

Business Plan

2013 / 14

UK Commission for
Employment and Skills

Introduction

Growth is what every economy needs to restore the health of public finances and to secure the prosperity of future generations. And yet growth has so far been elusive in economies that are struggling to recover from the 2008 financial crisis. It will likely remain so until banks are recapitalised and public finances are brought under control. Even when those foundations are back in place, growth is unlikely to be buoyant. By then the world will be a very different one to what we were used to before 2008. We may be able to achieve low average growth, but we need and are capable of more. To achieve it there will need to be a material improvement in the relative global competitiveness of UK companies. And that will depend on the systematic and persistent development of the capabilities of the people working in them.

In the 30 years to 2008, the UK saw a huge real terms increase in household income. It didn't happen by accident. First there was rapid growth in the service sector. Second there was a vast expansion of credit that fuelled a confidence-boosting boom in house prices.

And third there was a significant increase in public expenditure and employment. If we want growth in the future it won't happen by accident. We will need a new stimulus, particularly as most of the previous drivers are likely to be having the opposite effect for the next few years at least.

That stimulus is much more likely to come from companies than from government. And there are positive signs. By and large companies have restored their financial resources. There's money to invest and at the UK Commission we are seeing an increasing readiness to invest in people and competitiveness. In many sectors there are forward thinking companies that are stepping up to the challenge of setting out what capabilities they need to be more competitive and leading collaborations with unions, providers and others to secure it. In this plan we set out how we at UK commission, are working to encourage and support that path to growth. We have a clear ambition to transform the UK's investment approach to skills.

That starts with the insight of our *Commissioners*. Very few organisations have senior leaders of the quality, diversity and range of our Commissioners. They come from employers, large and small, from the commercial, public and third sectors, from unions, from universities and colleges, and from all the nations that make up the United Kingdom. They set the direction for UK Commission and ensure our proposals are developed and considered from all those angles.

Next is our *investment*. We invest, via contestable challenge funds, to encourage innovation and leadership from employers in developing the competitiveness of the UK. We support those who show determination and demonstrate their commitment to go fastest in improving the competitiveness of their sectors; working through supply chains to ensure the impact is felt by large and small companies. But our investment funds, while substantial, are small in the context of all the money spent on improving skills. If UK companies' investment is the lever, our role is to position the fulcrum, through

our investment funds and our influence on government policy, to make that potent lever much more powerful.

The third area is *intelligence*. We conduct the most comprehensive survey of employers' skills and employment needs and behaviours. The survey has to be large to ensure the insight can be cut at the level of nations, localities and sectors. Alongside using this intelligence to develop our own insight and drive investment priorities, we are deploying it increasingly to support policy development in sectors and at departmental level in national and local government.

We have been encouraged by progress to date and this plan describes how we will increase the momentum of that impact in the next year.



Charlie Mayfield

Chairman, UK Commission for
Employment and Skills

Our Commissioners

Large Employers



Lucy Adams
Director of Business Operations, BBC



Toby Peyton-Jones
Director of HR, Siemens UK & North West Europe



Jeremy Anderson CBE
Chairman, Global Financial Services, KPMG Europe LLP



Valerie Todd
Director of Talent and Resources, Crossrail Ltd.



