

Simplification of Skills in England:

Expert advice to government on simplification of the English post-compulsory skills system for employers

October 2008

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Executive Summary

This paper recognises that there are six major underlying causes of employer calls for simplification of the skills system:

- Difficulties of finding/accessing the right parts of the system when needed;
- Complexity of programmes/initiatives, with constant new announcements and changes;
- Restrictive constraints on initiatives, leading to unmet employer expectations;
- Excessive bureaucracy for those employers who do engage with the system;
- Complexity of organisations and structures, all seeking to communicate with employers;
- Constant change meaning that employers cannot keep track of what is on offer.

Talking to employers working with the post-compulsory training and skills system makes it clear that any serious approach to simplification must really address all of these problems if employer complaints are to be significantly reduced or eliminated.

The proposals the UK Commission is making at this stage are concerned with ‘hiding the wiring’ – making it much easier for employers to find and obtain the support they need, and concealing complexity behind the scenes within the different government agencies and delivery organisations.

The ten linked components of these proposals are as follows:

1. Completion and implementation of the Talent Map – a framework to help employers identify and easily locate the appropriate education, skills and employment service most relevant to their particular needs;
2. Creating a single integrated business brokerage service under a single brand (presumed to be ‘Business Link’) to provide one point of access for all employer engagement with government business development and support programmes – innovation, export, consultancy, regulation and skills;
3. Within that brokerage, identifying, training and supporting a team of Skills Brokers, capable of working with employers, particularly SMEs, to identify or help develop a company training plan that will support the achievement of the company’s business strategy; supported by a review of their existing contracts, performance measures and incentives, to ensure that they can deliver this new approach;
4. Brigading all government skills programmes and initiatives under a single brand (‘Train to Gain’) as a menu of support that can be directly related to the company training plan, so government negotiates to deliver support that directly benefits company business strategy – i.e. the government ‘buys (some of) the company’s own training plan;

5. A clear role for SSCs to ensure that different sectoral needs and priorities are recognised and supported within that single Train to Gain offer;
6. Ensuring that sectoral, regional, and specialist skills support, including future government skills support for businesses, are only presented as an integral part of the Train to Gain menu and tariff, and not as separate initiatives;
7. Support for high quality business responsive Colleges and Training Providers to ensure their skills services to employers are integrated through a 'Train to Gain Inside' branding approach, and via tied brokers working to the same Skills Broker standards;
8. A collaborative programme of work between LSC, HM Treasury, and the National Audit Office to reduce current contracting and financial management bureaucracy by two thirds;
9. Replacement of the current bureaucratic Qualifications Code of Practice by a new and simplified approach that trusts employer practice without reducing system quality and integrity;
10. Integrated marketing of the Integrated Brokerage and the unified Train to Gain skills offer to employers to improve clarity of message and offer.

A one year implementation plan for government department/agency project teams is presented, with a proposal performance monitoring and oversight should be the responsibility of a Simplification Programme Board – a task-and-finish group established the UK Commission, and comprising business representatives from large firms and SMEs who have significant recent and first-hand experience of the post-compulsory training and skills system in England.

Next steps

Following approval by the UK Commission, these detailed proposals are presented to the Secretary of State and other Ministers for their consideration and implementation.



Chris Humphries
October 2008

1. Introduction

Over the last ten years, skills have risen in significance for government, businesses and trade unions. Employer surveys have increasingly placed skills at the top of the business agenda, with the Business Council of Britain raising it as their primary issue in their first meeting with the Prime Minister. In order to secure the scale of economic growth forecast for the UK over the next ten to fifteen years, the UK government has set a target of reaching an 80% employment rate.

Two recent government reviews – those of Sir Andrew Foster on Further Education, and Lord Leitch Review of the skills challenges facing the UK to 2020 – have argued that the fundamental purpose of the UK’s tertiary education and skills systems needed to be ‘employment’. Recent UK Government policy has sought both to increase the employment orientation and fitness-for-purpose of the post-compulsory education and skills system/s.

Such policies and programmes depend critically on the active engagement and support of private and public employers. As skills have risen in importance as a business issue, many employers have sought to make increasing use of the publicly funded education and skills system. Government has strongly encouraged this as part of increasing responsiveness, and through public commitment initiatives such as “The Skills Pledge” and Train to Gain. Whilst those employers using the public system do report increasing satisfaction with many aspects of the service they receive, others (including many Business Council of Britain members) claim the system is too complex, confusing and unresponsive to real employer needs.

2. The Remit to the UK Commission

From the outset, the Chairman and members of the UK Commission have called for the urgent ‘simplification’ of the UK’s employment and skills system, arguing that the complexity and bureaucracy of the system was such as to turn-off even those employers who were keen to engage and help. An early and urgent request was made to the UK Commission by the Secretary of State for Innovation, University and Skills to “advise the Government on simplification of post-19 training and skills in England”.

As time has gone on, the scale and urgency of concerns from both employers and government has grown. The UK Commission has now set ‘simplification’ as its highest priority, and is providing this set of initial proposals to government by the autumn of 2008, as agreed.

The remit of the UK Commission calls on it to:

- develop an independent view of how employment and skills services can be improved to achieve increased employment, retention and progression, skills and productivity;

- provide advice to inform strategic policy development, analysis and exchange of good practice to drive and shape the skills and employment system to meet the needs of employers and individuals.

