

FUTURE FRAMEWORK FOR INVESTORS IN PEOPLE AND TRANSITIONAL ARRANGEMENTS

Introduction

This paper sets out the future framework for Investors in People and plans for transition. The future arrangements for the provision of advice on Investors in People has already been defined. This paper focuses on developing the new arrangements for assessment and recognition services and how these will link to the functions of the Learning and Skills Council (LSC), Investors in People UK (IIPUK) and the Small Business Service (SBS). The purpose of this document is to help to establish a common framework towards which all partners can work.

In developing the new arrangements we will want to ensure that we utilise and build on the wealth of experience that already exists. It will also be important that we continue to provide effective support for customers throughout the transition and to maintain progress towards the national targets. We have set up an Investors in People Transition Group to advise the Department on the practical aspects of the transition and to help us develop a clear and comprehensive transition plan. Details of the Terms of Reference and membership of this group are provided in Annex 1.

In addition, Government Offices will be facilitating a series of workshops with key stakeholders in May. These workshops will provide an opportunity for people to discuss the arrangements and to give their views on the key principles upon which they will be built.

Background

One third of the UK workforce now work for organisations which have either attained or are working towards the Investors in People Standard. The Standard is the intellectual property of the Secretary of State for Education and Employment and is central to the Department's plans for workforce development. The National Learning Targets in England reflect the Government's commitment to increase take up of the Standard. By 2002, we want to see 10,000 small organisations and 45% of medium and large organisations recognised as Investors in People. By December 1999 we had achieved some 16,500 recognitions and 21,000 commitments. This means that a significant number of new recognitions are required over the next 32 months to meet the targets.

Until the LSC becomes operational next April, TECs will remain the main agents for supporting organisations to meet and maintain the Investors in People Standard. They use Local Competitiveness Budget funds to help them provide advice, support, and financial assistance on Investors in People to employers. TECs are also the owners of around 50 separate assessment, recognition and adviser registration units which. These are currently either single TEC units or collaborative units. The Department has recently commissioned ACL consultancy to undertake a review of Investors in People assessment and recognition units to map the type and range of units and to identify issues for consideration in the design of future arrangements. Their findings have been used to help inform the development of future arrangements and their final report will be published in June. An executive summary is attached at Annex 2.

Investors in People UK licenses assessment, recognition and adviser registration units and is responsible for the integrity and development of the Standard and quality assurance. The company also runs a national advice and assessment unit which gives support to national employers that choose not to work through individual TECs.

The recent Learning to Succeed White Paper and Prospectus set out proposals for the introduction of the LSC and the DTI has established the SBS and is currently considering bids for local SBS franchises. These developments have provided us with an opportunity to review the means through which Investors in People advice, assessment and recognition is delivered.

In parallel to these structural changes, a new version of the Standard will be introduced from April 2000.

Developing the New Arrangements

Roles of Key Stakeholders

A number of decisions on the roles Investors in People UK, the LSC and the SBS will play in supporting Investors in People in the future have already been taken. These are that:

- Investors in People UK will continue to promote and develop the Standard, maintain its integrity and ensure independent quality assurance of delivery;
- the LSC will be responsible for the National Learning Targets (including those for Investors in People recognitions) and it will make arrangements for advice and guidance services to larger employers and to organisations other than business (for example schools and the voluntary sector). This may mean that the local arms of the LSC will contract with individuals or other providers (including SBS franchises who can provide support for non SMEs under contract); and
- the Small Business Service franchises (under contract to the LSC) will provide advice and support to small and medium businesses aiming for recognition as an Investor in People.

Assessment, Recognition and Practitioner Development

Ministers have recently agreed that:

- the arrangements for the assessment, recognition arrangements and practitioner development need to be rationalised; and
- the future organisation of assessment and recognition should be through assessment, recognition and practitioner development units, contracted to the LSC and licensed by Investors in People UK.

