

UK Commission for Employment and Skills

Five Year Strategic Plan 2009-2014





Foreword

The first year of any organisation is always an exciting one. But when the UK Commission for Employment and Skills was established, on 1 April 2008, I doubt anyone realised just how important – and how challenging – its first year's work would be.

We are living through tough times. The recession is biting deep into businesses, jobs and communities, but we are where we are on the back of 15 years of growth, of new jobs and of growing prosperity. And we are perhaps a year away from recovery, from the current hard times. We must work to beat the recession but we must also prepare for that recovery, for the better times ahead. Indeed, we must actively seek to create the conditions for sustainable recovery. We need to commit to investing in the skills of our people, to be ready for the opportunities, as well as the challenges, that lie ahead.

There can be little more important than equipping the UK with the skills it needs, for the jobs it needs, today and tomorrow. Our prosperity depends on the success of our economy and that depends on the jobs we are able to create and having the skilled workforce we need to do them and to do them well. Over the past year, the world has changed. Priorities which seemed important a year ago have now faded into the background and new, urgent tasks have risen to take their place. The UK Government has signalled a new and more active approach to ensuring we have the jobs and skills the economy needs in the future.¹

Giving all these issues the attention they deserve, without losing sight of the far-reaching strategic ambitions which led to the organisation's establishment, has been an immediate challenge for the UK Commission. Stakeholder expectations have been high and the UK Commission has needed to produce swift, tangible results at the same time as building a strong, cohesive organisation.

Looking back over our first 12 months we have made significant progress of which the following are a few highlights: our first recommendations to government on simplification of the employment and skills system were well received; our *'Now is the time to invest in skills'* campaign has generated a lot of useful publicity and debate; the re-licensing of Sector Skills Councils is progressing well; and our first report on the status of employment and skills in the UK, *Ambition 2020*, is being published in parallel with this strategy.

This first five-year strategic plan for the UK Commission has been developed by drawing on the learning from the findings of *Ambition 2020*, our projects in this first year and from consultation with the UK Government, Devolved Administrations and stakeholder organisations in employment and skills across the UK.

That the priorities contained within this plan are so ambitious says a great deal about the organisation which produced them; and the determination of our staff to make a real difference and a beneficial change that balances the needs of providers, individuals, employers and communities. We will achieve this through providing expert advice to the UK Government and Devolved Administrations on policy and practice that increases employment and the skills of the UK workforce, leading to greater equality, opportunity and productivity.

This, then, is the distillation of our work, the challenges we face and our strategies for achieving our ambitions. We are acutely aware that whether we reach our destination depends not just upon the input of the UK Commission, but on the support and participation of a huge number of partners and stakeholders.

The journey towards our goal of being a 'top eight' country for employment, skills and productivity, with increasing social cohesion, will be a challenging one. The UK governments have already signalled their determination to create more demand-led and employment responsive policies and practices, to improve and expand apprenticeships, to address basic and employability skills, to anticipate and respond to emerging skills requirements – all of which seek to transform the face of skills provision. We are resolute that the UK Commission will play its part in making a positive difference to the opportunities, prospects and performance of the UK workforce, by working positively with governments to support and advance that transformation.

I look forward to working with you as we take the first steps on this journey.

Sir Michael Rake
Chairman, UK Commission
for Employment and Skills

April 2009

¹ New Industry, New Jobs (April 2009)

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1. Introduction

The Governments of the UK and the Devolved Administrations are committed to the twin goals of sustained economic growth and an inclusive society with opportunity for all people. To achieve this ambition, they are also committed to transforming the UK into a world class leader in employment and skills.

The core mission of the UK Commission for Employment and Skills is to contribute to this transformation. Our role is to provide independent advice to the highest levels of Government on steps required to achieve world class standing in employment and skills by 2020.

The UK Commission is employer-led. Our Commissioners are drawn from top leaders in the public, private and third sectors. Established in April 2008, the UK Commission was a key recommendation in Lord Leitch's 2006 seminal review *Prosperity for All in the Global Economy: World Class Skills*.

An ambitious remit

In its formal charge to the UK Commission, Government set out five broad responsibilities:

1. Assess annually UK progress towards becoming a world class leader in employment and skills by 2020, consistent with the aims and priorities of the four nations;
2. Advise the highest levels of Government on policies and delivery that will contribute to increased jobs, skills and productivity;
3. Monitor the contribution and challenge the performance of each part of the UK employment and skills systems in meeting the needs of employers and individuals, and recommend improvements in policy, delivery and innovation;
4. Promote greater employer engagement, influence and investment in workforce development;
5. Fund and manage the performance of the Sector Skills Councils as key industry leaders in skills and employment.

A five year strategy

This document is the UK Commission's corporate plan for 2009 - 2014. It sets out our high level priorities and strategic approach for the period 2009 - 2014. It reflects the key findings and implications of our *Ambition 2020: World Class Skills and Jobs for the UK*, published in April 2009. It will be supported by the detailed programme of work contained in our annual Business Plan.

Our five year strategy has been developed in the context of a global recession that may be the deepest in 75 years. The impact on the economy and society will be far-reaching. To secure economic renewal – to emerge from the recession stronger, more adaptable, more competitive – will demand bold and concerted action across all sectors. Our strategy, therefore, must focus not only on how to survive the recession, but on how we will thrive in the years ahead. We recognise and endorse the determination of the UK governments to create strong and sustainable economies built on world class skills set out in the national skills strategies in Northern Ireland, Scotland and Wales and, most recently, in the British and English publications such as *Work Skills and New Industry, New Jobs*.

The challenge for the UK's employment and skills systems is formidable. We need to build systems to match the high skill economy of the future – systems that respond well to business need while opening opportunity for all people. We must increase the ambition and aspiration of individuals to gain new skills – not just once, but throughout their working lives. We must transform the way that employers invest in their workforce and use the skills of their employees. And we must achieve this radical change in a way that delivers higher performance at lower cost.

Helping employers and the governments across the UK to build this system is the over-arching priority of the UK Commission and the focus of this five year strategy. It is based on the following three broad priorities:

- to secure more strategic, agile and demand-led employment and skills systems, better able to anticipate and respond to both current and emerging skills needs
- to maximise the number of individuals who achieve sustained employment with skills and progression
- to increase employer ambition, engagement and investment in skills.

We have consulted across the UK on this Strategic Plan: with stakeholders in business, government, trade unions, education and training providers, and the voluntary sector. We believe that our strategy is robust and that it will endure through the recession and help to drive economic renewal.

Document structure

This document is organised in four major sections.

Sections 1-3 set out our vision for the future; the goals and milestones we believe must be achieved if the UK is to achieve world class standing by 2020 against our position today; our mission and organisational values, and the scale of UK employment and skills challenges relative to competitor nations.

Sections 4-9 describe our principal constituencies – the main beneficiaries of improved employment and skills systems – and describe in some detail our strategic priorities and how we expect to achieve them.

Sections 10-13 describe the way that we intend to work in partnership with key stakeholders, how we will develop our own capacity to succeed, and how we will measure our performance.

Finally, the **annexes** include a timetable for our major work programme; how our work supports objectives across the UK and our Key Performance Indicators.

2. UK Commission vision, goals and values

Our vision

A world class and successful nation, built on sustainable economic growth, and providing opportunity for all.

Goals and milestones

2020 Goal: World class productivity levels – in top 8 OECD countries, currently 11th

2020 Goal: World class employment levels – in top 8 OECD countries, currently 10th

2020 Goal: World class skill levels – in top 8 OECD countries, currently 12th - 18th

2014 Milestone: Skill levels of the working age population equivalent to 80% at lower secondary; 58% at upper secondary; and 36% at tertiary level or higher – current levels are 71%, 51% and 31%, respectively.

