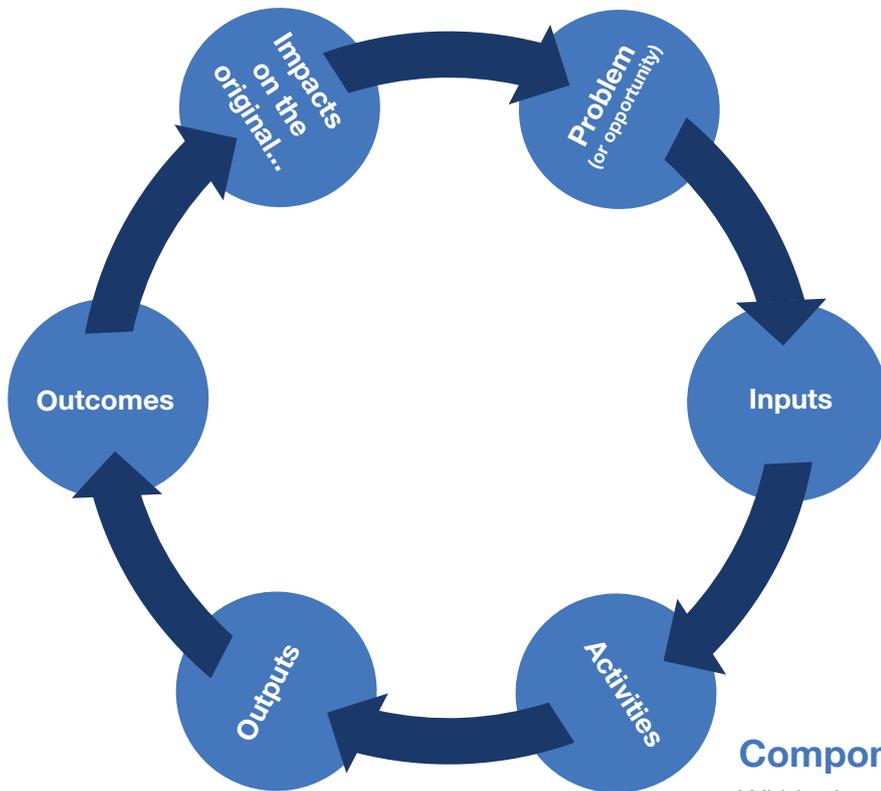
Before developing a solution to an identified problem, it is important to comprehensively understand the impact of that problem upon a broad range of employers. Only skills solutions that are grounded in the demands of employers and their experiences of the market failure will add sufficient value to be self-sustaining in the longer term.

Shaping a solution to the demands of a wide range of employers requires an understanding of the factors that influence their skills requirements, e.g. the political, economic and social contexts of the businesses; the nature of those skill requirements and the reasons why skills requirements have gone unmet. These barriers may be both of supply (poor quality or low numbers of appropriately skilled people and provision) or demand (the way skills are used in the workplace).

With employers playing a lead role in the application, we expect there to be sufficient understanding of the problem demonstrated in the application and consideration of why the proposed solution will fit, subject to the 'development' or 'piloting' projects the Programme offers. But it may be that there is inadequate information about the nature of the problem to begin proposing solutions. In those cases, the UKCES will be happy to discuss potential new research to fill this gap, but this will be outside the standard application process.

Mapping the potential for impact

It helps to map out the proposed potential for impact from problem to solution to results which address the original problem. This is a requirement of the application process. We refer to this as a logic chain (although it can also be thought of as a cycle, as illustrated below). Essentially this explains the hypothesis that the project sets out to test and learn from.



What is a logic chain?

A logic chain presents a simple illustration, in schematic form, of the sequence of expected results for your solution, whether this is a single, distinct product/service or something on a larger scale. Using a logic chain can help clarify:

- the desired and expected results of a solution
- how these components are inter-related
- how they relate back to the original problem identified
- success measures that can be used along the way to thoroughly test the innovation.

Components of a logic chain

Within the application form, you are asked to map out the project using a template schematic representation of a logical sequence which illustrates the 6 elements in the table below. Alternative models are acceptable, but the essential demonstration of potential for impact is required. It must be easy to read. Accompanying narrative is welcome within the application form to provide a richer understanding of the process.

The UKCES can provide support for further shaping and implementing the logic chain for successful applicants, including identification of success measures, but the application form should demonstrate initial planning and consideration of the issues involved in delivering and testing the potential for impact.

| | | |
|-----------------|-------------------|--|
| Problem | Problem | The UKCES will outline the challenge it is seeking to address in the competition prospectus. The applicant must articulate the problem they are looking to tackle and what this understanding is based upon, e.g. the sector being unable to meet a local need for a product or service due to a lack of skills. |
| Solution | Inputs | Any resources you anticipate requiring to deliver your activities, both your own contributions and that which you are expecting from UKCES. |
| | Activities | The specific processes required to produce outputs e.g. designing a new incentive structure for engaging hard-to-reach employers in a network; developing a new qualification framework; 'piloting' these ideas. |
| Results | Outputs | The quantifiable results signalling the completion of activity e.g. new employers engaged in a network; new qualification framework developed, tested and agreed. |
| | Outcomes | The intended short-to-medium term effects generated by the outputs e.g. improved collaboration in a sector/locality; enhanced skills. |
| | Impact | The intended longer term impact of the initiative/intervention which addresses the original problem, e.g. sector/locality able to take advantage of emerging international markets through having skilled employees and employers committed to on-going skills development. |

Any enquiries regarding this publication should be sent to:

UK Commission for Employment and Skills

Renaissance House
Adwick Park
Golden Smithies Lane
Wath-upon-Deerne
South Yorkshire S63 5NB

Tel: 01709 774800

If you require this publication in an alternative format, e-mail enquiries.futuresprogramme@ukces.org.uk, or call 01709 774800

This guidance document is 1 of 6 relating to the UK Futures Programme. The guidance documents and all further information about the UK Futures Programme can be found on the following website - www.gov.uk/government/collections/ukces-futures-programme-overview.