Through these changes we aim to:

- avoid the conflict of interest which would be caused by co-locating in one organisation the assessment function and the responsibility for targets;
- bring economies of scale in the provision of Investors in People assessment and recognition arrangements and practitioner development services;
- allow the LSC to influence the volume of assessments to maintain progress towards the national targets avoiding the direct provision of services (which could divert it from its primary role);
- give providers the opportunity to raise income from other sources assisting long term viability, deepening their range of expertise and improving cost effectiveness; and
- lead to greater levels of consistency and raise standards which will improve the quality of customer service.

How the New Arrangements will Work

In summary, the LSC will contract for the provision of assessment, recognition and practitioner development services. The successful units will as now, apply to Investors in People UK for a license to operate (for which Investors in People UK will charge a fee). Providers will only be allowed to operate if they have this license. The local arms of the LSC and SBS franchises will work with their provider(s). Employers will continue to pay for Investors in People services including assessment. The LSC will negotiate with the providers on the expected volumes based on the number of referrals needed to achieve the targets for Investors recognitions. This will be based on number of organisations within each of the LLSC areas served by the unit. The local arms of the LSC will agree any support towards assessment costs with individual employers. National employers will be able to access the support they require from the LSC or from Investors in People UK 's national unit, according to their particular needs.

Establishing new Assessment, Recognition and Practitioner Development Units

In order to identify suitable providers of Assessment, Recognition and Practitioner Development services, we will be mounting a bidding exercise.

The bidding process

Providers which are currently licensed will be invited to bid for this work. Detailed bidding criteria are being drawn up and will be issued in July. New arrangements will be in place by 26 March 2000. Existing providers will be invited to develop collaborative arrangements which draw on the expertise that is currently in place. Furthermore, bids will be expected to demonstrate a positive approach to handling any staffing implications in line with the principles set out below. It is likely that the Department will only contract with bidders who it is satisfied are properly engaged in discussions with exporting organisations and that it will meet its obligations under TUPE. Following this process, if suitable suppliers have not been identified, it may be necessary to move to open competition.

Selection of successful bids

The Department will manage the bidding process on behalf of the LSC. The LSC will chair a selection panel in the Autumn.

Number and location of units

The intention is to develop fewer multi-functioning units bringing together assessment, recognition, adviser registration and practitioner development services. Bidders will therefore be invited to propose collaborative arrangements that best meet the needs of clients and offer a seamless service. Bidding guidance will clarify the criteria.

Issues for the Transition

Now that we are clear on what the new structure will be, we are working up the detail. A timetable for the transition to the new arrangements is set out in Annex 3.

Since the announcement of the Learning Skills Council, through informal discussion with a wide range people in the network and more formally through the review of assessment and recognition, we have identified some key principles on which the new arrangements will be built. The following table sets out these issues alongside some of the issues we need to address during the transition.

Key Principles	Issues
<i>Client Focused Service</i> <ul style="list-style-type: none"> • bespoke services designed to meet customer needs • seamless package of support from advice to assessment and continuous improvement 	<p>How do we ensure services meet the needs of employers?</p> <p>How do we ensure those working towards the Standard have effective support throughout the transition and that they understand how they will be affected by changes?</p>
<i>Collaboration</i> <ul style="list-style-type: none"> • encouraging closer working between Assessment Units • building new and effective partnerships between LSC, SBS and Investors in People UK 	<p>How do we develop a greater degree of collaboration between partners and across boundaries?</p>
<i>Quality</i> <ul style="list-style-type: none"> • providing a high quality service 	<p>How do we ensure new licensing arrangements maintain consistently high quality and encourage continuous improvement in service provision?</p> <p>What should the license fee provide?</p>
<i>Consistency and the integrity of the Standard</i> <ul style="list-style-type: none"> • ensuring consistent interpretation of the Standard 	<p>Should adviser and assessor registration arrangements be further developed to enhance consistency?</p> <p>Should practitioner registration be mandatory?</p>
<i>Cost effectiveness</i> <ul style="list-style-type: none"> • ensuring that clients are clear about what they are buying • maximising impact of public funding and other resources 	<p>How do we ensure that Investors in People services provide value for money for clients?</p> <p>How do we ensure transparency in public funding?</p>
<i>Added value</i> <ul style="list-style-type: none"> • ensuring that clients value both the advice and assessment processes and are given feedback on how to make further improvements • continuous improvement of assessment and recognition arrangements. 	<p>What mechanisms do we need to put in place to ensure that there is high quality advice, assessment and feedback to the client?</p> <p>How do we build on the improvements achieved through the implementation of STAR?</p>