2014 Milestone: 76% overall employment rate; with UK unemployment 20% lower than EU average.

2014 Milestone: 40% of businesses to have adopted high performance working practices – currently 30%.

2014 Milestone: 12th in OECD for ratio of top 10% of earnings to bottom 10% of earnings – currently 14th

2014 Milestone: A 10% reduction in UK national/regional productivity and employment gaps.

Our mission is to

Maximise UK economic competitiveness and individual opportunity through world class employment and skills

Our values

Inspiration: We will be innovative, energetic and brave

Integrity: We will earn trust and respect by being ethical, honest and impartial

Inclusion: We will be committed to equality, diversity and partnership working

Influence: We will be decisive, give expert advice and be agents of beneficial change

3. The UK challenge

One of the UK Commission's principal responsibilities is to assess annually our progress towards achieving world class standing in productivity, employment and skills. We believe this should be defined as reaching the upper quartile of OECD countries – the eight top performing countries in the world. In practice, this is exceptionally ambitious. As one example, it means attaining more than 20 million additional qualifications by 2020. This is equivalent to *more than one for every second adult of working age*, in less than twelve years. And, because current skill levels vary widely across the nations/regions of the UK, this ambition is even more stretching in many parts of the country.

Where we stand today

Governments across the UK are seeking to grip this challenge. Millions more learners have gained basic and intermediate skills over the last decade than in the preceding decade. Skills provision is increasingly becoming more employment responsive and employer-led, including for example the £1 billion Train to Gain programme in England. Apprenticeship numbers across all the UK nations have risen dramatically and remain a key platform for the future. And there are new schemes which more strongly link skills to job opportunities for the unemployed.

But, as documented fully in *Ambition 2020*, the UK has some way to go to achieve world class levels.

We rank 11th in the world in productivity levels, and though our relative position has been improving slowly during this past decade, it is uncertain that it will be sufficient to get us to a top quartile place by 2020.

We rank 10th in our rate of employment amongst OECD countries, but recent progress has been disappointing. Even before the full impact of the current recession, the UK's comparatively strong position in employment had begun to slip. While the 80% employment goal is simply an aspiration, it was established to signal Government's commitment to full employment. However, our current rate of about 74% has not increased significantly since 2001. And the recession means unemployment is now rising for a period, making it even harder to make progress towards the 80% aspiration.

We rank 14th on income inequality – in the gap between the highest and lowest earners. And within the UK, there are very substantial variations across the nations and regions in both productivity and jobs.

There are signs of significant UK progress in recent years. The numbers of high skilled people have increased by more than a third, or more than 3 million people, in the last 10 years; while the number without qualifications has fallen by a quarter, or more than 1.5 million people.

The 2008 EU assessment on recent Lisbon progress places the UK third in Europe for adult participation in lifelong learning. The UK leads the European league table on overall national progress towards the five commitments of the 'Lisbon agenda' to build societies embracing lifelong learning, though that progress is yet to flow through to global OECD rankings.

However, the real challenge derives from the progress other competitor nations have been making over the same period. The most recent OECD data relates only to 2006, before publication of the Leitch Review, and therefore predates the recent UK government investments in skills at all levels. However, the two tables opposite underscore the scale of our competitive challenge with respect to skills outcomes.

Table 1: The UK and world class skills – international ranking

OECD 30 Ranking	2006	Projected for 2020	Ambition
Low level skills	17	23	Top 8
Intermediate level skills	18	21	Top 8
High level skills	12	10	Top 8

If we translate our international ambition to reach the top quartile of countries into what this means for UK skill levels, we have an equally troubling picture. Our projections suggest that, with the exception of high level skills, we will not achieve our objectives as can be seen in Table 2.

Table 2: The qualifications of UK adults

Percentage of UK Workforce	Today	Projected for 2020	Ambition
Low level skills (% qualified to at least Level 2)	71	78	90
Intermediate level skills (% qualified to at least Level 3)	51	59	68
High level skills (% qualified to at least Level 4)	31	41	40

For basic skills, the Leitch Review proposed (and England has accepted) that 95% of UK adults should have functional literacy and numeracy skills by 2020. Our projections indicate that 95% of UK adults will, indeed, be functionally literate by 2020. However, without a step change in numbers in the next decade, the numeracy goal will not be attained, and our projected outcome of UK adults achieving functional numeracy would be between 88% and 90%.

These quantitative indicators are of even greater concern when set against the following broad patterns:

- The numbers of jobs requiring higher skills continues to rise while those requiring no or low skills are declining; this will have profound implications for vulnerable groups or people with multiple barriers to employment
- On current trends, productivity levels will not rise significantly. The UK has too few high performance work places, too few employers producing high quality, value-added goods and services; too few employers using the full potential of their workforce. This means that any employment and skills strategy must energetically tackle the demand side and must be rooted in area-based economic development

- New approaches such as the new right to request training must be found to embed a culture of life-long learning into workplaces, organisations, and communities. This means, of course, raising the aspiration and motivation of individuals to train for the new jobs of the future. This longstanding issue will become even more pressing with a declining youth cohort and aging workforce, and every person's talent must be exploited fully
- There are very significant variations in productivity, employment, skills and earnings between the four UK nations and within the English regions. In too many cases, the gaps between south and north, between cities and regions are diverging rather than converging. The importance of 'place' is now recognised as a critical factor in improving local employment and skills delivery and is inextricably bound to community regeneration
- The existing employment and skills systems are complex. They do not respond fast and well to customer needs nor to dynamic labour markets. Most importantly, they will not deliver the stretching goals for 2020 – particularly with significantly less public funding available in the next decade.

These trends, coupled with our current standing compared to our international competitors, make a compelling and urgent case for systemic change within the UK employment and skills system.

The economic imperative and an agenda for action

We are operating in unprecedented and unpredictable times. The recession is likely to have a lasting impact on the economic and social fabric of the UK. It will almost certainly affect each of our constituencies: employers, individuals, providers and communities. But it also provides an unparalleled opportunity to reform our employment and skills systems – to ensure they are equipped to deliver the calibre of services that will make us world class. And for employers to grip the challenges of upskilling and reskilling their workforce, even in recession, as the best way to ensure they are in pole position for the upturn.

This is not the undertaking of one industrial sector or one government department. It will require a serious and sustained effort that brings together the resources and expertise of all employers in the public, private and voluntary sectors, working with governments across the UK. It will require joint investment and development by organisations responsible for economic and industrial strategy, for jobs and employment services, for education and skills provision.

The evidence set out in *Ambition 2020* creates a proposed agenda for the concerted action that we consider will be needed over the next five years. That agenda builds on the recent strategies and actions of our four national Governments, and represents our best advice to them on what should drive UK policy and practice over the next five years. It is what we intend should underpin the UK Commission's own work.

There are **five major priorities** below that we recommend should be the focus of joined-up government policy within and between the four nations.

1. To create a clear and integrated strategy for economic transformation and renewal, capable of sustaining the UK through periods of recession, recovery and growth – a strategy that aligns policies and practices in industrial and economic development, employment and skills in order to achieve that transformation.

The UK faces the complex challenges of raising productivity, employment and skills to unprecedented levels, whilst simultaneously narrowing the gaps between individuals and between the nations and regions of the UK. This requires a strong alignment of national industrial, skills and economic development policies; clear ownership and responsibility for the development of jobs and employment; and more effective integration of national policy with regional/local strategies and action.

2. To support effective economic development in cities and local communities, built upon economic and labour market strengths and opportunities, and maximising the skills of the local working age population.

There is an increasing need to close the gaps in economic performance and employment between the nations, regions and sub-regions of the UK; to customise employment and skills services to employer need; to personalise service to individuals or groups of people. These trends provide an important impetus to decentralise decisions, particularly through effective partnerships.

3. To develop more strategic, agile and demand-led skills and employment provision, capable of anticipating and meeting employers' evolving skills and job requirements – a more proactive skills approach linked and responsive to industrial opportunities and challenges in each nation.

Our colleges, universities and training providers need to be of excellent quality. They are essential to ensuring that employers get the skills they need for enhanced productivity and competitiveness, and that individuals have the opportunity to exploit fully their talent and potential. This requires building high performing, agile, relevant and responsive employment and skills systems in each nation - demand-led systems that meet today's needs whilst anticipating, and adapting quickly and effectively to, the challenges and opportunities of tomorrow.