In the context of ‘simplification’ the UK Commission believes it can best fulfil this remit by developing a twin-track approach:

- A. proposals that will (relatively) quickly provide a much simpler interface between employers and the public skills system, concealing much of the complexity in order to deliver a simpler and much more responsive service to employers – sometimes called ‘hiding the wiring’;
- B. longer-term proposals that will fundamentally simplify the underlying programmes and structures, and ensure a much more employment-responsive system that integrates employment and skills services in the most effective and sustainable way – ‘rewiring the circuit board’.

This paper explores and offers proposals to address the first of these two approaches only. The UK Commission is clear that ‘hiding the wiring’ can only be a first stage of a continuing drive for simplification and integration, and that it will continue to develop proposals for longer-term and sustainable system change.

In order to most effectively respond to calls for simplification, the next section seeks to understand employer complaints about complexity and bureaucracy in more detail, to ensure that a deeper understanding of the particular concerns informs our proposals for change.

3. Complexity and the nature of the challenge

When employers talk of complexity and confusion in the system, or call for simplification in frustration, evidence from the detail lying behind many complaints confirms that there are a wide variety of different underlying causes. Some employers complain of confusion about the range of initiatives with which they are faced; others of the bewildering number of different organisations that approach them to become involved in the skills and training system.

In part, these complaints derive from the undeniable fact that, in seeking to respond to the extraordinary pace of industrial change, the growing complexity of the challenge from globalisation, and the transforming effect of technology on the very nature of business itself, the demands on the skills system have become more urgent and complex, and the potential for confusion has inevitably increased. Whilst employers should, to some extent, expect complexity in the system trying to respond to these challenges, it is also incumbent on the training and skills system to seek to minimise or conceal that complexity to the greatest extent possible.

Employer calls for simplification don't relate to a singular concern, but reflect a wide range of concerns around a number of significantly different issues. Analysing the range of complaints suggests there are six different types of complexity or confusion for employers:

- **Difficulties of access for employers to the system** – relating to the extent to which employers understand the system, feel competent to seek to engage, succeed in finding the right organisation and/or service to meet their requirements, and find the initial contact welcoming and responsive
- **Complexity of programmes and initiatives** – the extent to which the employers understand, or are confused or even overwhelmed by, the range of programmes and initiatives on offer, are able to assess the potential for a particular initiative to meet their requirements, and be sure that their choice is the most appropriate of those available
- **Too restrictive constraints on individual programmes and initiatives** – the extent to which the eligibility rules and limitations on programmes unduly restrict the ability of individual employers to participate in a programme, or a sufficiently wide range of employers from engaging with it
- **Excessive bureaucracy in administrative arrangements for programmes or initiatives** – the extent to which the administrative rules and reporting requirements of programmes are unduly demanding, time consuming or burdensome on employers, disproportionate to the real accountability requirements
- **Complexity of structures and organisation** – the extent to which the sheer number and range of skills and training organisations, and/or the extent to which they seek to engage directly with employers, confuses or overwhelms employer interest
- **Rapidity of change** – the rate of changes in programmes, initiatives, organisations and procedures adds a further dimension of confusion for employers, who can find it extremely difficult to keep up with change and even become aware of new developments, let alone understand them.

4. The need for an integrated, multi-functional solution

As the range and scale of employer concerns and complaints about complexity are significant and varied, it is extremely unlikely that a simplification proposal that only addresses one or two of these will make enough impact on employers. Simplification is not going to be simple – fixing one or more particular problems may not produce any significant decline in employer complaints if others continue to bedevil the typical employer experience.

Simplifying access so employers can find the right point of contact only makes a difference if the experience they receive is appropriate and responsive. Helping employers to find exactly the initiative that fits their need only improves things if they turn out to be eligible and the bureaucracy of their involvement is appropriately minimal. To gain most from training interventions, companies need to ensure that the training proposal directly relates to and supports the company's explicit business strategy and objectives, yet companies are too rarely offered the opportunity to synchronise their business strategy with public training programmes.

The proposal/s made in Section 5 therefore comprise a set of inter-linked projects that together will make a major impact across the range of complexities that underpin the bulk of employer complaints. They detail an integrated approach to 'hiding the wiring' – ideas that will significantly improve the access and experience of employers when dealing with the training and skills system, and help improve both the responsiveness of the system, and the impact of training and skills services on employment, productivity and individual opportunity.

The UK Commission is convinced that the full value of these proposals will only be attained if they are accepted and implemented as an integrated programme. 'Cherry-picking' only some options from these suggestions is likely to result in employers remaining frustrated and complaints continuing to grow.

5. Elements of Simplification proposal

The following table sets out ten elements of a coordinated approach to simplification for employers, which the UK Commission believes could be implemented within 12 months of commencement. Proposals for implementation are offered in Section 6:

Programme Element:	Simplifies:
<p>(a) The Talent Map</p> <p>Developed through a partnership between Business in the Community, the Talent and Enterprise Task Force and the UK Commission for Employment and Skills, this project aims to make it easier for employers to understand the education, employment and skills landscape. It will offer a simple framework for creating a skills development plan and an interactive web-tool, able to draw intelligently from a wide range of databases, to help employers to easily find out about and link with the opportunities available for them to work with the publicly funded education, employment and skills systems.</p> <p>Through the use of a linking tool, the Talent Map will not simply be another website in a crowded web-space, but act as a linking 'hub' to other employment and skills websites. The prototype map has already been road-tested with around 80 employers (all sizes), intermediaries and representative bodies including CBI, Investors in People, FSB, and BCC. Feedback from those testing events has been overwhelmingly positive, with strong endorsement for the organising framework, and the approach used to support the online tool.</p> <p>Supporting the second stage of development to November 2008 should allow roll-out and implementation during 2009 to an agreed business model.</p>	<ul style="list-style-type: none"> ● Access ● Programmes & Initiatives ● Rapidity of Change