Key Principles	Issues
<p>Reliability and sustainability</p> <ul style="list-style-type: none"> • new assessment units need to provide service on which clients can rely • new units must be able to meet anticipated volumes of first time assessments and reviews 	<p>What will a reliable service mean in practice?</p>
<p>Capacity and capability</p> <ul style="list-style-type: none"> • building capacity to provide services to increasing volumes of clients • building on existing experience and expertise • continuous professional development 	<p>What can we do to even out the peaks and troughs of assessment?</p> <p>How can we continuously develop people in the network?</p>
<p>Employer involvement</p> <ul style="list-style-type: none"> • active employer participation in the promotion of the Standard. 	<p>How can we harness employer involvement as promoters and stakeholders?</p> <p>How should recognition be managed in the new arrangements?</p>
<p><u>Staffing</u></p> <ul style="list-style-type: none"> • <u>staff involved in transfers should be treated fairly and consistently and their rights respected</u> • <u>wherever possible, expertise within the current system should be utilised in the new arrangements</u> • <u>individuals directly affected should have the opportunity to update existing skills or acquire new ones to equip them for future role</u> • <u>people outside the TUPE groups in Investors in People Assessment units /TECs/CCTES who have appropriate skills should be encouraged to apply for posts in the new arrangements.</u> 	

Next Steps

In May, Government Offices will co-ordinate a series of workshops with Investors in People and Assessment Unit Managers. Through these workshops we aim to ensure that:

- all stakeholders are clear about how the new structural will look;
- everyone has an opportunity to discuss the key principles and issues set out above; and
- everyone has the opportunity to contribute to effective implementation of the new arrangements.

The schedule for regional workshops is:

Region	Date	GO Contact
London	11 May	Ash Verma
South East	16 May	Glen Atherfold
South West	19 May	Rodger Fowler
East	22 May	Amanda Redstone
East Midlands	28 April and 2 June	Rachel Corry
West Midlands	5 May	Greg Burke
Yorkshire and Humberside	3 May	Peter Campey
North West	18 April	Garry Shoreman
North East	20 April and 18 May	David Dunn

For further information contact:

Cath Witherington,
Workplace Learning Division,
Moorfoot
Sheffield S1 4PQ.
Tel: 0114 259 3912.
Email: cath.witherington@dfes.gov.uk

Investors in People Transition Task Group

Terms of Reference

The purpose of the Group is to support the successful transition to new arrangements for Investors in People in England from April 2001 by:

1. Advising the Department on Investors in People related issues.
2. Identifying key messages for dissemination to stakeholders and on most effective ways of keeping people informed of developments.
3. Contributing to the development of:
 - a detailed transition plan;
 - a framework document to clarify the new arrangements for Investors in People practitioners and other stakeholders;
 - a specification for assessment, recognition and adviser registration services; and
 - model contracts for the Learning and Skills Council on Investors in People related services.