John Cridland CBE
Director General, CBI



Nigel Whitehead
Group Managing Director Programmes & Support, BAE Systems



David Fairhurst
Chief People Officer, McDonald's Europe



James Wates CBE
Deputy Chairman, Wates Construction Ltd

Trade Unions



Gail Cartmail
Assistant General Secretary
Unite the Union



Dave Prentis
General Secretary,
UNISON



Grahame Smith
General Secretary,
Scottish Trades Union Congress



Frances O'Grady
General Secretary,
Trades Union Congress

Small / Medium Enterprises



Scott Johnson
Chief Executive, Chas Smith Shop fitters Ltd



Julie A. Kenny CBE, DL
Managing Director,
Pyronix Ltd



Sean Taggart
Chief Executive,
Albatross Group

Devolved Administrations



Dr Bill McGinnis CBE
Northern Ireland Advisor on
Employment and Skills



Paul McKelvie
Training and
Development
professional



Scott Waddington
Chief Executive,
SA Brain

Further / Higher Education and Careers



Professor John Coyne
Vice Chancellor,
University of Derby



Dr. Deirdre Hughes OBE
Chair of National Careers
Council, England



Tony Lau-Walker
Chief Executive Officer,
Eastleigh College

Voluntary Sector



Lord Victor Adebowale
Chief Executive,
Turning Point UK



Seyi Obakin
Chief Executive, Centrepoint



Liz Sayce OBE
Chief Executive, Disability Rights UK

Chairman

Charlie Mayfield,
Chairman of the
John Lewis Partnership

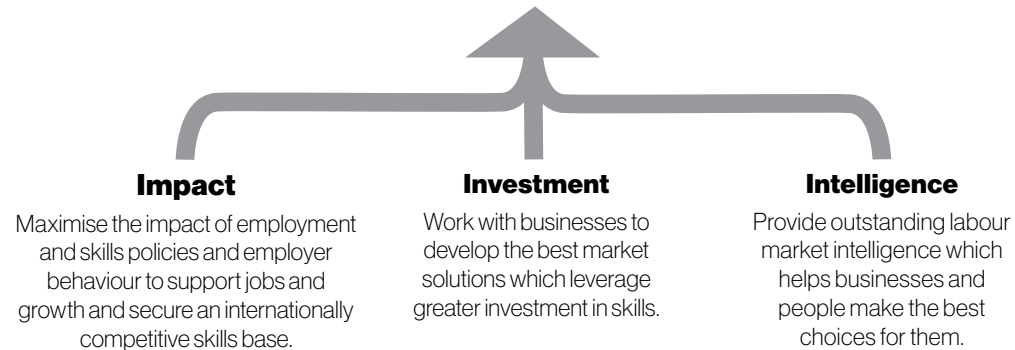


Business Plan overview for 2013-14

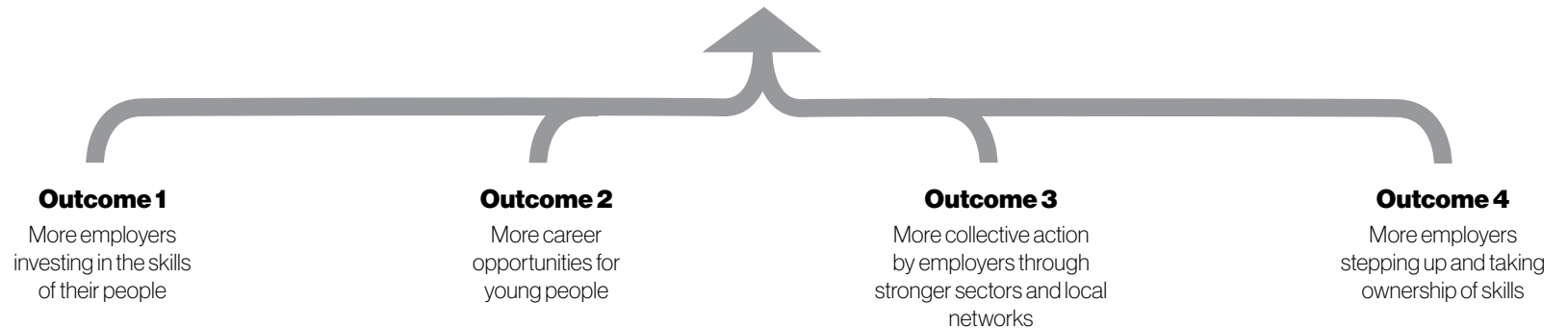
Our **ambition** is:

To transform the United Kingdom's approach to investing in the skills of people as an intrinsic part of securing jobs and growth

Our remitted **strategic objectives** from UK Government for 2011-14 are to achieve:



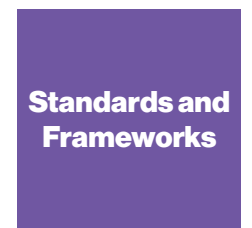
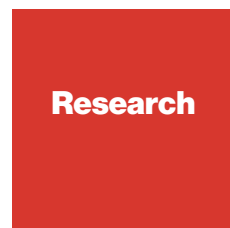
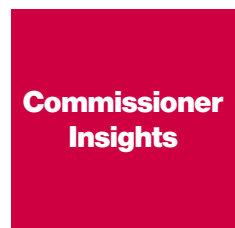
Key to our ambition is the need to encourage greater employer ownership of skills, working to secure sustainable partnerships for the long term. Over the next twelve months, the Commission will focus upon four **outcomes**.



 *Asset supporting outcome*



The Commission has five distinct **assets** to ensure the outcomes are delivered.



An encouraging start, but we must go further

With a revised remit for 2011 / 12, we have seen a real change in how the UK Commission operates. We have a new strategy which is gathering momentum. Our ambition is to transform how we invest in the skills of people as an intrinsic part of jobs and growth.

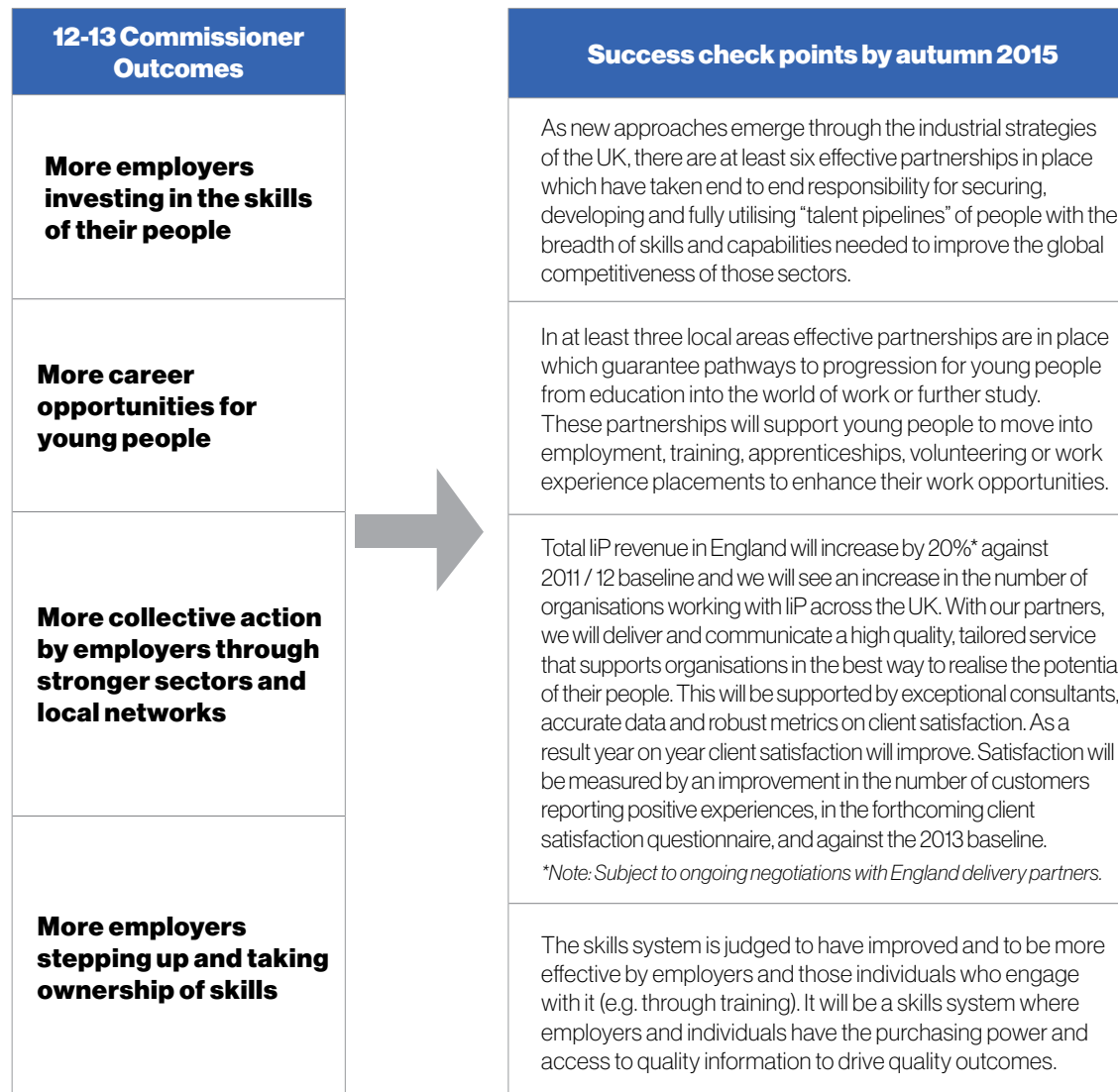
We believe that success lies in securing a significant change in our current skills investment approach, moving away from a reliance on government setting and managing the agenda to one where we take bold and determined steps to encourage greater employer ownership of skills in partnership with employees and trade unions.

