
MINUTES

**UK COMMISSION FOR EMPLOYMENT AND SKILLS
HELD AT BAE SYSTEMS PLC, STIRLING SQUARE, 6 CARLTON GARDENS,
LONDON, SW1Y 5AD**

21 January 2014

PRESENT

Charlie Mayfield	Chairman
Michael Davis	Chief Executive

COMMISSIONERS

Barbara Spicer	Julie Kenny
Bill McGinnis	Liz Sayce
Dave Prentis	Lucy Adams
David Fairhurst	Nigel Whitehead
Deirdre Hughes	Paul McKelvie
Douglas McCormick	Scott Johnson
Fiona Kendrick	Scott Waddington
Frances O'Grady	Sean Taggart
Gail Cartmail	Seyi Obakin
Grahame Smith	Toby Peyton-Jones
James Wates	Tony Lau-Walker
Jeremy Anderson	Valerie Todd
John Coyne	Will Butler-Adams

IN ATTENDANCE

Huw Morris, (Group Director, Skills, Higher Education and Lifelong Learning (SHELL), Welsh Government), Ruth Curry (BIS), Simon Perryman, Ian Kinder, Lesley Giles, Simon Renny, Sarah Beal, Moira McKerracher, Paul Devoy, Katherine Chapman, Carol Gault, Sam Byron, Jodie McCormack

APOLOGIES

Apologies for absence were received from Iqbal Wahhab, John Cridland, Victor Adebowale, Andrew Scott, (Scottish Government), Catherine Bell, (DELNI), Rachel Sandby-Thomas (BIS) and Mike Keoghan (Director, Skills & Life Sciences, BIS)

1 WELCOME, APOLOGIES AND MINUTES OF THE LAST MEETING

The Chairman welcomed Commissioners and thanked Nigel Whitehead for hosting the Commission dinner and meeting at BAE Systems' offices. Sir Charlie summarised the discussion from the previous night's dinner which was themed around the Whitehead Review of adult vocational skills and the Commission's investment pilots.

The minutes of the last meeting of the Commission held on 29 October 2013 were **AGREED** as a correct record.

2 THE INVESTMENT JOURNEY

Commissioners were asked to consider paper **UKCES C [14] 1**. Professor John Coyne, chair of the Investment Group, gave an overview of the Commission's investment journey; where it began; how it has developed; and the vision for the future. He also gave a flavour of some of the projects the commission had invested in, their successes and the impact they have had.

March 2011 saw the launch of **The Employer Investment Fund (EIF)** – the first competitive fund in the journey towards greater employer ownership. The UK-wide fund was open to SSCs only and across the three phases of the fund the Commission invested in 87 projects with an overall investment split of 60% public and 40% private. **The Growth and Innovation Fund (GIF)** was later launched alongside EIF and was open to any employer-led body in England. It invested in innovative and sustainable programmes, run by employer representative organisations, and was currently supporting 37 projects.

Through EIF and GIF the co-investment would create over 20,000 new apprenticeship places throughout the country and across sectors, over 55,000 other learning or training outcomes and over 12,000 work-placement opportunities. The investments would also support over 20,000 people into employment.

In February 2012 the government responded positively to the Commission's vision paper by committing to invest up to £340m through the **Employer Ownership of Skills Pilot**, which invited employers to develop proposals that raise skills, create jobs, and drive enterprise and economic growth in their sectors, supply chains and localities.

Round 1 was projected to create over 10,000 apprenticeship opportunities, 11,000 non-apprenticeships or full time equivalent vocational training courses and 71,000 other learning or training opportunities. The projected outcomes for Round 2 were even more ambitious than Round 1, with 30,000 potential apprenticeships alone. Recommendations for Round 2 bids were to go to the Minister on 23 January.

Building on the lessons learned from GIF, EIF and EOP and the expertise obtained, the Commission was now developing a UK-wide **Future Investment Fund** that would focus on co-investing alongside industry to 'co-create' and prototype genuinely innovative solutions to tackling market/system failures in relation to workforce development.

Commissioners were asked to share the positive messages, with a view to using them when communicating the work of the Commission and where possible, attend the Investment event planned for 30 April.

Charlie Mayfield thanked UKCES staff for their hard work on these projects and it was **AGREED** that the report and recommendations be noted.