4. To transform individual aspiration and skills into a world class workforce, maximising the motivation and opportunity for all people to develop and exploit their talents and skills for personal and professional success.

Too many of today's working age population lack the knowledge and skills critical for success in tomorrow's jobs. The twin demographic challenges of a declining youth cohort and an aging workforce require the UK to tap the talent of all adults in order to maximise both economic competitiveness and peoples' quality of life.

5. To build employer ambition and capacity to be world class, capable of competing globally in the high skills, knowledge driven economy, and optimising the talent and skills of their people.

To recover from recession and thrive in the new global economy, employers must become more productive and effective in their field. Businesses will need to build their future on innovation, quality, high value added and efficiency. Public and voluntary employers will have to do far more with far less in the next decade when public expenditure will be under unprecedented pressure. The commitment, creativity, productivity and skills of their people will be crucial to every employer's success.

4. Our Strategic Priorities

Employment and skills in context

In pursuing our mission, we recognise fully that employment and skills are not the only drivers of productivity and social cohesion. Global factors, innovation, research and development, business and industrial strategies, competition and regulatory policy, transport and technological infrastructure, as well as culture and institutions all influence economic prosperity.

We will consistently seek to understand the political, policy, delivery and institutional contexts in which we operate. We will work in partnership with our sponsors and stakeholders to achieve shared goals and ambitions.

Our constituencies

The scale and complexity of the commitment to secure a world class employment and skills system by 2020 is immense, as the scope of the priorities set out in the previous section demonstrates. If we are to support this undertaking effectively, we must engage with four constituencies:

- **Employers** – private, public and voluntary; large, medium and small, especially acting collectively through industry sectors
- **Individuals** – all individuals seeking to benefit from education, training or skills development – those in the workforce, those actively seeking work and those currently economically inactive, with a primary focus on adults in the working age population (post compulsory education)
- **Providers of employment and skills services** – private, public and voluntary providers, FE and other colleges, universities and employers' own work-based training. Although not our principal focus, some of our work will have important implications for schools and pre-19 education, particularly in their role to prepare young people for adult life, work and continuing education and training
- **Communities** – regions, economic or labour market areas, cities and city regions, significant conurbations or other localities where employment and skills can best be delivered in each UK nation.

In the previous section, we described the five priorities that we believe must shape Government action in the next five years. We have adopted three of these as our own top priorities for the period 2009-2014, and we will design our research, analysis and programmes to advise governments on how the UK can succeed in:

Strategic Priority 1.

Building a more strategic, agile and demand-led employment and skills system

Sustained economic growth, increased productivity and high employment require a top performing employment and skills system – a system that is not only demand-led, responding quickly and effectively to today's diverse and evolving labour market needs; but also one that, through foresight and a more proactive skills approach, anticipates and then delivers the skills needed for the strategic challenges and opportunities of tomorrow. Our universities, colleges and providers of employment and skills services are the linchpin of this system. They must have the capability to help individuals maximise their talent and employers to secure the skills they need to compete and grow.

Strategic Priority 2.

Maximising individual opportunity for skills and sustainable employment

If we are to achieve a world class workforce by 2020, we must transform individual aspiration – maximising the motivation and opportunity for all people to develop their talents for personal and professional success. We must ensure that individuals have the information and guidance to make informed choices and navigate the labour market, and access to the skills and qualifications they need to get and progress in work.

Strategic Priority 3.

Increasing employer ambition, engagement and investment in skills

UK economic competitiveness rests, in large measure, on the productivity of UK employers. A critical measure of a high productivity, high performance workplace is the way that employers use – and continue to develop – the skills of their people. It also depends on the willingness of employers to help lead and influence the employment and skills system.

The remainder of this document sets out how we intend to support the achievement of these three priorities. Each priority is explored in more detail in the following three sections, including an indication of the projects and workstreams we will undertake to achieve the desired outcomes for each priority. A timeline for this work can be found in Annex 1 and planning assumptions (headcount and financial resources) in Annex 2.

The information on projects and workstreams is not exhaustive as we will continue to develop our role and refine our strategy in response to the learning from our research programme and the findings of the annual *Ambition 2020* report; and in consultation with sponsors and other stakeholders. The full details of our annual activities will be published separately in our Business Plans, which will always be available at www.ukces.org.uk.

5. Strategic Priority 1

Building a more strategic, agile and demand-led employment and skills system

Current situation

The UK is recognised for having world class higher education institutions, and a longstanding reputation for high quality school education. Each nation has shown real progress over this most recent decade. However, as *Ambition 2020* makes clear, the overall outputs of our education and training system – through schools, colleges, private training organisations and universities – are systematically losing ground against our principal international competitors. Without further dramatic and focused change, we shall not attain our goal of top quartile.

In the short term, a dynamic system needs to enable greater front line responsiveness to immediate employment and skills needs. In the medium term, it must have the adaptive capability to respond to unforeseen economic and social events and changing demands. In the long term it must have a more strategic approach to build a workforce ready to meet future UK needs. To operate effectively, the system must be supported by policies, targets and measures that encourage a balance of demand-led and strategic approaches; optimise the behaviour of providers and learners within the system; and that avoid the potential for unintended negative consequences. Government policies, measures and incentives in the employment and skills arena have not always been consistently aligned nor have funding regimes and related incentives optimally reinforced policy intent. The UK must learn from both its past successes and failures, and from national and international best practice.

Strategic outcomes

Working with partners and stakeholders, we will draw on UK and international research and effective practice to develop and present advice on policies, measures and incentives that will substantially improve the relevance, responsiveness and flexibility of the employment and skills systems, including further and higher education, private training providers, work-based and work-related learning, and employment services.

Outcome 1: Increased provider aspiration and commitment to provide high quality services for employer and individual success

Outcome 2: Increased relevance, agility and adaptive capacity of employment and skills providers in the publicly funded systems

Outcome 3: Reduced system complexity and bureaucracy in order to maximise institutional focus on relevant and responsive delivery

Outcome 4: Acknowledged world class public employment and skills systems, maximising UK talent and competitiveness

Necessary actions

To achieve these outcomes the UK Commission will:

- Undertake a **review of measures, targets and incentives** and make recommendations to governments on the changes that would give us a more rounded and outcome-focused view of our international standing and also drive increased relevance, quality and value for money of all publicly-funded employment and skills provision
- Ensure those measures, targets and incentives enhance **equality and opportunity** in employment and skills among individuals and groups at greatest risk of inactivity or exclusion in the labour market
- Support a more proactive and strategic skills approach through improvement of **labour market information** and the development of emerging skills (e.g. new sectors; technologies; skills and retraining requirements) to better align future demand and supply of skills, with regular reports to governments
- Recommend policies and practices that **promote employer influence and leverage** within the employment and skills system
- Recommend and monitor measures to **simplify all employer-facing employment and skills services** at national and sub-national levels
- Investigate how employment and skills services can best work together to deliver a joined-up service to employers and individuals – to shape our **2010 review of the integration of employment and skills services**
- Undertake international research on best practice in employment and skills services, and encourage the development of providers' own leaders and managers, to inform and **enhance provider performance to world class standards**
- Encourage policies and practice that **identify, kite mark and celebrate excellence in employment and skills providers** and promote continuous improvement.

6. Strategic Priority 2

Maximising individual opportunity for skills and sustainable employment

Current situation

The UK has unacceptably large numbers of adults with no or low skills. Many of these individuals lack the basic literacy and numeracy skills necessary to obtain meaningful work or succeed in training. These people are most likely to experience prolonged unemployment or inactivity as the recession deepens, particularly in areas with existing high rates of joblessness.

The majority of employer training is designed for higher skilled employees. Low skilled workers are less likely to benefit from on-the-job training and are far less likely to invest in their own development. They will be particularly vulnerable if their organisations experience redundancies.