In 2011, the UK Commission launched a new vision for employer ownership of skills, setting out more specifically what form this approach needs to take. Since 2011 we have made encouraging progress. The UK Government has committed £340 million to test the vision through a co-investment pilot in England.

The pilot moves us towards a new model for making public and private investment in people work harder and achieve more; aligning investment in people to broader business decisions and ensuring employers get the talent they need to succeed.

With an ambitious strategy in place, it is important to maintain the current positive momentum of our business activity. Therefore our approach in the business plan this year is to be quite focused keeping our Commissioner outcomes from 2012 / 13 and only modifying the short term deliverables where we need to for 2013 / 14.

We have worked with our Commissioners to define success checkpoints which set out our direction of travel and what differences we will seek to make on the longer term journey by autumn 2015. This will ensure we secure the right focus over the next year.



Whilst genuine progress is being made across the UK, we believe there is real consensus for moving further and faster towards a skills strategy that fundamentally is designed around and for its customers - businesses and people. Employer ownership of skills provides the basis to continue to challenge and encourage businesses to play a bigger role.

Our business plan seeks to ensure that we adopt an appropriately balanced approach in securing this. This needs to focus not only on effectively positioning, promoting and embedding the principles of employer ownership of skills for the long term and supporting future ongoing policy developments and innovation (outcome 4) but also continuing to test and trial new forms of delivery, which ensure our investment portfolio is effectively managed (outcome 3). In particular, through our investment work and policy insights we need to ensure that we appropriately target our actions in areas which are likely to deliver the greatest benefits for young people (outcome 2).

We also need to work, through wider promotion of our insights, partnership working and sharing of best practice, to raise the value of skills investment to a wider business audience which incentivises better investment behaviour more extensively (outcome 1).

Employer ownership of skills can serve to ensure that more businesses step up to the plate to raise the collective ambition of employers to compete on the basis of the capabilities of their workforce.

Greater collaboration between employers, providers and business networks to deliver higher quality vocational learning is also key. This calls for a skills system that strengthens measures of success from simply participation and qualifications to a far greater focus on skills investment and solutions that are valued and secure positive outcomes.

We have five guiding principles that underpin the employer ownership of skills vision for reform and which are informing how we shape these deliverables.

We have transformed our way of working from a 'top down advisory' role to a 'work with' approach to improve our effectiveness. Importantly too, we are:

- Commissioner led
- more focused on outcomes and outward facing
- making good progress to becoming a single team

With on-going pressures on public expenditure, we will continue to put scrutiny on the Commission's structure and operations in the year ahead to ensure we work as effectively as possible.