Programme Element:	Simplifies:
<p>(b) An integrated brokerage service for employers</p> <p>The Business Support Simplification Programme (BSSP) is streamlining the business access to government support by reducing the number of support schemes from over 3,000 to fewer than 100, alongside making Business Link the main channel by which businesses can access government support. Under this Programme, steps are already underway to bring together the Train to Gain and Business Link brokerage services from Spring 2009.</p> <p>However, further simplification would result from ensuring that the work of the National Employer Service and the National Apprenticeship Service are also brought under the branding of a coherent and integrated programme that offers a total solutions approach for employers. (Both the National Employer Service and the National Apprenticeship Service would still operate as England-wide organisations within the Skills Funding Agency, but accessed as a specialist team/service within the brokerage arrangements.)</p> <p>This integrated brokerage service could still offer individual programmes like Apprenticeships as a branded service within the total brokerage offer, but employers would deal with a single coordinated team who could match different business and training support offers to the identified needs of the individual business. The Business Link brand is now more than 15 years old, and could well be the appropriate branding for the Integrated Brokerage Service. The current presumption in these proposals is that the service will be Business Link branded. If an alternative branding were to be chosen, then the marketing and timing implications would need to be assessed.</p>	<ul style="list-style-type: none"> ● Structures & Organisations ● Rapidity of Change

Programme Element: continued	Simplifies: continued
<p>If this 'new' Brokerage Service is to provide integrated access to services across BERR and DIUS (and potentially over time for DCSF and DWP), then consideration should be given to managing the Service through a joint Board between two/three/four Departments with a significant number of business non-exec Directors, including at least one Commissioner from the UK Commission.</p> <p>Under the Business Support Simplification Programme, negotiations are already underway with local authorities, Regional Development Agencies and other government departments to offer their employment and skills services, as well as other business support initiatives, to employers through the Integrated Brokerage Service. The Transition Management Plans currently driving this process of integration should be accelerated to ensure the full impact of Simplification within 12 months. (Also see (e) below.)</p> <p>It will be essential to support these developments with a comprehensive training programme for brokers and support staff in the new coordinated approach, the new Train to Gain service, the new menu elements and any sector-specific extensions of Train to Gain, and review incentives, performance measures and targets to ensure they are appropriate. This is discussed in more detail below under Section 6 Implementation.</p>	

Programme Element:	Simplifies:
<p>(c) Train-to-Gain – the integrated skills service for employers</p> <p>Train to Gain has been increasingly well received as a publicly-funded skills programme to encourage employer investment in the development of the skills and qualifications of their employees. It aims to help employers identify and source training that will improve the skills of their workforce and their business performance.</p> <p>Eight employers in ten (80 per cent) would recommend the Train to Gain service to a business colleague outside their organisation, and 77% of all employers would be likely or very likely to engage with Train to Gain in the future. 92% of employers taking up training were satisfied with the content of the course and the provider that delivered it.</p> <p>Indications from the latest evaluation suggest that both independent brokers and direct learning provider contact play an important role in bringing employers in to the Train to Gain service. 35% of Train to Gain employers want to access further training, skills and qualifications for their staff, but the vast majority do not have a training plan!</p> <p>This idea proposes a further development of Train to Gain to encourage employers to more effectively link training to business plans and objectives, through supporting the creation of a training and development plan for the company, and negotiating an agreement with the company for a public contribution to ‘buying the company training and development plan’.</p> <p>The proportion supported by public funds would be agreed across the whole range of educational interventions, from Skills for Life, Level 2 and 3, apprenticeships, higher level skills, leadership and management, foundation degrees and other higher education support, (including, potentially, research and innovation):</p>	<ul style="list-style-type: none"> ● Access ● Programmes and Initiatives ● Eligibility Rules & Restrictions ● Rapidity of Change

Programme Element: continued	Simplifies: continued
<ul style="list-style-type: none"> ● A broker would work with the company to develop a corporate training and development plan, matched to the company's business plan and objectives – covering all staff including leadership and management: ● It would be presented as a multi-tier training offer to companies designed to raise basic skills, promote intermediate skills, and incentivise higher level economically valuable skills, as well as build leadership and management to create business success; ● The full range of skills support offers and initiatives including Skills for Life, Level 2 entitlement, Apprenticeships, Level 3 skills offers, leadership and management support etc. would all be brigaded within Train to Gain as 'tariff' offers within an integrated programme, rather than as separate initiatives e.g. (all percentages are merely indicative suggestions, no financial analyses have yet been conducted): <ul style="list-style-type: none"> ■ Tier 1 – Basic and Level 2 Skills – 100% subsidy for the provision of basic skills and first Level 2 for all staff who lack these; ■ Tier 2 – Sector Priority Intermediate Skills – (e.g.) 40% subsidy for employees following learning programmes leading to SSC-set priority intermediate level skills at second Level 2, plus Level 3 and 4, with a possible (e.g. 20%) completion incentive paid to employers for each employee who completes the full qualification (building on Sector Compacts, and of course with 100% subsidy for up to 25-year-olds under the Level 3 entitlement); 	