The recession must be used as an opportunity to invest in raising the UK skills base. This should start with ensuring that all young people, long term inactive or unemployed, and recently redundant workers, have access to the employability and technical skills to (re-)engage rapidly in productive work and are equipped with skills for success in the new economy that will emerge post recession. We have supported and welcomed the initiatives² over the last two years to put in place joint programmes designed to skill people for jobs through better collaboration between Jobcentre Plus and national skills services.

Strategic outcomes

We will work with experienced practitioners and front-line staff in employment and skills institutions to assess barriers to learning, work and progression for individuals. We will work with employers and trade unions to identify practical measures to expand work-based learning. Our recommendations will focus on the common objective of increasing the numbers of adults who gain sustainable employment with skills and progression.

Outcome 1: Increased individual ambition and confidence to maximise talent and opportunity through work and lifelong learning

Outcome 2: Increased individual equality of opportunity, participation, achievement and progression for the whole working age population

Outcome 3: Improved individual employment and skills outcomes and satisfaction, whilst ensuring high quality and relevant provision

Outcome 4: A world class UK workforce committed to maximising individual talent and opportunity, and their contribution to a competitive society

Necessary actions

To achieve these outcomes the UK Commission will:

- Prove and **promote the benefits of learning** to individuals of all ages, encourage more personal responsibility for lifelong learning, and advise on measures to **raise individuals' aspiration** for higher skills and better jobs
- Identify key barriers to employment and skills for individuals, and recommend ways of **increasing individual demand** for, and access to, skills and participation in work-related learning
- Undertake work to identify the most promising models for integrating employment and skills for people in/at risk of **social exclusion** - to offer them the skills and qualifications they need to come out of recession with employment opportunities
- Organise and encourage the use of learner **customer journey and satisfaction studies** to inform system simplification and improvements, and promote the integration of employment and skills services
- Recommend policies, good practice and other implementation measures to **embed employability skills** in all pre- and post-compulsory education and skills provision
- Support the development of a **flexible and modular qualification system** that supports learners of all ages to build their knowledge and skills for rewarding work, progression and development throughout life
- Encourage more **effective careers information, advice and guidance** to enable all individuals in schools and throughout their working lives to make informed choices about work and further development
- Identify and promote international **best practice in employee engagement** strategies in employers, and support the growth in high performance workplaces in the UK
- Promote public **recognition of excellence in individual performance** through celebrations, competitions and awards.

² Most notably in the publication WorkSkills, driving the Government's commitment to a closer integration of skills and employment services for employers and individuals.

7. Strategic Priority 3

Increasing employer ambition, engagement and investment in skills

Current situation

UK employers spend an estimated £20 billion annually on the non-wage costs of staff training and development; alongside government expenditure across the UK of £12 billion on adult learning and skills. Notwithstanding this investment, UK employers complain of some skills shortages in key disciplines, significant skills deficiencies within their existing workforce, and poor employability and skills among new recruits of all ages. National and international research confirms that the investment and ambition of UK employers and individuals in learning and skills compares unfavourably with many of our international competitors.

International research confirms that the UK also has too few high performance workplaces, too few employers producing high quality goods and services, too few businesses in high value added sectors. This means that in order to build an internationally competitive economy, the future employment and skills system will need to invest as much effort on raising employer ambition, on stimulating demand, as it does on enhancing skills supply. The aim is to achieve a virtuous circle of skills development, between the skills available and the skills required.

Strategic outcomes

UK prosperity will depend on creating an economy in which employers clearly recognise that their productivity and growth is tied to how well they use and develop the skills of their workforce.

Outcome 1: Increased UK employer ambition and commitment to achieve world class performance and success through investment in people

Outcome 2: Enhanced employer understanding of their future labour market and skills requirements leading to improved employment and skills demand and supply

Outcome 3: Increased employer engagement with, and investment in, high quality education and training with a system that is easier to use and more responsive to employer and individual need

Outcome 4: Improved skills utilisation with growth of innovative high skills, high value-added businesses, more efficient and effective public services and better jobs

Necessary actions

To achieve these outcomes the UK Commission will:

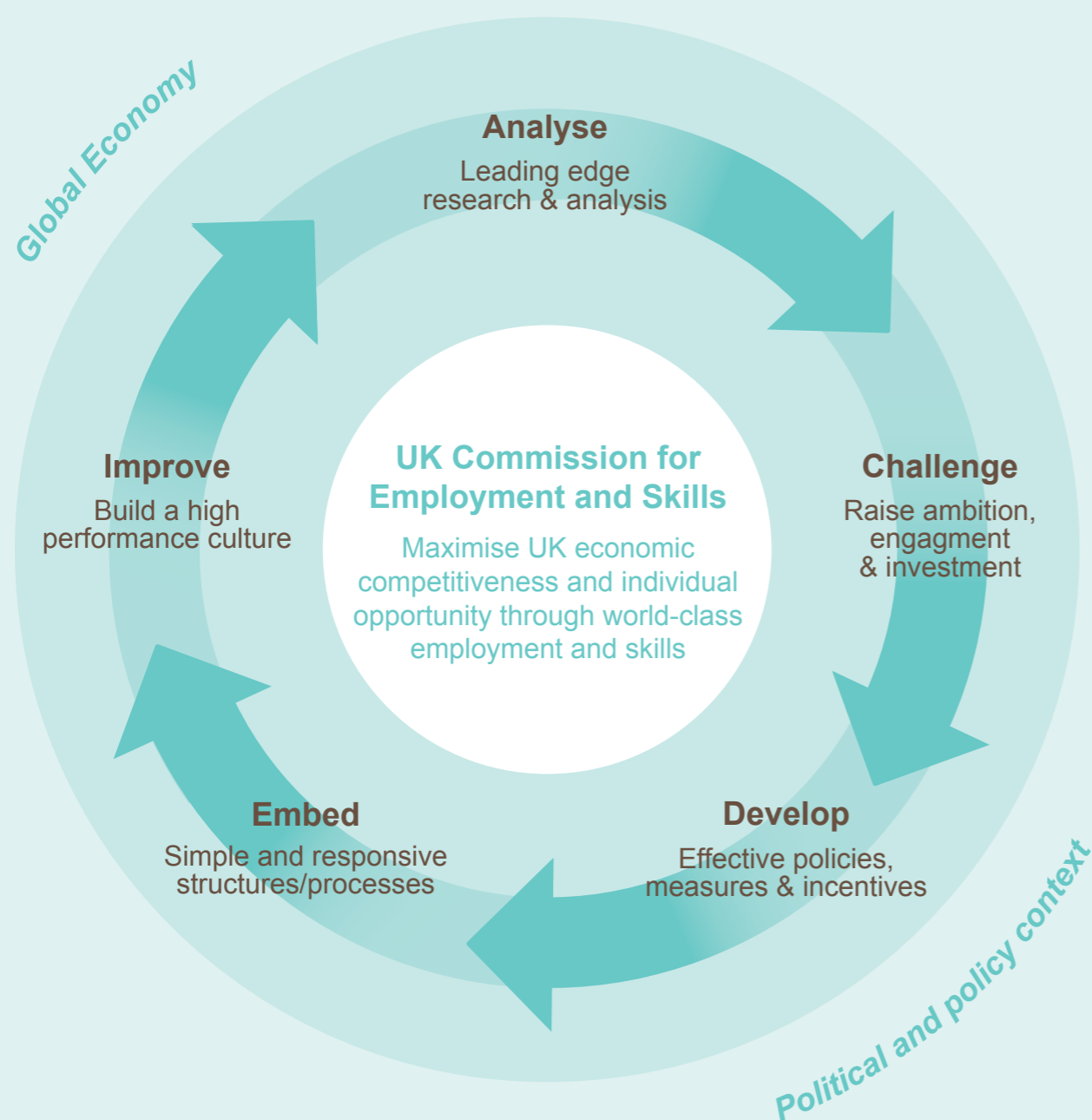
- Re-license, fund and manage the performance of **Sector Skills Councils (SSCs)** to become a highly influential and effective UK employer network
- Maximise opportunities for effective employer influence on employment and skills through sectoral and spatial approaches, and by ensuring **SSCs drive qualification reform** so that more modular and portable qualifications better reflect employer needs
- **Build a powerful business case for skills** to demonstrate and promote the value of employer investment in workforce development
- Advise government and providers on the UK's **strategic skills** needs, focusing particularly on new industries, industrial change and technological developments, in support of more active government skills policies
- Undertake research and advise employers on ways to improve **skills utilisation** and implement **high performance workplace practices**
- Develop and implement a **new standard for Labour Market Information** reports that will identify current and future needs, at sectoral and national, regional levels
- Ensure that sectoral **occupational standards** reflect evolving industrial and occupational requirements, and inform a **flexible and modular qualification system** that prepares learners for work and career development
- Recommend practical actions to increase the **management and leadership skills** of employers
- Use national and international **people standards and benchmarks (such as Investors in People)** to drive up excellence in organisational ambition and performance.