Guiding Principles of Employer Ownership of Skills

Employer ownership and responsibility drives jobs and growth;

Outcome driven and customer focused approach ensures that the skills system responds to need;

Alignment of strategy and investment leverages more and better outcomes;

Simple and transparent systems engage customers;

Collaboration delivers skills for today's and tomorrow's businesses and jobs.

Maximising Effectiveness

We will be taking forward work to achieve these deliverables through our five assets: Commissioner insights; research; investment; Investors in People and standards and frameworks.

Core to the remit of the Commission is maximising the effectiveness of employment and skills policies through the *insights* and influence of our Commissioners.

Our *investment* approach is starting to create the skills solutions and infrastructure to stimulate a step change in employer ownership of skills.

Our *intelligence* is providing unique insights on employer behaviour in relation to skills informing policy and investment decisions.

A new strategy to transform the performance of *Investors in People* has been agreed by Commissioners, with a focus on maximising customer value, working with the best people, tailoring the Investor in People journey and strengthening the brand to increase its reach and impact.

Our *standards and frameworks* asset is continually seeking to create a recognised market driven offer for occupational standards and create a supplier base which is agile and efficient and provides valued skills solutions.

Our route to success relies on us consolidating our approach and ensuring the sum of our activities, expertise, capability and knowledge is greater than the individual parts in any one area. So the UK Commission's unique strength is not only derived from Commissioner insights, it is equally vital that what we do is underpinned and informed by high quality intelligence (pin pointing where there are key priorities, learning lessons about what works and demonstrating impact). This then importantly shapes our investment decisions about how and where to act to drive improvements, and stimulate better long term investment and outcomes.



Outcome 1 More employers investing in the skills of their people

Commissioner lead: Jeremy Anderson

The majority of businesses invest in their people's skills but questions remain as to whether investment is as wise as it can be. 41% of businesses don't invest in skills development. To secure sustainable growth more employers need to invest in their staff. A different approach requires better management and leadership - attention to the way staff are managed, organised and trained can increase profits but still many businesses don't take the necessary steps. Through the wider promotion of our insights, partnership working and sharing of best practice, this will raise the value of skills investment to a wider audience.

Outcome deliverables	Assets supporting the delivery of Outcome 1				
	Commissioner Insights	Research	Investors in People	Investment	Standards and Frameworks
1. Drive "attention grabbing stories" and "compelling Commissioner insights" to businesses through partners which create a positive call to action.	Lead Asset				
2. Working with CIPD, CIMA and CMI to demonstrate the value to businesses in getting the right information and translating it into action to manage talent effectively.			Lead Asset		
3. Increase engagement with and the number of businesses working with Investors in People in 2013 / 14. Success will be measured by a 20%* increase in revenues in England against 2011 / 12 baseline. *Note: Subject to ongoing negotiations with England delivery partners.			Lead Asset		
4. Develop, test and report on a series of impact measures that demonstrate to employers in key sectors and government the economic value of investing in skills.		Lead Asset			

Outcome 2 More career opportunities for young people

Commissioner lead: Liz Sayce

Lack of experience is still the main barrier into work for young people but only a quarter of businesses offer work experience to young people in education. The changing structure of the labour market demands more work-based and non-graduate routes into the higher level occupations that are set to grow, and yet just 15% of employers currently have, or have offered apprenticeships. Using our investment funds and through policy insights, we will incentivise and encourage employers to strengthen their links with education and offer more work experience and work-based career pathways for young people, especially in small companies and in the private sector.