Programme Element: continued	Simplifies: continued
<ul style="list-style-type: none"> ■ Tier 3 – Priority Higher Level Skills – (e.g.) 25% subsidy for employees following any learning programme leading to SSC-approved higher level skills at Level 3, 4 or higher, with a further (e.g.) 15% subsidy paid to the employer for each employee who completes the full qualification; ■ Tier 4 – Foundation Degrees – a HEFCE supported offer to integrate relevant Foundation Degree opportunities within the training and development plan – %age to be agreed; ■ Tier 5 – Leadership and Management – as supported through existing skills and business support offerings – %age will vary by company and initiative; ■ Tier 6 – Other Training – help in accessing other company relevant training from quality providers, but without any public funding contribution; ● Affordability of the programme could be managed by controlling the level of subsidy provided for each tier over time, yet the advantage for the employer is that the government would be seen to be contributing to the company’s training and development plan, rather than simply selling its products. ● Rather than launching separate employer initiatives in the future, new support offers would be added as tariff elements within the programme. Examples might include a financial incentive to any employer who took a long-term registered unemployed person into the firm through Tier 1 training. Employers could be allowed, or even encouraged, to offer a third to a half of their completion incentive to the successful employee in order to motivate their speed and commitment to learning. 	

Programme Element: continued	Simplifies: continued
<p>From the point of view of employers, a previously complex set of independent initiatives would be presented as a single flexible programme, customised to an individual company's business plan and objectives, with the government providing an individually calculated contribution to the company training and development plan directly related to business outcomes.</p> <p>Train to Gain is becoming a credible 'skills brand' and future policy should seek to build on it rather than replace it, by ensuring that further skills support to employers are announced and implemented as service opportunities within Train to Gain rather than as new programmes.</p> <p>(This would complement the Business Support Simplification Programme (BSSP), through which the number of publicly funded business support schemes is being consolidated from over 3,000 today to fewer than 100 by 2010.)</p> <p>(d) Specialist strategic skills priorities</p> <p>Numerous sectors often report that they have particular specialist skills requirements that arise from new technological developments, changes in regulation or sector processes, or where new business opportunities arise at the interface between two or more traditional sectors or occupations.</p> <p>It is likely that the government will ask the UK Commission to issue a regular report on new strategic skills priorities, and special initiatives or funding support could be instigated in order to respond to these priorities. Rather than announced as new and separate initiatives, such support should be publicly announced as a business-responsive new tariff within Train to Gain Plus, and agreed with employers as part of that joined-up offer against the company training and development plan.</p>	<ul style="list-style-type: none"> ● Programmes & Initiatives

Programme Element:	Simplifies:
<p>(e) The role of Sector Skills Councils (SSCs)</p> <p>Sector Skills Councils will have a number of important roles to play in the new service proposition, and the implementation of these simplification proposals necessitates engaging the Alliance of Sector Skills Councils in both its planning and implementation. SSCs can support this work by:</p> <ul style="list-style-type: none"> ● Collaborating in significant clusters to ensure an integrated approach for broad industry groupings such as Manufacturing, Creative Industries, etc ● Developing Sector Compacts relating to strategic skills requirements (as per (d) above) and higher level skills that can be incorporated as sector specific offerings within the overall Train to Gain tariff; ● Working with DIUS, HEFCE and higher education institutions to develop higher level skills extensions to Train to Gain, including Foundation Degrees, Honours Degrees and post-graduate study as appropriate to their sector; ● Contributing to the further training and development of relevant specialist brokers and providers offering the Train to Gain service, to ensure that sector specific priorities and needs are fully understood; ● Promoting the new approach and the enhanced Train to Gain service to their sector to improve awareness and utilisation. 	<ul style="list-style-type: none"> ● Access ● Programmes & Initiatives

Programme Element:	Simplifies:
<p>(f) Regional/Sub-regional/Community Skills Priorities – within Train to Gain</p> <p>Regional Development Agencies, City Region Initiatives, sub-regional Employment and Skills Boards, other regional/sub-regional partnerships including local authorities collaborating through Multi-Area Agreements may all identify geographical sectoral skills priorities as part of economic development and employment programmes designated for their particular geographical area with their own funding.</p> <p>Rather than presenting these to employers as separate initiatives, such programmes should be considered as additional tariff offerings within the Train to Gain Plus proposition within that area, and marketed and presented to employers through the Integrated Business Brokerage Service.</p> <p>The regional coordination of the Integrated Brokerage Service should take responsibility for developing the basis for integrating such proposals within the regional tariff, agree as required with the LSC and DIUS if they are to be funded through LSC/DIUS funds, and ensure brokers are trained in understanding and application of such tariff elements.</p>	<ul style="list-style-type: none"> ● Programmes & Initiatives ● Eligibility Rules & Restrictions