Group Members

Linda Ammon (Chair)	-	Workplace Learning Division, DfEE
Michelle Turner	-	Workplace Learning Division, DfEE
Cath Witherington	-	Workplace Learning Division, DfEE
Andy Kidd	-	Investors in People UK
Lindsey Simpson	-	TEC National Council
Tom Bewick	-	NTO National Council
Ash Verma	-	GO London
Peter Campey	-	GO Y&H
Ian Kinder	-	DTI
Nigel Couzens (Cumbria TEC)	-	TEC/ Investors in People UK Strategic Forum
Rosie Duncan	-	National Good Practice Team (Assessment East Midlands)
Kevin Mellor	-	National Good Practice Team (South and East Cheshire TEC)
Patsy Smith	-	Humberside TEC
Chris Rivington / Peter Mucklow	-	Post 16 Division, DfEE
Jean Nelson / Trevor Tucknutt	-	Post 16 Implementation, DfEE

SUMMARY OF THE AUBREY CARTER LUCAS REPORT ON INVESTORS IN PEOPLE ASSESSMENT AND RECOGNITION PRACTICE

Introduction and objectives for the review

1. This study looked at delivery arrangements for Investors in People (IiP). It took place in the context of proposals for the introduction of a national Learning and Skills Council (LSC), local Learning and Skills Councils (LSCs) and the Small Business Service franchises (SBSs), to replace the current TEC/Business Link infrastructure.
2. The objectives for the review were to:
 - map the type and range of existing IiP assessment and recognition arrangements;
 - consider “good” and “bad” practice in the design of local IiP assessment and recognition centres;
 - identify the issues around existing IiP delivery arrangements which may impact on the design of future arrangements; AND
 - make recommendations on the generic issues which need to be considered whatever arrangements are put in place for IiP assessment and recognition under the LSC structure.
3. Fieldwork for the study comprised face-to-face discussions with: IiP UK; Government Offices; managers of twenty IiP assessment and recognition units; TECs associated with assessment and recognition units; IiP committed and recognised employers and a number of other “interested parties”. Interviews took place between December 1999 and February 2000.

Current approaches to assessment and recognition

4. Three broad types of assessment and recognition unit which (with the national unit) currently deliver the IiP assessment and recognition process under license from IiP UK can be identified – i.e.:
 - single TEC assessment and recognition units – both assessment and recognition functions are provided by an individual TEC, generally for its own (exceptionally for another TEC’s) employers;
 - independent (multi-TEC) assessment and recognition units – assessment and recognition functions are provided by a central unit (established as either a company limited by guarantee or a partnership) for a number of TECs (generally in the same Government Office region); and
 - collaborative (multi-TEC) assessment and recognition units – individual TECs retain their own assessment (and in some cases recognition) functions; a central unit co-ordinates service delivery for the participating TECs and is the licensed unit for IiP UK purposes.
5. Using these broad categories, the current picture of assessment and recognition practice can be broadly summarised as follows:
 - a common approach to assessment and recognition across all TECs in a particular

Government Office exists in two regions (Eastern and the North East);

- nineteen TECs operate their own assessment and recognition unit – an additional two TECs operate their own recognition units (Bradford and Wight);
 - TECs participating in Assessment West Midlands's (AWM) collaborative arrangement and Assessment South West's (ASW) independent unit also have their own recognition panels but these are regarded as satellites of the central, liP UK-licensed, (i.e. AWM or ASW) unit rather than units in their own right;
 - single TEC units are common in the south east and the North West region – elsewhere only one or two TECs have opted out of some form of collaborative arrangement. Generally these are large TECs – either geographically (Lincolnshire, Cumbria) or in terms of the relative size of their local economy (Birmingham);
 - fifty-four TECs are covered by some form of collective arrangement with other TECs (i.e. an independent or a collaborative unit). Generally these arrangements operate within a single Government Office region;
 - only three TECs use the services of a unit which is based outside their region;
 - one region (the South East) has no form of collective arrangement for liP assessment and recognition covering its TECs.
6. In practice, within the three broad categories specified above, the fieldwork has identified nine approaches for delivering liP assessment and recognition in addition to the national unit. These are:
 7. single TEC assessment and recognition units – the principal variants are defined by reference to delivery: either largely in-house (model 1) or largely sub-contracted (model 2);
 8. independent (regional) assessment and recognition units (operating as limited companies) – the principal variants are defined by reference to geographical coverage: whole Government Office region “plus” (model 3); whole Government Office region (model 4); “almost” whole Government Office region (model 5) and sub-regional (model 6);
 9. independent (regional) assessment and recognition units (operating as partnerships) (model 7);
 10. collaborative units (model 8);
 11. TECs using the assessment and/or recognition services of one of the above units whilst not formally being part of the unit (model 9).
 12. Based upon the fieldwork, no single model emerged as “the most effective in all circumstances”.
 13. In an liP context, standardisation would appear to be most important in terms of process (i.e. that there is a guarantee that a service of consistent quality is being delivered across the country – and therefore that the notion of a national Standard has credibility) and less important in terms of the design of the unit delivering assessment and recognition services.