Outcome deliverables	Assets supporting the delivery of Outcome 2				
	Commissioner Insights	Research	Investors in People	Investment	Standards and Frameworks
1. At least 50% of investments feature initiatives that will increase the employability of young people in education and deliver more work experience and work-based career opportunities for young people by Q4.				Lead Asset	
2. Publish and promote updated analysis on youth employment by Q4.	Lead Asset				
3. A data tool, LMI for All, that delivers accessible and trusted career related labour market information as a contribution to high quality careers advice and guidance by Q4.		Lead Asset			
4. Proposals on the introduction of a demand-side approach to incentivise more employers to offer better work-based career pathways for young people by Q1.	Lead Asset				

Outcome 3 More collective action by employers through stronger sectors and local networks

Commissioner lead: Toby Peyton-Jones

Strong employer ownership of skills is vital if there is to be collective action by employers to tackle the big challenges in their sectors and localities and deliver the skills solutions required for economic growth. The UK Commission will nurture employer ambition and leadership in skills development through its investment funds. It will test and trial innovations such as industrial partnerships which take end to end responsibility for skills in key sectors of the economy to drive jobs and growth.

Outcome deliverables	Assets supporting the delivery of Outcome 3				
	Commissioner Insights	Research	Investors in People	Investment	Standards and Frameworks
1. Up to nine industrial partnership propositions are developed in key sectors tackling business challenges and at least six key sectors are supported through to deliverable propositions by Q3.				Lead Asset	
2. Targeted prospecting and insight in specific sectors and localities enhances our understanding of priorities where aim is to create the greatest impact through industrial and spatial partnerships.				Lead Asset	
3. Invest in the development of three spatial partnerships capable of transforming the journey for young people from school to sustainable employment through Employer Ownership of Skills.				Lead Asset	
4. Develop a strong and balanced investment portfolio and demonstrate its impact through quality outcomes for businesses and their employees.				Lead Asset	

Outcome 4 More employers stepping up and taking ownership of skills

Commissioner lead: Nigel Whitehead

The Employer Ownership of Skills Pilot shows that employers are willing to step up to design and deliver high quality skills solutions to support business growth and competitiveness. To support more employers in taking greater ownership, we shall address aspects of the skills system which are barriers to employers and learners. In 2013, we shall review adult vocational qualifications in England and deliver a compelling vision and strategy for the future. We shall also test out and champion approaches to employer and provider collaboration and contribute to the implementation of reforms to apprenticeships that will encourage employers to have greater confidence in and co-invest more in skills. We will continue to draw lessons about what works to support on going policy development.

Outcome deliverables	Assets supporting the delivery of Outcome 4				
	Commissioner Insights	Research	Investors in People	Investment	Standards and Frameworks
1. Complete the review of adult vocational qualifications in England to ensure public funding is focused on qualifications that make the biggest difference for jobs and growth.	Lead Asset				
2. Develop, test and report on best practice in employer / provider collaboration to support stronger future collaborative arrangements that respond to local and sectoral opportunities for jobs and growth through people.	Lead Asset				
3. Develop long term policy principles to mainstream tested developments from Employer Ownership of Skills pilots, and support future policy improvements and innovations which create the conditions to raise demand and deliver skills that meet ongoing business challenges by Q4.	Lead Asset				

Asset Description

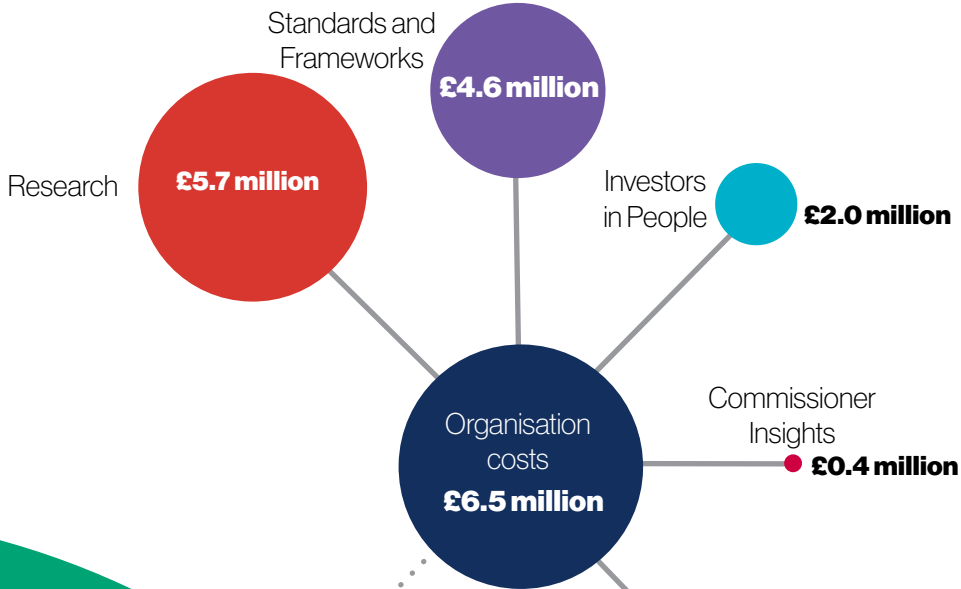
To secure the outcomes the Commission has five distinct assets to draw upon.