Programme Element:	Simplifies:
<p>(g) Training Quality Standard Providers as ‘tied brokers’</p> <p>A key element of these proposals builds on and extends the use of Train to Gain brokers within a more integrated business brokerage service. Evaluation of Train to Gain suggests employers find that service valuable, yet much of the training provision supported under Train to Gain results not from broker interactions but from direct relationships between employers and training providers, both FE Colleges and private training organisations.</p> <p>Much of government policy, and key recommendations of the Foster and Leitch Reviews, has been rightly concerned with strengthening provider links with employers, and thus supporting providers to offer customised training services to employers as full cost recovery provision.</p> <p>Whilst the drive for Simplification might see such activity as generating greater complexity, with more organisations communicating with employers, there is strong evidence from the financial services industry of an approach to this issue that should be both familiar and acceptable to employers. In financial services and insurance, there has been for many years a twin-track brokerage system comprising ‘independent financial advisers’ and ‘tied financial advisers’ – where the latter comprise trained individuals who can offer a sound advisory service, but who only offer products and services from their company.</p> <p>The analogue here would be to permit those FE Colleges and other providers, who successfully achieve the Training Quality Standard, to become recognised ‘tied brokers’ fully supported to offer the extended Train to Gain service. (The Training Quality Standard explicitly recognises those training providers who have been externally certified as delivering high quality and responsive training and development solutions to employers.)</p>	<ul style="list-style-type: none"> ● Access

<p>Programme Element: continued</p>	<p>Simplifies: continued</p>
<p>Recognised ‘tied brokers’ could be permitted to use the equivalent of a ‘Train to Gain Inside’ logo on their premises, marketing materials and business cards, and thus extend the range of organisations able to deal well with employers without dramatically increasing confusion or complexity. Individuals recognised as ‘tied brokers’ would also be expected to train to recognised brokerage standards, and although offering a more restricted range of services should be encouraged to broaden their supply capability through collaboration with other specialist providers in their area.</p> <p>(h) Reaching SMEs – Train to Gain Centres for SME ‘clusters’</p> <p>It is believed that the Talent Map, together with an Integrated Business Brokerage, and a training and development plan based Train to Gain, can work effectively to increase SME interest in, and desire to benefit from, valuable employment and skills initiatives. But SMEs are notoriously difficult to reach – both in terms of helping them understand the range of services on offer, but also in terms of getting training and development to their staff.</p> <p>However, evidence from projects conducted in the 1990s found that SMEs tend to cluster significantly in business parks, industrial estates and the high street. Estimates from the British Chambers of Commerce and the Federation of Small Businesses at that time suggested as many as 80% of SMEs are located in such ‘geographical clusters’.</p>	<ul style="list-style-type: none"> ● Access ● Structures & Organisations

Programme Element: continued	Simplifies: continued
<p>An ‘employee development centre’ is a concept created in partnership between landlords of business parks, industrial estates and shopping malls, the individual SME tenants, and local training providers – to establish a training classroom/s or centre within a business park or similar, and use it as a shared base for learning and development programmes offered to all tenant firms. This would facilitate ease of access for employees by bringing training to the workforce, delivering training provision in lunch-hours and before and after work, support the integration of classroom, e-learning and workplace learning, and provide a base for specialist tutors and coaches.</p> <p>Programmes on offer could include many of the generic Train to Gain offerings, as well as specialist programmes relating to any sectoral specialisation within the business park – e.g. logistics, retail, call centre, light engineering etc.</p> <p>Such Centres can be developed as a relatively low-cost approach (often simply being a room released by either the landlord or one of the tenant firms) on a shared investment basis with business park management companies, tenant employers and potentially RDAs. They can be staffed by partnership supply arrangements with one or more local providers to offer a range of programmes and also provide a local IT-enabled e-learning centre for ad hoc use by employees.</p> <p>As a new proposal, such centres would need prototyping and/or piloting in a managed project, perhaps through sub-regional funding and a bidding process. They would therefore need to be introduced to a different timetable, but could still be branded under Train to Gain, as a specific SME-focused project.</p>	

Programme Element:	Simplifies:
<p>(i) ‘Bureaucracy busting’ – a co-ordinated approach</p> <p>A significant amount of employer complaints relate to both complex and inconsistent requirements on financial reporting, learner documentation, forms and other administrative requirements that place a disproportionate bureaucratic burden on employers. Such reports are received across a range of programmes from Train to Gain, Apprenticeships, Level 2 entitlement etc.</p> <p>Many employers are told that such requirements are placed upon the system by Treasury and/or National Audit Office rules and regulations; others complain of very high levels of bureaucracy, form-filling, reporting and paperwork storage (for up to 6 years) in relation to evidence requirements relating to the award of vocational qualifications and Apprenticeships. Most also report remarkably inconsistent requirements across what seem like similar programmes, as well as disparities in practice across regions and LSCs.</p> <p>Consistent with the Secretary of State’s focus on ‘bureaucracy busting’, it is proposed the three specific reviews proposed below be linked with the current work programme of the existing Bureaucracy Reduction Group, but through new coordination and oversight arrangements managed by the UK Commission:</p>	<ul style="list-style-type: none"> ● Bureaucracy

Programme Element: continued	Simplifies: continued
<p><i>(i) The contracting processes</i></p> <p>A review of the complex contracting processes currently used by the LSC, particularly around Train to Gain, in their employer relationships. Such a review should incorporate and shape contracting arrangements as used by the National Employer Service, the Skills Funding Agency, and the National Apprenticeship Service into an integrated and simplified approach which would support a single contract for any aspect of the Train to Gain menu and tariff in sub-section (c) above, with special requirements relating to individual tariff items eliminated or kept to an absolute minimum.</p> <p><i>(ii) Review of financial reporting requirements</i></p> <p>A full review of all financial reporting and documentation requirements (often specified within the contracts described in (i)) across the full range of training and skills programmes aimed at employers, to ensure that all such requirements are consistent, proportionate to risk, and non-duplicative. HM Treasury have indicated their willingness to support such a review.</p> <p><i>(iii) Review of qualification bureaucracy</i></p> <p>Complaints derive from a number of causes relating to qualifications quality assurance, including QCA's NVQ Code of Practice, other QCA regulations covering assessment and accreditation of qualifications, and individual Awarding Bodies extending or gold-plating existing requirements. The draconian nature of some of these reporting and record-keeping requirements link back to preventative measures introduced during the 1990s to combat provider fraud, and accretion of new rules over time has further worsened the current situation.</p>	