8. Our strategic approach

A clear working process

Our strategic approach is based on a five stage model, each of which is related to an essential stage in achieving our mission and long-term vision, and the application of these methods as appropriate to our principal constituencies.

Figure 1: The UK Commission's Strategic Approach



Analyse

Leading edge research and analysis:

Stimulating, undertaking and analysing UK and international research in relation to the impact of employment and skills, the engagement of individuals and of employers on economic competitiveness and social cohesion, and informing the UK of our findings and our proposals for improvements in policy and practice.

Challenge

Raising ambition, engagement and investment:

Promoting greater employer, individual and provider ambition to improve competitiveness, productivity and employability. Developing better labour market foresight and information; and increasing engagement and investment in the creation of world class employment and skills systems.

Develop

Developing effective advice on policies, measures and incentives:

Advising the UK governments, from a basis of evidence and best practice, on the policies, performance measures and incentives that the UK Commission believe would create employment and skills systems that are more forward-looking and demand-responsive.

Embed

Implementing simple and responsive structures and processes:

Shaping the development of simpler and more effective structures, processes and regulation that support increased employer and individual engagement with publicly funded employment services and learning provision; and incentivising providers to be more demand-led, flexible and accessible.

Improve

Building a high performance culture:

Developing, monitoring and improving world class performance by employers, providers and individuals through the use of standards, benchmarks, high performance working techniques, skills utilisation, improved leadership and management, and recognition and celebration at all levels.

Some projects in our annual work programmes will concentrate on only one of these working methods, but more often projects will combine different elements of each approach to produce the desired outcomes.

In adopting this working method, we will not position ourselves as 'disengaged experts' who are remote from practice and reality, but as expert investigators and analysts, working with those in the field to develop grounded and pragmatic responses drawn from real insight into what will work. Such an approach has the strength of building the momentum for change alongside the case for change.

Establishing and maintaining relationships

In seeking to advise governments on the policy and practice that would take the UK to a world class standard, we will at all times remain aware that responsibility for the delivery of our ideas and proposals will lie with others. The quality of our relationship with those organisations will therefore be critical to our success.

We will work with employers, government and other stakeholders to undertake research, analysis, investigations and development projects that enhance the value and performance of the UK's employment and skills systems by understanding and influencing the culture, behaviour and performance of the four principal constituencies: employers, individuals, providers and communities.

We will examine the impact on these constituencies of existing government policy and practice, drawing on the experience of other countries, and recommend proposals in order to improve the support for, and performance of, these four groups.

9. A firm foundation for our work

Evidence-based policy

The quality of evidence that underpins our work will be critical to our capacity to challenge, develop, embed and improve employment and skills in the UK. We will develop and coordinate an annual research and analysis programme on all aspects of employment and skills policy and practice across the UK, including international comparisons and experience as appropriate. High quality research will underpin projects across all aspects of the strategic plan, and help shape the design, development and promotion of new initiatives and work streams.

We will not undertake all such studies ourselves. We will contribute to and draw on major international research programmes conducted by or through the OECD, the World Bank, UNESCO and the European Commission. We will collaborate with and use the work of the UK Research Councils, other European and UK research organisations, and specialists in employment, skills, economic development and growth to ensure that our evidence base is strong and robust.

Reports from our research and policy work will include, but not be restricted to:

- Evidence reviews – syntheses and briefings of ‘what we know’ about key employment and skills issues both nationally and internationally
- Original research studies – where necessary to fill identified gaps in reliable knowledge and/or to inform other work
- Development projects – pilots, exploratory studies, and limited managed trials to explore the potential of new approaches and innovations
- Policy analyses and evaluations of effective practice on a national and/or international basis.

A broad range of research output

Key outputs of the UK Commission's research programme will include:

- Annually, our **Ambition 2020** report, which will monitor UK progress across all levels of productivity, economic performance, employment and skills, against a range of metrics agreed by the UK Commission and key stakeholders. It will also assess the impact of policies and targets and make recommendations on improvements as appropriate
- Annually, **Labour Market Analyses** and **Strategic Skills Assessments** to underpin and inform employment and skills policy, based on a new standard for sectoral and regional Labour Market Information (LMI) reports to ensure rigour, consistency and reliability of that data across the four nations
- Biennially, the publication **Working Futures**, offering 10-year forward-looking projections of UK occupation and skills needs by sector and nation/region
- In 2009 and 2010, a **Review of Collective Measures**, assessing the national and international evidence on the value of levers available to stimulate employer investment in skills, and also the cost/benefit of such options
- Periodical surveys of employers, learning providers and/or individuals to inform our understanding of stakeholder perceptions, challenges and opportunities such as the **National Employer Skills Survey (NESS)**, **Skills for the Workplace** and a range of additional reports that will be agreed with Commissioners and sponsors over time
- Dynamic access for researchers, policy makers and the wider public to a wide range of employment and skills related data through an **LMI Portal**, together with research and development projects to help improve public access to a new range of high quality data sets over time.

10. Working with our partners and stakeholders

Influence through partnership

As a strategic advisory body, we will principally achieve our goals through our effectiveness in informing, inspiring and influencing the goals, ambitions and actions of others. This includes government itself, quality research organisations and other advisory and executive agencies in the employment and skills fields as well as the four principle constituencies.

Consequently, one of the most important requirements on the UK Commission will be to develop and practise the highest standards of collaboration and partnership, striking a critical balance between innovation and challenge on the one hand, and realism and deliverability on the other.

We are committed to working in a transparent and open way that maximises opportunities for all stakeholders to:

- Influence and shape our strategy and work programmes
- Contribute to research, analysis and policy development;
- Work collaboratively with us in implementation and change programmes, and
- Help evaluate and assess the success of our activities.

Engaging with key interface stakeholders

Our stakeholders are too numerous to list fully, but key organisations include:

- Employer organisations – Confederation of British Industry, British Chambers of Commerce, Institute of Directors, Federation of Small Business, Chartered Institute for Personnel and Development, and a wide myriad of other trade and professional institutions and associations
- Sector Skills Councils – charged with optimising skills and training for their industries and sectors on a UK-wide basis, and other standards setting bodies responsible for cross-cutting skills, such as leadership and management, enterprise, marketing, administration etc.
- Government Ministers and departments – for the UK, the Devolved Administrations of Scotland, Wales and Northern Ireland, local authorities, regional and other development agencies etc.
- National and regional agencies and bodies in employment and skills
- Employment and skills providers and their representative bodies, qualifications authorities and employment and skills support agencies across the four nations
- Interest groups for individuals – including trade unions, professional institutions and learner organisations.