Commissioner Lead / Asset Lead	Asset	Descriptor
Charlie Mayfield / Moir McKerracher	Commissioner Insights	Commissioners' strategic leadership helps transform the UK's approach to investing in the skills of people as an intrinsic part of securing jobs and growth. The unique strength of the Commissioner team enables the development and testing of visionary approaches to tackle skills and employment challenges through key strategic partners. This asset brings authority and credibility to the Commission by spotting future issues, creating solutions and working collaboratively to test new approaches.
Jeremy Anderson / Lesley Giles	Research	Our unique employer insights drive our reputation as the 'go-to' organisation for authoritative research, intelligence and insight on skills and employment, which delivers improved choice for businesses and individuals, policy and delivery. The asset underpins investment decisions and future approaches through using quality evidence to identify key priorities; learn lessons about what works; and demonstrate impact.
Valerie Todd / Paul Devoy	Investors in People	Through increasing the reach and impact, Investors in People will engage with more businesses and use people strategies to drive performance improvements. The delivery of a high quality, tailored service supported by exceptional consultants and improving customer satisfaction will ensure Investors in People builds a robust brand.

Commissioner Lead / Asset Lead	Asset	Descriptor
John Coyne / Mohammed Jamil / Caroline Roberts	Investment	This asset will develop new approaches through effective partnerships in key sectors and localities to secure future quality outcomes and impacts for employers and their people. Investment is key, driving forward improvements and ultimately, stimulating better long term outcomes.
Tony Lau-Walker / Mark Rayner	Standards and Frameworks	The asset continually seeks to create a recognised market driven offer for occupational standards and Apprenticeship frameworks with a supplier base that is both agile and efficient. It achieves this through the rationalisation and refinement of the current approach. Driving work with key partners to develop an integrated vision of simpler and efficient standards and frameworks that helps build a skills system, where employers and individuals have purchasing power and access to quality information to drive quality outcomes.

Our Resources

Where we will spend our funds?



Based on 2013 / 14 opening headcount excluding known leavers, there are 74 permanent members of staff out of a total headcount of 95.

- Research and Technical team**
 Delivers specialist LMI, research, evaluation and policy analysis to support the assets.
 - Project Delivery team**
 Delivers technical expertise on investment fund management, policy implementation and project delivery to support the assets.
 - Business Services team**
 Provides specialist communications, organisational planning and corporate services to support the assets.
- Our policy Grow your Own talent we have 11 paid graduate interns and 4 apprentices** who work across the business. These opportunities are a long term commitment to young people and internal progression is encouraged.

