

Employer ownership of skills

Employer Ownership Pilot: Developing a proposal

Employer Ownership: the UKCES vision

- Employers should have the space to own the skills agenda
- There should be a single market for skills
- Skills solutions should be designed by employer-led partnerships to reach more people and businesses
- Public contributions for vocational training should move to employer incentives and investments
- Transactions should be transparent

“We need to take determined steps to encourage greater employer ownership of skills, working to secure a sustainable partnership for the long term”



Charlie Mayfield

UK Commission for Employment and Skills - Chairman
John Lewis Partnership - Chairman

Opportunity to act now

- Up to **£250 million employer ownership investment fund** over two years
- Jointly led by BIS, DfE and UKCES
- Need bold propositions from employers, in partnership with colleges and training providers

“ I hope this radical new approach will encourage even more employers to take on apprentices and ensure that the UK workforce has the skills we need to boost economic growth ”

Prime Minister, David Cameron



“ We have to fundamentally alter the relationship between employers and the state- giving employers the space and opportunity for greater ownership of the vocational skills agenda, including the chance to bid for direct control of public funds. This will encourage greater competition in the market as we strive for sustainable growth

Secretary of State for Business,
Innovation and Skills, Vince Cable

Objectives of the Pilot

Increase the impact of work readiness, workforce development and Apprenticeships activity

Employers are better able to secure the training they need, by having the influence they require, over quality and content

Collaboration amongst employers to address cross-sector or supply chain skills challenges is increased

Employer leadership, commitment and investment in skills is increased

What could a bid include?

- The pilot is taking a different approach: it is open and flexible to encourage 'customers' to come up with new ideas and ways of working
- We want businesses to propose how they would use direct public investment, alongside their own, to improve the skills of their current and future workforce
- If proposals give us effective and sustainable ways to improve skills in the workforce, to drive up productivity and growth, they will be backed by significant public funding

What could a bid include?

- Apprenticeships and wider employee training opportunities
- Training and skills development to help people into work
- Innovative approaches to the design and delivery of training and workforce development



Who should apply?

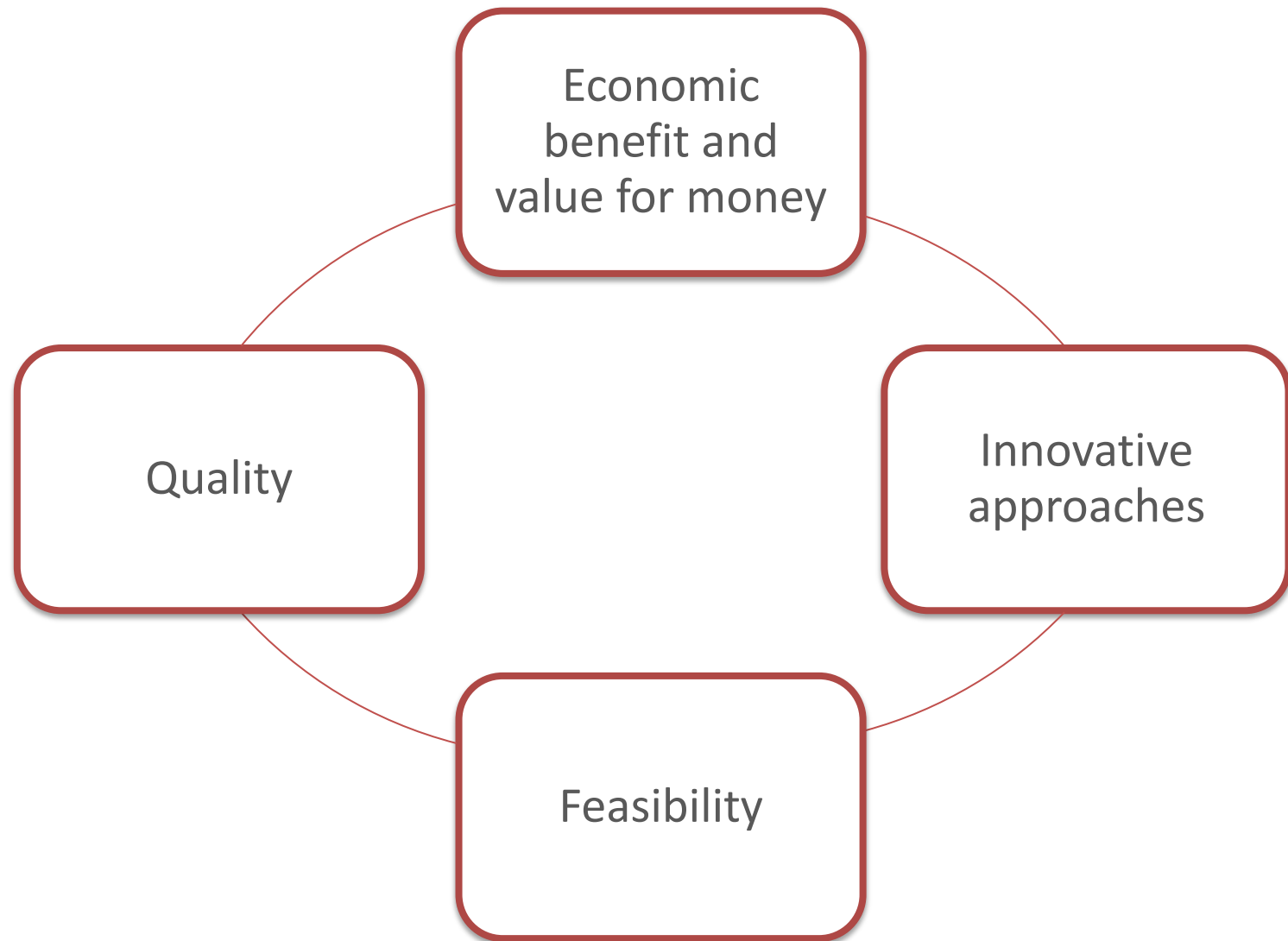
- Proposals are welcomed from all sectors of the economy in England
- Employers of all sizes are encouraged to develop bids which are in line with the threshold for bids: £250k for SMEs and £1m for large businesses
- A range of partners can have a key role in shaping proposals – *for example, SMEs working with a Group Training Association or National Skills Academy to develop a bid for specialist training support*

What should employers set out in a bid?

1. Outcomes that they wish to achieve
2. The rationale behind the proposition and why it cannot be done as successfully through existing funding routes/delivery channels
3. The mechanism by which it will be delivered
4. The level of private investment
5. The public investment needed to make it happen



What are the criteria for assessment?



How will final decisions be made?

- Investment board will review applications and select those that fit most closely with the investment criteria
- Balanced portfolio of investment
- Further guidance, including the application form, will be published towards the end of Feb



Next steps and more information

- **Prospectus document** available from www.ukces.org.uk/employerownership
- **Detailed guidance** and application form published at the end of February
- Attend a **business breakfast** or **online webinar** to ask questions and discuss proposals (register online)
- **Queries** relating to applications: employerownershipqueries@bis.gsi.gov.uk
- **Deadline** for applications 26 April