Programme Element: continued	Simplifies: continued
<p>The current NVQ Code of Practice is simply not fit for purpose, and imposes disproportionate evidence recording and retention requirements, many of which are no longer justified. It should be formally abolished and replaced by a new, lighter touch and fit for purpose Code of Practice from September 2009 at the latest.</p> <p>(j) Integrated marketing to employers</p> <p>In order to produce maximum clarity for employers, simplification of messages, and reduction of confusion, it will be important to seek to create as coherent and integrated a marketing approach as is possible.</p> <p>Initial marketing simplification can be provided through the proposals (b) and (c) above – the Integrated Brokerage Service and Train to Gain programme, including the National Employer Service, and with strong links to the National Apprenticeship Service. It is likely that significant marketing consultancy and stakeholder engagement will be necessary to secure more comprehensive marketing integration for the future.</p>	<ul style="list-style-type: none"> ● Access ● Programmes & Initiatives ● Structures & Organisations

6. Implementation

Effective implementation, against a clear and managed project timetable, will be essential if these proposals are to offer tangible benefit to employers within twelve months. In the UK Commission's view, the implementation should be managed directly by the two most closely involved Departments – Innovation Universities and Skills (DIUS) and Business Enterprise and Regulatory Reform – and their relevant agencies, with oversight from a Simplification Programme Board chaired and managed by the UK Commission for Employment and Skills.

This section sets out outline proposals for key elements of implementation, but is not intended to substitute for a formal project plan and effective programme management arrangements.

(a) Overall Programme Coordination

Responsibility for the performance monitoring and oversight of the complete work programme described above should be allocated to a Simplification Programme Board, established formally as a UK Commission task-and-finish group, with chair drawn from the Commission's System Review Committee, and members drawn from the UK Commission, National Employer Service business customers, Apprenticeship Ambassadors network, and SMEs nominated from active training companies in the British Chambers of Commerce and the Federation of Small Businesses – all of whom are currently involved in working with the public training and skills system. Senior representatives of DIUS and BERR would also sit on the Programme Board.

The UK Commission would be funded to provide a team of four staff (Programme Director and three Programme Managers) to support the Simplification Programme Board, and work closely with individual project implementation teams (see below) to maximise efficiency and timeliness of implementation and ensure synergy between individual component projects. Measures of success, based partly on participation and achievement outcomes and partly on employer expectations, perceptions and satisfaction over time, would be agreed and assessed by customer/employer survey, in order to inform progress and improve the employer experience. Ongoing use of such a survey would help contain the risk for creeping complexity once the Commission's oversight work has ceased.

An overarching Simplification Programme Manager should be appointed by government, through whom all component project implementation teams (below) would report quarterly to the Simplification Programme Board, and meet at least monthly with the Commission's Programme staff to report progress, identify barriers to success, agree corrective action plans, and seek additional Commission or government intervention or project changes to ensure success.

The Chair of the Programme Board, together with the Chief Executive of the UK Commission, would formally report to the Secretaries of State for Innovation Universities and Skills, and Business Enterprise and Regulatory Reform, each quarter on the progress of the overall programme and each component project, with proposals for action, intervention or change as required to ensure the successful implementation of the Simplification Programme by September 2009.

(b) Component Project Implementation

- *Talent Map – Component (a) above*

Development of the Talent Map (final name still to be agreed) is currently under active management by the UK Commission for its Phase 2 development programme, scheduled for completion by November 2008. Phase 2 of the project is to deliver a completed technology platform for the Talent Map, together with the populating of its underlying

data set, and the creation of a business case for full implementation and ongoing system management. The Talent Map is intended to be fully operational during 2009, subject to the timetable to be set in its business case. The project team, as a UK Commission project, would be overseen by, and report as described above to, the Simplification Programme Board.

- *Integrated Business Brokerage Service – Components (b) and (h) above*

The development of an Integrated Business Brokerage Service is already underway through the management arrangements of the Business Simplification Support Programme, with Skills Brokers scheduled for incorporation into the business offer by Spring 2009. This work would continue under current project implementation and management arrangements, but report to the Simplification Programme Board as described above for programme monitoring and support to meet timetable and targets.

- *Training for Skills Brokers and ‘Tied Brokers’ – Components (b), (c) and (g) above*

Successful implementation of the new approach will require a review of the skills, capacity, incentives, performance measures and management of Skills Brokers to ensure that they are appropriately skilled, and the system is optimised to provide a coherent and effective service to employers.

A review of the current Skills Broker Standards¹ to strengthen training needs analysis and training plan development, should precede the creation of a top-up training programme for brokers in these areas, and the operation of the new Train to Gain tariff. Such a programme could be developed by the agencies responsible for the Skills Broker Standards and rolled out before September 2009. ‘Tied Skills Brokers’ working for training providers who have met the Training Quality Standard should be subject to the same training programme.