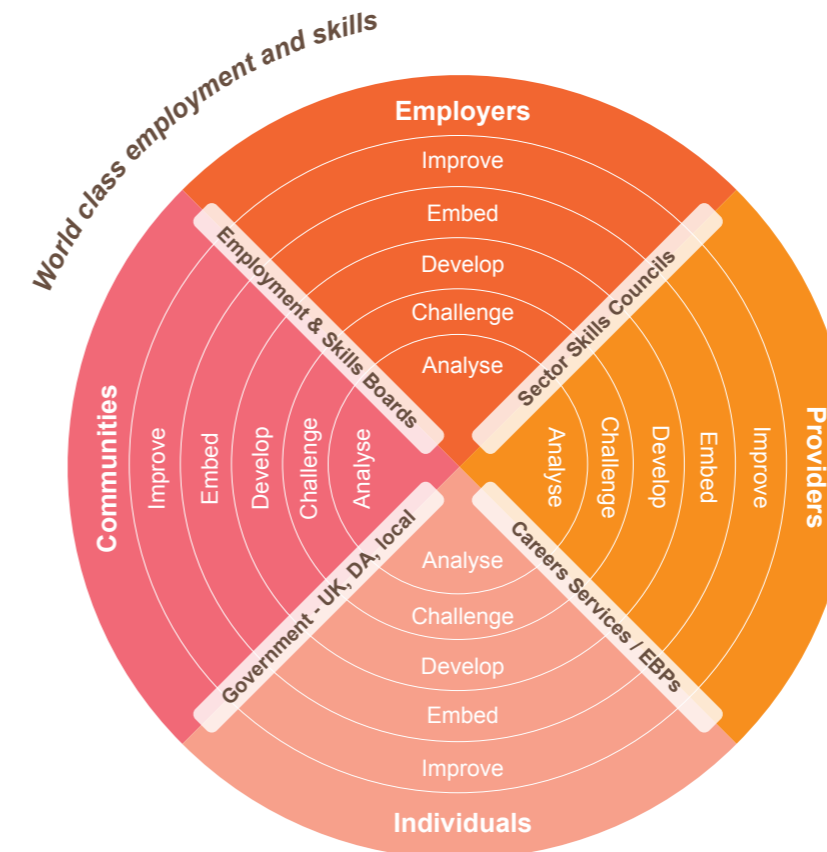


Figure 2: Our key stakeholders

We recognise the important role of some key groups in helping us to interface effectively with our four constituencies. Over the next five years, it will be critical that we engage with these organisations well so that our proposals, advice and programmes achieve maximum impact:

Interface	Key organisations
Employer - Provider	Sector Skills Councils, and other standards setting bodies
Provider - Individual	Careers Services and Education Business Partnerships
Individual – Community	Spatial agencies and democratic institutions – government itself, plus sub-national agencies and local authorities
Community - Employer	Community level 'employment and skills boards' or similar

We have many stakeholders but we have identified three key groups with whom we would expect to maintain particularly strong collaborative relationships: government, industry sectors and communities.

Working with government

The UK Government and the Devolved Administrations each have each set out ambitious strategies for their role in making the UK world class in employment and skills. Each nation's vision has been set out in:

- *World Class Skills: Implementing the Leitch Review of Skills in England*
- *Opportunity, Employment and Progression: making skills work (in England)*
- *WorkSkills (GB and England)*
- *New Industry, New Jobs (UK and England)*
- *Skills for Scotland: A Lifelong Skills Strategy*
- *Success through Skills: The Skills Strategy for Northern Ireland*
- *Skills that Work for Wales*

We will respect the devolved responsibilities and distinctive arrangements for employment and skills in each of the four nations of the UK. We will reflect this in our work, recognising that each nation is responsible for setting its own goals, priorities and indicators. We will provide advice to Ministers for them to consider individually or

collectively. However, we will not undertake single country reviews except by agreement with relevant Ministers in that country.

We will seek to establish a relationship of mutual respect and trust with governments across the UK. A table showing how the priorities and outcomes of the UK Commission contribute to governments' objectives is included at Annex 3. We will also work closely with designated country Commissioners and with officials in each government. These include:

- In England: with DIUS, DWP, BERR and DCSF, Jobcentre Plus, the Learning and Skills Council (until 2010), the Skills Funding Agency when established, the Learning and Skills Improvement Service, National Apprenticeship Service, Ofsted and others
- In Northern Ireland: with DELNI, the NI Adviser on Employment and Skills, and others
- In Scotland: with the Scottish Government, Skills Development Scotland, the Scottish Funding Council, Jobcentre Plus and others
- In Wales: with the Welsh Assembly Government, Wales Employment and Skills Board, Jobcentre Plus and others.

In working this way, we intend to add value to the policy debate in each nation; to help articulate the employer perspective irrespective of boundaries; to facilitate the exchange of information and best practice appropriate to different contexts; and to enrich our understanding of the special interests and character of each nation. We will maintain our perspective on the UK-wide picture, understanding where UK interests may supersede national priorities.

Working with sectors

The UK Commission has direct responsibility for re-licensing, funding and managing the performance of the 25 Sector Skills Councils. The current programme of re-licensing all SSCs will be completed by the end of 2009. A new performance management and funding system will be implemented progressively through to April 2010 as SSCs successfully complete the re-licensing process.

We will continue to develop and maintain a strong core relationship with Sector Skills Councils. Our priority will be to work with them strategically to improve labour market information; employer engagement and investment in skills; employer contributions to and use of the public employment and skills services; the system of national occupational standards and qualifications for work; the growth in innovative high performance organisations; and the development of a world class workforce.

In addition, we will maintain strong links with key business organisations such as the Confederation of British Industry, British Chambers of Commerce, Federation of Small Business, Institute of Directors etc; standards setting bodies responsible for key cross-cutting skills such as leadership and management, enterprise, marketing, business administration etc; and the wide range of trade associations and professional bodies with strong interests in employment and skills.

Working with communities

Increasingly, each UK nation is encouraging greater community-level involvement in employment, skills and economic development by regional agencies and/or local authorities, community organisations, and local employers. These operate through collaborative mechanisms such as emerging Employment and Skills Boards in England, Community Planning Partnerships in Scotland, Workforce Development Forums in Northern Ireland, and evolving structures in Wales.

Employment and skills are now seen as central to regional development and community regeneration. The need to ensure that these services reflect the distinctive social and economic needs of local labour markets is driving more decentralisation in programme design and delivery. Since most employers employ local residents, much of their interest is in the local University, Further Education college or provider, or local Jobcentre Plus. For all these reasons, regional, sub-regional and community action is highly relevant to the UK Commission.

While not having an explicit remit for communities, we therefore want to ensure that our recommendations are fully informed by and reflect the needs of local areas. We would thus expect to:

- Support community-level partnerships between local authorities, economic development agencies, learning providers and employers to plan and oversee delivery of employment and training services optimised to anticipate and meet community needs
- Facilitate stronger working relationships between employer-led sectoral and spatial organisations to stimulate and support economic and business development
- Assess the influence and effectiveness of employers in sub-regional employment and skills partnerships
- Benchmark national, regional and community level economic development and skills utilisation, and using such benchmarks to encourage more effective community strategies and practices
- Identify best practice in employment and skills engagement in community economic development and support the effective dissemination of such practice to UK communities.

11. Aspiring to excellence

We will strive at all times to use best practice in our operations, in particular with regard to enabling our employees to deliver high performance. We aim to be an organisation with the capabilities, structures, systems, processes and attitude to deliver our commitments efficiently and effectively, with mechanisms in place to continually improve on performance.

Excellence in values

In pursuing our vision and mission, we will work with and through the UK Government, Devolved Administrations and other partners in employment and skills development to analyse and challenge existing policies and practices; develop improved or new solutions; and continuously embed and further improve the implementation of employment and skills policy and practice in the UK.

Our values of **inspiration, integrity, inclusion and influence**, enable us to:

- Generate and be open to new and improved approaches to the challenges of improving employment and skills
- Build a reputation for independent thought and integrity in our analysis of the opportunities and in working with others (including in the balance between our executive and advisory responsibilities)
- Develop effective partnerships and communications with relevant stakeholders, considering the needs of all segments and sectors in the development of optimal solutions, and
- Using all of the above, work to ensure that our work merits influence over the decisions and actions of others – as it is only through others that our recommendations can take effect.

Excellence in people

Our People Strategy establishes three pillars to support excellent performance: effective employee engagement, harnessing and enhancing capabilities, and delivering performance excellence. Our people policies and practices have been designed to ensure fair recruitment, management, development and utilisation of staff.