Key findings and recommendations

14. The issues and related recommendations covered in the following paragraphs are generic in the sense that they are key elements which, on the basis of the research, need to be considered when designing future arrangements for liP delivery. This is the case regardless of the actual structure for delivery which is ultimately adopted.

15. Concerns regarding **the potential for conflicts of interest** to arise in the liP process (and as a consequence for the integrity of the Standard to be brought in to question) were raised in relation to the operation of single TEC assessment and recognition units. In essence these doubts arise because, in the case of single TEC units, the organisation which has performance targets in relation to liP (i.e. the TEC) is also responsible for undertaking the advice and assessment roles. The potential for a conflict of interest to arise would appear to be greatest in case where both advice and assessment are delivered by the TEC in-house.
16. Although no one was suggesting that anything untoward had happened to date, to reduce the risk of conflicts of interest occurring in future, wherever practical, **under future arrangements the situation where one organisation employs on its staff both assessors and advisers whilst it also has delivery targets in relation to liP should be avoided – the purchaser-provider relationship needs to be clear.**
17. A key feature of liP is that it is **a national Standard, consistently applied across the country.** Consistency of the assessment and recognition process is currently assured through a variety of means - internal (employed by the assessment and recognition units) and external (employed by liP UK) verifiers, training and development for assessors (advisers are also often included – either by invitation or because they are also assessors), work shadowing, regular assessor forums etc. In addition all units have to have a procedures (quality assurance) manual which has been approved by liP UK.
18. **It is important that national and local quality assurance procedures are retained to provide continued assurance that assessment and recognition practices are producing consistent results (in terms of the standard reached by liP-recognised employers) across the country..**
19. In general **quality assurance arrangements in relation to advice** are currently less formalised than those that apply to assessment and recognition. Based on feedback from assessment and recognition units and employers, **there is a need for quality assurance procedures to cover those offering liP advice.** These should start at the adviser registration stage, include training and development requirements and focus on the quality of advice received by the candidate organisation both pre- and post-recognition.
20. Concerns were raised by some employers regarding the **experience (and therefore suitability) of advisers and assessors.** This suggests that there may be a need for **adviser and assessor registration to be more tightly prescribed – in terms of the type of organisation that individuals are “qualified” to work with on liP – in future.** There is scope for doing this at a fairly high level – on the basis of an organisation’s size (small, medium or larger in terms of employee numbers), type (public, private or voluntary) and/or complexity (single or multiple site) – whilst still adding value.
21. Notwithstanding the above, **the ability of organisations to continue to use non-registered advisers should be retained on a caveat emptor basis.**
22. Advisers benefit from assessing and vice versa – **individuals should therefore be encouraged to do both roles (but not at the same time for the same organisation).** **The distinction between the roles of adviser and assessor should be retained under future arrangements for liP delivery.**
23. It is important that, at key points in the process, both adviser and assessor are involved in order to ensure that the client organisation receives a seamless liP service. In particular **the adviser needs to be involved before, during and after the assessment.**
24. Although in the recent past there has been considerable pressure for Recognition Panels to be retained, their role is not always clear to employers about to be recognised. **There is a need to reconsider the Recognition Panel’s remit - in particular to determine where and how Panels can best add value to the process and to tailor their input accordingly.**