The LSC, with the BERR Business Link team, should conduct a review of the current contract, incentives, performance measures and management arrangements for Skills Brokers to ensure that the system optimises broker behaviour and performance.

These projects would report to the Simplification Programme Board as described above.

- *SSC Strategic and Higher Level Skills needs – Component (e) above*

SSCs would be invited to develop Tier 2 and 3 sectoral tariff offerings relating to new strategic skills, including leadership and management for SMEs (along the lines of current Sector Compact approaches), against a timetable for implementation that is consistent with planned increases in Train to Gain funding capacity. At least 10 sectors should have ‘Compact’ type offerings included in the Train to Gain tariff by April 2009, another six by September 2009, with all sectors covered by April 2010.

¹ Originally developed through collaborative work between SFEDI (the Standard Setting Body for Business Support and Enterprise) and the Leicester-based Centre for Enterprise, chaired by Chris Humphries

Initially on a pilot basis, HEFCE and Sector Skills Councils could be invited to work together to develop Tier 4 and 5 (and 6) tariff offerings, so that HEFCE and employer funding could be leveraged in support, especially, of Foundation Degrees, and around leadership and management at higher levels. At least 6 sectors should have developed Strategic and Higher Level Skills offers by September 2009, with all 25 sectors covered by September 2010.

It may be most effective for SSCs to be encouraged to cross-sector clusters on such offerings, e.g. as the five SSCs principally concerned with manufacturing now work together as the Manufacturing Skills Alliance. The Alliance of Sector Skills Councils should be supported to coordinate this work on behalf of SSCs, reporting to the Simplification Programme Board as above.

- *Train to Gain Integrated Skills Menu and Tariff – Components (c), (d), (e), (f) and (g)*

Development of the new Train to Gain service – in relation to tariff design, presentation, integration, and service offer – would be the responsibility of the Train to Gain team in the LSC, working to agreed DIUS policy, but with the additional reporting line to the Simplification Programme Board, working to a timetable agreed within the overall Simplification project.

- *Regional/Sub-regional Skills Priorities – Component (f) above*

BERR staff, with the Regional Development Agencies, and working closely with local government in their regions and through the Local Government Association, should be charged with identifying any appropriate regional skills priorities to be considered for inclusion within the Train to Gain tariff at a regional level, and work closely with DIUS through the Business Simplification Support Programme team to incorporate these as agreed in the regional Train to Gain tariff. Any regionally specific training required for Skills Brokers related to such tariff offerings should be the responsibility of the regional Business Link teams.

- *Bureaucracy in contracting and financial reporting – Component (i) above*

The LSC, working with the active cooperation of DIUS, HM Treasury and the NAO, should review all aspects of contracting and financial reporting required of employers participating in this expanded Train to Gain programme, including the creation of a single and simplified contract, and reducing the bureaucratic monitoring and reporting burden on employers by at least two thirds. The new contract and financial reporting requirements should be implemented from September 2009 onwards for all employer training.

A Project Board should be established to oversee this aspect of the Simplification work and should include existing business customers of Train to Gain, the National Employer Service and Apprenticeships, both larger businesses and SMEs. This Board would report monthly and quarterly to the Simplification Programme staff and Programme Board as above. The potential for e-contracts should be explored.

- *Bureaucracy in qualification monitoring – Component (i) above*

OfQual and QCDA should be required to conduct a major review of all qualification quality assurance and evidence requirements, and introduce a new, much simpler, consistent and light touch Code of Practice for all qualifications going forward, especially those within the Qualifications and Credit Framework, by September 2009 at the latest. The aim of the review should be to reduce the burden on employers by at least two-thirds, whilst still providing sufficient outcome quality assurance to maintain public confidence in the qualification system.

- *Train to Gain Centres for SMEs – Component (h) above*

This proposed new programme would seek to provide a key element in the armoury of approaches to help encourage and support SMEs in the training and development of their staff. BERR and DIUS are recommended to create a new development budget for such Train to Gain Centres on a pilot basis with effect from January 2009 in at least two English regions. Training providers accredited to the Training Quality Standard (only) should be invited to collaborate with the management and tenants of business parks, industrial estates and shopping precincts and bid for funds for the design and establishment of such centres, with training supported under the Train to Gain tariff.

As such Centres would be normally expected to utilise existing space and facilities in the business park etc., the project should aim to issue invitations to bid by the beginning of January 2009, award contracts by April 2009, and have the first Centres open and in use by September 2009. Again, the project team would report progress to the Simplification Programme Board as described above.

(c) Outline Programme/Project Plan

Attached at Annex 1 is an outline Programme and Project Gantt Chart designed to implement the above programme by 1 September 2009. Timings in this chart are indicative, and estimated to be sufficient to produce the outcomes by the desired date. Project timings have not been checked or validated with delivery partners or stakeholder organisations, but appear to the UK Commission to provide sufficient time for each project phase, providing a number of conditions are met:

- Work indicated as already underway (e.g. Skills Brokers integrated into Business Link) will meet current implementation timescales;
- Identified delivery partners (such as LSC) can quickly release any additional resource required to support this work;
- Any necessary additional external resource (e.g. work to review Skills Broker Standards or develop new Skills Broker training programme) can be obtained through approved rapid procurement mechanisms.

7. Preventative measures for the future

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

The UK Commission is concerned that even if the system is simplified by these proposals and subsequent further work, the tendency for the system to regress will be strong.