UK Commission staff and Commissioners are provided with induction and training to enable them to conduct their work in accordance with the governance framework and the values of the UK Commission. Our Code of Conduct, supplemented by values and behaviours, sets out clear expectations of management and staff.

Excellence in governance

As a non-departmental public body (NDPB) and a company limited by guarantee, we must respect a number of controls and constraints in the management of our resources. Our work is overseen by Commissioners who set key priorities and review progress through specified committees, supported by internal and external audit services.

We use a governance framework which has been developed in accordance with Cabinet Office and Treasury Guidelines and requirements set out in the framework agreement with sponsoring government departments.

Excellence in process and control

Procedures and guidance have been developed to enable effective financial control and increasing efficiencies. In particular, procurement and contracting procedures are designed to ensure probity and value for money through competitive tendering, either directly or through co-opting into an existing government framework agreement that has been competitively tendered.

Much of our work employs project management and risk management techniques developed to ensure delivery to time, cost and quality requirements, and compliance with legal, financial and other obligations. Risk management extends from the operational up to the strategic level with our top corporate risks reported each year in the Business Plan.

New projects will only be considered for addition to the programme following a thorough review by the Chief Executive and Directors of their feasibility, impact on resources and other projects, and their fit to our remit and strategy. The relevant UK Commission committee will then approve the project and monitor progress through to delivery.

Excellence in delivery

Guided by our values of inspiration, integrity, inclusion and influence, individual members of staff will work together to ensure that the UK Commission's work is of the highest quality and focussed on achieving the outcomes in this plan.

Project teams are selected to make best use of the individual skills and expertise of our staff. In conducting our work efficiently and effectively and in collaborating with partners and stakeholders we will seek to make best use of enabling technologies.

Excellence in outcomes

Beyond delivery, the UK Commission continues to play a key role in promoting and monitoring the implementation of its recommendations to ensure that the desired outcomes are realised. To support this, the UK Commission works to:

- Develop strong partnership working
- Engage with and support Commissioners and the broader employer community
- Empower and promote the work of other organisations who share our vision.

13. How we will measure our progress and success

Assessment by outcomes

To assess the extent to which we are achieving our mission, we need to look beyond the activities directly controlled by the UK Commission towards the uptake of recommendations and outputs, noting their influence on others' decisions and actions, how well those actions are implemented and whether they are delivering outcomes for individuals, employers, providers, communities and the UK economy.

As we look further from the immediate sphere of influence of the UK Commission, our sway becomes less direct, the impact of external factors less controllable, and the timescales for observing a measurable change increase.

Establishing meaningful KPIs

Performance indicators can be derived by considering the changes anticipated from the outcomes presented in this plan. This leads to a large number of potential performance indicators of which a smaller number of Key Performance Indicators have been selected, split into four categories:

- Strategic impact indicators – relating to our purpose and remit
- Strategic outcome indicators – relating to measurable changes arising from the priorities and strategic outcomes set out in this Strategic Plan – for employers, individuals and providers
- Reputation, profile and influence indicators – provide evidence that we are gaining traction with stakeholders in the employment and skills arena
- Organisation performance indicators – provide assurance that we are working efficiently and effectively to deliver high quality, high value outputs and advice.

The indicators are shown in the table below. Read from the bottom up these measures are designed to tell a complete story of our activities, relationships, outcomes and impact. Further details relating to these indicators can be found in Annex 4.

Table 3: The UK Commission's scorecard of KPIs

A. Strategic impact

- Convergence of employment, skills, wealth and productivity across the UK
- Employer implementation of skills utilisation
- Individuals, employers and communities finding employment and skills systems fit-for-purpose

B. Strategic outcomes

- Provider performance against benchmarks
- Employer investment in learning and development
- Individual participation in learning and development

C. Reputation, profile and influence

- Quality and extent of implementation of recommendations
- Acceptance and funding for recommendations
- Credibility, favourability and recognition
- Responses to reports and campaigns

D. Organisational performance

- Progress against annual Business Plan
- Staff satisfaction
- High Performance Working Practices
- Financial performance

Challenging the norms

Since part of our remit is to 'challenge' government and other stakeholders, it is highly likely that not all our recommendations will be accepted. Indeed, if they were, we might well be failing in our duty to give sufficient challenge to the system. Therefore indicators of credibility, favourability and recognition of the value of our recommendations, even if not taken up, provide important additional information.

These measures will be monitored quarterly by the UK Commission's Management Committee and the Joint Sponsor Group's Quarterly Performance Reviews, and on a six monthly basis by four nation Ministerial Reviews with the Chairman and Chief Executive.

Annex 1: Five year timeline of indicative projects & programmes

Key: Confirmed projects
Potential projects

UK Commission priorities with indicative projects		2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	
Building a more strategic, agile and demand-led employment and skills system	Aspiration and commitment	<i>Ambition 2020: 'state of the nations' annual progress report</i>					
	A dynamic system - relevance, quality, adaptability and responsiveness	Review of system measures, targets and incentives		Simplification of funding			
				Develop real - time performance information system		Continuous improvement of employment and skills providers	
	Reduce complexity and bureaucracy	Strategic Skills Assessments		Embedding flexibility in the system			
		Higher Education - employer responsiveness		Higher Level skills (Level 4+)			
	Acknowledged world class systems	Simplification phrase 1	Simplification phrase 2 - 'rewiring' the system				
		Talentplan - system and business development					
		2010 Review of integration of employment and skills		Integration of Employment and Skills programme			
		Review of PSAs	Establishing benchmarks of provider organisations			Rewarding best practice	
	Maximising individual opportunity for skills and sustainable employment	Ambition and confidence	Employee demand	Promoting individual benefits of learning			Raising individual commitment
Opportunity and participation		Employability phase 2	Employability phase 3				
		Qualifications system - strategy and simplification					
		Diploma development					
		Apprenticeships					
		VQ Reform - project 1					
Outcomes and satisfaction		Tackling exclusion		Improving and integrating information, advice and guidance			
		VQ Reform - project 2 (evaluation)					
Maximising talent		Customer journey reviews		Destinations and satisfaction of system users		Customer journeys revisited	
						World class people engagement strategies	
	Women and Work Sector Pathways Initiative		Recognising learning		Celebrating lifelong learning and success		
Increasing employer ambition, engagement and investment in skills	Ambition and commitment	Promoting the case for skills					
		Sectoral leadership of employers		Promoting innovation, enterprise, management and leadership			
	Understanding of skills, requirements, shaping demand and supply	Maximising leverage of employer voice					
		SSC relicensing					
	Employer engagement and investment in high quality education and training	NOS strategy development					
		SSC funding and performance management					
		Collective measures					
					Review of workplace training		Review of entitlement to training
				Standards and benchmarks (including lIP)			
	Skills utilisation and growth	Leadership and management		Increasing enterprise			
Skills utilisation		Skills utilisation (continued)		Development of High Performance Working			

Annex 2: Budgets and staffing level assumptions for 2009 - 2014

Budgets

Each year the sponsoring government departments set the UK Commission budget and specify requirements from the UK Commission through the Grant-in-Aid letter. It is therefore not possible to estimate with certainty the future funding levels that will be provided over the life of the Strategic Plan. However, to provide an indicative level, the budget for UKCES resource for 2009 - 2010, excluding funding provided to Sector Skills Councils, will be £9.7m for the current core remit. This excludes funding provided by Sponsor departments for discrete additional deliverables in respect of qualifications delivery and Talent Map and budget for the integration of Investors In People.

It is assumed that the baseline funding will remain constant over the 5 years of the plan except where additional work beyond the current remit is accepted. The UK Commission will only take on additional work if it comes appropriately resourced to cover the additional cost of the work.