25. Currently assessment and recognition units are either:
26. very small – less than (often considerably less than) 100 assessments/reviews per annum (the smaller single TEC units);
27. medium sized - between 300 and 400 assessments/reviews per annum (the larger single TEC units, sub-regional and smaller regional units);
28. large – over 700 assessments/reviews per annum (the larger regional units).
29. Looking to the future, there must be **doubts over the future of the smallest units on efficiency grounds** – although there may be other pressures/considerations (e.g. relative remoteness/rurality) which make them an effective means through which to deliver liP.
30. The larger TEC units and some Regional units currently appear to enjoy comparable levels of efficiency (approximately 100 assessments/reviews per member of staff at the unit). Some sub-Regional and larger Regional units appear to be more efficient than this on a straight staff to number of assessments/reviews basis, however the extent to which economies (and diseconomies) of scale apply with larger units remains largely untested.
31. A note of caution in relation to the above should be sounded. Following the changes to the post-recognition review process, the feedback received during the course of this study suggests that the majority of assessment and recognition units are expecting the length of time between recognition and post-recognition reviews to shorten (typically to between twelve months and two years).
32. One consequence of more frequent reviews is that **the number of employers handled by assessment and recognition units each year will increase significantly year on year**. This represents a major change in the employer-assessment and recognition unit relationship – as a result what has gone before, in terms of assessment and recognition experience, may not provide an appropriate basis upon which to make decisions on appropriate delivery arrangements.
33. Currently liP UK licenses assessment and recognition units to ensure full geographical coverage. **Competition between units for business tends to happen only in relation to larger regional and national employers. This lack of direct competition between units for local business should be retained.**
34. National employers are likely to present different challenges to those posed by smaller, more locally/regionally based employers. **In addition to being able to work with local/regional units, national employers should have the option of having liP advice and assessment co-ordinated by a national unit.** This would need to be subject to the same integrity considerations as more local delivery units.
35. Because national employers present different challenges, advising and assessing them is a different task to advising and assessing local employers. There is a need for a different type (or calibre) of adviser/assessor to undertake this role. This would suggest that **a separate register of advisers and assessors who are able to deliver liP to national employers needs to be established.**
36. The fieldwork for this study also found that liP delivery to national employers can be “patchy”, with certain parts of the employer pursuing liP recognition in isolation from the rest of the organisation rather than as part of a considered strategy. **There is a need for greater coordination of work with national employers (who is doing what with whom).** In this context, the option of building a national database for liP activity, possibly incorporating a central helpline which routes enquiries to the appropriate local agency, is also worth considering.

Annex 3

Investors in People Transition Plan	
Action	Month
<u>Post 16 Group Meeting</u> Comment on workforce development proposals in SBS Franchise Bids	February 2000
Submit recommendations to Ministers Discuss proposals with Investors in People UK and its Board Set up Investors in People Transition Task Group Produce first draft of Investors in People Framework Document	March 2000
Issue Framework Document Analytical Services to report regarding analysis of MI and progress towards national targets	April 2000
GOs co-ordinate regional discussions and feedback on Framework Document	May 2000
First draft of Assessment/Recognition/Adviser Registration criteria Investors in People Transition Task Group Meeting	June 2000
Issue invitations to bid for Assessment/Recognition services	July 2000
Receive bids for Assessment/Recognition services SBS local delivery plans submitted and LSC worked up local arrangements for Investors re non SMEs	September 2000
Investors in People UK Licensing arrangements agreed Learning and Skills Council select successful Assessment/Recognition/Adviser Registration Units Feedback to bidders	October 2000
Model contracts developed (for advice, assessment/recognition and adviser registration units)	November 2000
Local arrangements agreed	December 2000
Current arrangements/licenses cease New units operational	March 2001