Consequently, and whilst acknowledging that these may be difficult to accept as blanket rules, the UK Commission would wish to encourage Ministers and officials to strongly resist the tendency for reversion, and to adopt five key principles on what not to do in the future:

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

The Commission's further work on simplification, described briefly in Section 2 above, will pick up these themes in much more detail.

8. Conclusion

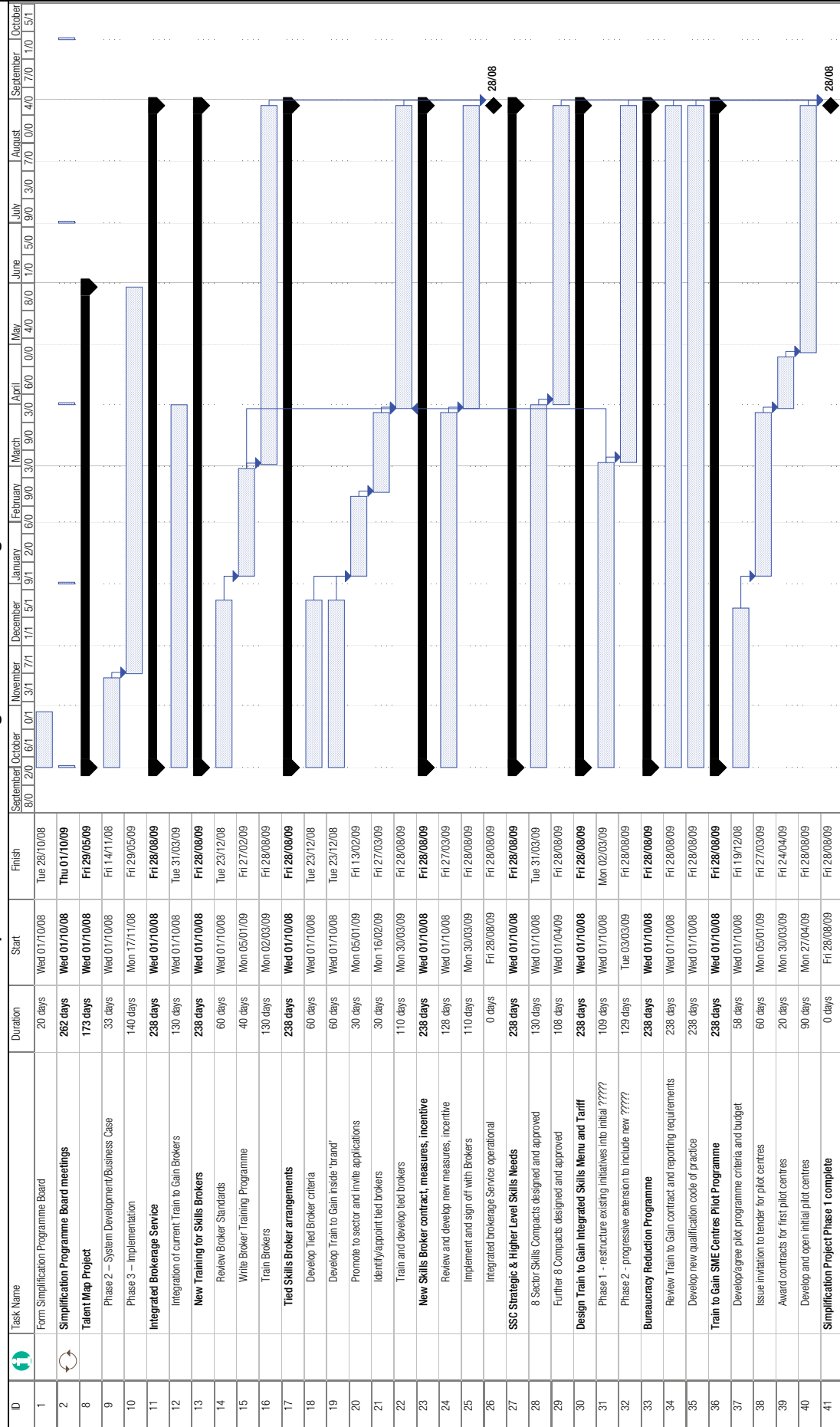
Whilst the above descriptions may suggest further complexity, the proposals effectively provide employers with two connected points of access to education, employment and skills services – the Talent Map and the Integrated Brokerage Service – and a single programme offer under Train to Gain which, by matching an agreed company training and development plan to a background menu of tariffs, provides each company with a single training support offer and a tailored and managed programme of skills and employment interventions matched to their business opportunities or challenges.

This first phase proposal on simplification would dramatically simplify the experience of employers, and ensure that what is offered closely aligns to each employer's overall business strategy and business objectives. Further work by the UK Commission on longer-term changes will be undertaken during 2008 and 2009.

UK Commission for Employment and Skills
October 2008

ANNEX 1

Simplification of Skills in England – Outline Programme Plan



Project: Simplification Programme Plan
Date: Thu 04/09/08

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Launched on 1 April 2008, the UK Commission for Employment and Skills is a key recommendation in Lord Leitch's 2006 review *Prosperity for All in the Global Economy: World Class Skills*. Ours is a genuinely employer-led organisation, with Commissioners drawn from the highest levels of the private, public and voluntary sectors, supported by trade union leadership.

Our aim is to raise prosperity and opportunity by improving employment and skills. Our ambition is to benefit individuals, employers, government and society by providing independent advice to the highest levels of UK government on 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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