Headcount

The opening headcount in 2009 will be 101 staff (full time equivalents). It is not expected that the core staffing level will materially alter over this period. However, we do expect various changes in staff deployment over the life of the plan - for example reflecting a decreasing role for the UK Commission in managing qualifications reform whilst at the same time taking over responsibility for strategic ownership of the liP standard. The UK Commission expects to bring in additional resource to support new activities or discrete projects where they cannot be appropriately resourced from the existing staff.

Annex 3: Contribution of UK Commission activities to government policies and strategies

Themes and priorities from employment and skills strategies and policies across the UK

UK Commission priorities and outcomes	Opportunity, Employment and Progression: making skills work and Ready for Work	World Class Skills (England)
<p>Building a more strategic, agile and demand-led employment and skills system</p> <ul style="list-style-type: none"> Increased aspiration and commitment Increased relevance and adaptability Reduced complexity World class system 	<p>A personalised, responsive and more effective approach</p> <p>Partnership – the private, public and third sectors working together</p> <p>Targeting areas of high joblessness by devolving and empowering communities</p>	<p>Government’s world class ambition:</p> <ul style="list-style-type: none"> Joined-up employment and skills system Improved skills at all levels
<p>Maximising individual opportunity for skills and sustainable employment</p> <ul style="list-style-type: none"> Increased ambition and confidence Increased opportunity and participation Improved outcomes and satisfaction Maximising talent 	<p>A stronger framework of rights and responsibilities</p> <p>Not just jobs, but jobs that pay and offer retention and progression</p>	<p>Supporting individuals to improve their skills and progress at work</p> <p>Equipping young people with the skills they need for work and life</p>
<p>Increasing employer ambition, engagement and investment in skills</p> <ul style="list-style-type: none"> Ambition and commitment Understanding of skills requirements Employer engagement and investment Skills utilisation and growth 		<p>Employers leading the way on skills</p> <p>A new partnership for the workplace – including the role of the Skills Pledge, Train to Gain, and Union Learning Representatives</p>

Themes and priorities (continued)

Skills for Scotland and The Government Economic Strategy	Skills that work for Wales	Success through Skills: the skills strategy for Northern Ireland
<p>Cohesive structures - simplified structures, “Curriculum for Excellence”, providers in a continuum of provision.</p> <p>A supply of education and skills which is responsive to, and aligned with, actions to boost demand and economic strategy</p>	<p>Investing in skills – a shared responsibility</p> <p>Preparing young people for the future</p> <p>Investing in apprenticeships</p> <p>Investing in high-level skills</p> <p>Transforming the provider network</p>	<p>Improving the quality and relevance of education and training</p>
<p>Individual development – aligning employment and skills, coherent funding support system, equality of opportunity for access and participation</p> <p>The creation of the conditions for talented people to live, work and remain in Scotland</p>	<p>Investing in skills – a shared responsibility</p> <p>Getting the basics right – for social inclusion and further learning</p> <p>Getting into work, getting on at work</p>	<p>Improving the skills levels of the workforce</p> <p>Tackling the skills barriers to employment and employability</p>
<p>Economic pull – stimulating demand from employers, improving skills utilisation, understanding current and future demand</p>	<p>Investing in skills – a shared responsibility</p> <p>Investing in business and workforce development</p> <p>Shaping the system, responding to demand</p>	<p>Understanding the current and future demand for skills</p>

Annex 4: The UK Commission's Key Performance Indicators

Measures	Rationale	Indicators (under development)	Data source
Strategic Impact			
Convergence of employment, skills and productivity across the UK	Indicates the success of strengthening the sectoral-spatial relationship and of support and advice on engagement, good practice and benchmarking for nations, regions and sub-regional areas.	Regional gaps in: <ul style="list-style-type: none"> productivity (GVA/ hour worked); skills (qualifications levels); employment and unemployment rates (%) 	ONS
Employer implementation of skills utilisation	Employer compliance with best practice in skills utilisation demonstrates whether the message to employers has been successful (and skills utilisation best practice is felt to be working for them). Includes use of high performance working practices (HPWP) (with management and leadership) and take-up of investors in People (IIP).	% employers adopted HPWP % workforce in IIP accredited organisations <i>Other measures of skills utilisation best practice may be developed from the UK Commission's skills utilisation work.</i>	To be confirmed IIP
Individuals, employers and communities finding employment and skills systems fit-for-purpose	Provides stakeholder perspectives on the success of simplification and integration to meet their needs and improve customer journeys.	<i>Some existing surveys provide information on parts of this. A review of available data and further work to fill the gaps is required before indicators can be determined.</i>	To be confirmed
Provider performance against benchmarks	Indicating the extent to which the employment and skills system has become flexible and responsive with consistency/ transferability across the UK. Based on measures and targets, skills foresight and the quality of the service provided.	% providers passing statutory inspections <i>A UK Commission project will draw together best practice findings from a range of UK Commission activities which may be used as indicators and/or feed into improvements in inspection criteria.</i>	Inspection authorities (to be confirmed)
Employer investment in learning and development	Includes investment in Management and Leadership and enterprise L&D. Indicates the extent to which the 'business case' to employers has been successful and the effectiveness of work to reduce the barriers/ disincentives to investment.	Employer investment in training (No. employers, % workforce trained and £) Employer investment in training low/ no-skilled employees (if available) Employer investment in management and leadership training (£ and time)	NESS (England only) <i>Further sources to be identified/ developed</i>
Strategic outcomes			
Individual participation in employment, learning and development	Indicates whether the 'business case' for individuals has been successful and whether barriers to participation have been successfully addressed. To include numbers of people and value of personal investment, segmented to investigate equality issues.	Segmented employment and unemployment rates (by disability, ethnicity, qualifications etc) Low skilled/ long-term unemployed into sustained employment No. adults participating in learning/ training in last 13 weeks Investment in learning by working adults (£) <i>Further indicators may be developed e.g. from Individual Learner Records or enrolments in FE + HE</i>	LFS To be confirmed (N.B. DWP PSA target) LFS Skills Survey if repeated

Measures	Rationale	Indicators (under development)	Data source
Profile and Influence			
Quality and extent of implementation of recommendations	Confirms that recommendations are being implemented effectively (or allows identification of changes) and facilitates prediction of the likely outcomes compared to original intentions.	Measure in development – to be drawn from post-project appraisals	UK Commission first stage of follow-up evaluation of key recommendations
Acceptance and funding for recommendations	Demonstrates that the UK Commission is influencing policy and that this is backed up by government commitment (funding). Includes SSC re-licensing recommendations.	Measure in development – to be drawn from post-project appraisals	UK Commission follow-up tracking of key recommendations
Credibility, favourability and recognition	Enables us to judge the likely response/ acceptance and success of recommendations and to monitor/ manage any potential negative lobbying or obstruction. To include perception of the UK Commission as strengthening the employer voice.	Perceived credibility, favourability and recognition of the UK Commission by stakeholder groups	Stakeholder surveys: UK Commission Communications Directorate
Responses to reports and campaigns	Provides evidence that our message is getting through and is having an influence on/ provoking a reaction from its audience. This also reflects whether the UK Commission is generating a critical mass of support.	Measure in development	Stakeholder feedback and media monitoring: UK Commission Communications Directorate
Progress against annual Business Plan	Delivery against commitments. High quality evidence-based outputs are the basis of the UK Commissions' ability to influence	Delivery of planned outputs to time, cost and quality	UK Commission Finance and Performance team
Staff satisfaction	Engaged, capable and motivated employees are essential to the success of the UK Commission. Informs people management within the UK Commission.	Questions on satisfaction with: <ul style="list-style-type: none"> Job Training received Opportunities for progression To be working for the UK Commission 	UK Commission annual staff survey
High Performance Working Practices*	HPWP evidences good practice in people management. This aligns to our people strategy and informs people management.	HPWP incorporates 12 measures and 3 processes	UK Commission HR management information
Financial performance	Provides assurance of effective budget management allowing early action to be taken if spend diverges from forecast.	Year end forecast Audit report	UK Commission Finance and Performance team

*Reference for HPWP: http://www.investorsinpeople.co.uk/Documents/BottomLine_Finalexecsumm.pdf

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.

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