3 INTELLIGENCE – RESULTS FROM THE UK COMMISSION EMPLOYER SKILLS SURVEY 2013

Consideration was given to paper **UKCES C [14] 2** which provided an update on the **UK Commission's Employer Skills Survey for 2013**. It outlined the purpose of the survey, the methodology employed, and provided a short summary of key results. Lesley Giles presented the early findings and asked Commissioners to consider the implications

for the Commission's future priorities and ability to publicly shape and challenge thinking and investment behaviour.

The Survey sits at the heart of the labour market intelligence system and gives a comprehensive picture of employers' skills needs and patterns of skills investment in UK businesses and how these are shaped by developments in the economy and changes, in turn, to management and business practices. Topics covered in the survey include: business and HR practices, with a particular focus on training and staff development; vacancies and skills shortages, and employee skill gaps; and wider issues such as the recruitment of education leavers. This survey has played a fundamental role in shaping our understanding of employer skills investment challenges. It is the latest in a series of surveys that extends back to the 1980s.

Lesley reported that over the next few weeks, a big focus would be to work with Commissioners on promoting the key messages, identifying killer facts, and seeking to optimise the use of research to shape opinions, and inspire new thinking and policy debates. The Survey would be launched on 30 January 2014, which represented the first stage of this dissemination.

There was a discussion about the initial findings in the report and how these could regularly be developed into messages for key audiences.

The report was noted and Lesley was thanked for her presentation.

4 BUILDING MOMENTUM – COMMISSION STRATEGY 2014-2017

At the last meeting Commissioners had given initial consideration to its Strategy for 2014-17 and Business Plan 2014-15. Since that time there had been a number of opportunities for Commissioners to engage in the development process. The meeting considered paper **UKCES C [14] 3** which set out a first draft of the UKCES Strategy for 2014-17. The aim was to develop the strategy and new set of deliverables by April 2014. The process was complicated by the non-receipt of the Grant in Aid (GIA) letter from government and so Michael reported that this first draft was unsighted in terms of Ministerial expectations.

There was a detailed discussion about content. It was **AGREED** that further work take place to develop the Strategy with a view to reducing the number of deliverables and that Commissioners be provided with a further opportunity to consider this prior to sign off by the Strategic Management Group at the end of March.

5 COMMISSIONER INSIGHTS

Scott Johnson introduced paper **UKCES C [14] 4**, which provided an update on the latest developments in the reform of apprenticeship funding, in particular on the next consultation on Apprenticeship funding reform which would take place early in the year.

Commissioners discussed their preferred option for PAYE and were informed about more meetings and consultations to come over the following weeks. Scott was thanked for his update and it was **AGREED** that the Commission should make a submission as part of the review.

6 BOARD EFFECTIVENESS REVIEW

In a recorded video presentation, Julie Kenny asked Commissioners to consider paper **UKCES C [14] 5** which updated Commissioners on the independent board effectiveness review carried out by Will Brown of Investors in People, North. The review had been very positive and 87% of Commissioners had taken part in the initial questionnaire. The report was extremely positive and the findings identified many strengths. A number of minor changes were proposed which, it was considered, could help improve the effectiveness of the Commission and it was **AGREED** that:

1. The Strategic Management Group continue to work with the Executive to ensure that appropriate resources are available to deliver the business plan;
2. From the next meeting of the Commission, the risk register be submitted for information to each Commission meeting and that once a year there be a discussion about risk and risk appetite at a Commission meeting;
3. The Telekits continue as updates between meetings for a further monitoring period but that it is acknowledged that attendance is optional and that some participation rules be issued.
4. The Strategic Management Group:
 - (i) consider a more detailed report on the operational governance matters raised in the report and make sure that all Commissioners have the right information to refresh themselves of their responsibilities; and
 - (ii) consider the make-up and size of the Commission when it considers the re-appointment of Commissioners in March 2014..

7 ITEMS FOR INFORMATION

The Commission received and **NOTED** update reports and minutes of the meetings of the Strategic Management Group, Audit and Risk Group, Investors in People Group, Investment Group and the Research Group.

Commissioners discussed the options concerning Investors in People and **AGREED** to bring back a further discussion on preferred options to the April meeting of the Commission.