Resource Allocation

£ Millions	Original 2010-11	Actual 2010-11	Actual 2011-12	Actual 2012-13	Budget 2013-14	Indicative 2014-15
GIA from BIS	70.9	66	64	59.8	66.1	63.9
GIA from other Government sponsors	6.2	5	1.5	1.0	0.8	0.8
IIP Income	0.5	0.4	0.5	0.3	0.5	0.9
Total Funding	77.6	71.4	66	61.6	67.4	65.6
UK Commission organisation and non-programme staff costs	10.7	9.9	7.6	6.6	6.5	6.5
Cap Ex & Depreciation	0.8	0.7	0.6	0.5	0.6	0.6
Programme Delivery	66.1	61.2	55.6	55.6	60.3	58.5
Total Expenditure	77.6	71.8	63.8	62.7	67.4	65.6
<i>Programme delivery is allocated to the following areas:</i>						
UK Commission direct spend, primarily Research and Investment	10.8	6.7	4.6	6.3	10.0	7.9
SSC Strategic funding including funding for National Occupational Standards	51.3	45.6	41.1	-	-	-
Other sector funding	4.0	8.9	1.3	0.1	-	-
Standards and Frameworks funding	-	-	-	4.4	4.3	4.6
Employer Investment Fund rounds 1-3	-	-	5.5	36.1	28.5	-
Growth and Innovation Fund rounds 1-4	-	-	3.1	8.7	17.5	13
Programme delivery budget not yet allocated	-	-	-	-	-	33.0
Total Programme Delivery	66.1	61.2	55.6	55.6	60.3	58.5
Average headcount *13-14 based on opening headcount (FTE)	135	128	101	104	95	TBD
Excluding graduates and apprentices	135	126	97	93	80	TBD

Commissioner Leadership

The Commission Chairman

Charlie Mayfield

Formal Governance Groups

Leading the organisation

Strategic Management Group

Chair: Julie Kenny

Audit and Risk Group

Chair: Bill McGinnis

Investment Group

Chair: John Coyne

Investors in People Group

Chair: Valerie Todd

Commissioner Task and Finish Groups*

Leading short-life pieces of work

Working with the Devolved Administrations

Lead: Paul McKelvie

Direct Payments

Lead: Scott Johnson

Review of Adult Vocational Qualifications in England

Lead: Nigel Whitehead

*as at 1st April 2013

Commissioners working with government and partners

Investment Board for Employer Ownership

Chair: Charlie Mayfield

Standards and Frameworks Commissioning Board

Chair: Tony Lau-Walker

Shared Services

Performance and Governance

Demonstrating our impact is essential for continued success. It tells a clear story about our unique contributions and achievements. Drawn from across the business, our performance team analyse and challenge performance information to show our ongoing progress and impact.

This year the performance team will ensure the business demonstrates its impact and achievements through quarterly reporting. The team will continue to challenge the business to deliver improved performance and maintain high standards of good governance.

Communications

Great communications helps to establish an organisation's presence and reputation – its brand. Through Commissioners and staff, our Communications team tells the story of how the future of UK employment and skills supports economic growth and prosperity for the long term.

Our specialists in corporate media, online and social media communications ensure our content is relevant and correct; maintain relationships with key partners and advise Commissioners and staff on best practice to achieve impact.

This year as a priority we will deliver strategic advice to Commissioners and staff, and further raise our thought leadership profile.

Human Resources

Our people are key in delivering the outcomes. Specialists in HR deliver people strategies which support the delivery of the business plan and are aligned to the Commission's wider aspirations of developing an engaged workforce.

This year, HR will ensure that the business has the right resources in place and the allocation of resources across the matrix is effective to ensure delivery of the business plan. HR will continue to grow our talent by offering tailored development programmes and opportunities staff to progress.

ICT and Facilities

In a high tech, fast paced environment, innovative ICT and facilities are critical to continued business success. Our IT and Facilities specialists provide a professional and expert service to the organisation to ensure effective working.

This year IT will deliver a comprehensive technology refresh programme to enable improved efficiency and leverage the use of new technologies to build new ways of working. IT will implement upgrades to collaboration technologies to enable greater single team and partnership working.

Finance

Robust and effective finance and procurement systems are crucial to a well managed business. Our finance and procurement specialists ensure that financial resources are well planned, managed and that there is appropriate balance between risk and control.

This year finance will review our overheads and discretionary admin costs to ensure that we are as lean as possible, including looking at options for outsourcing and shared services where this adds value.

A training & development programme is implemented for all project and budget managers in relation to budgets, procurement and supplier management to ensure we get best value and minimise risk.

Demonstrating Impact

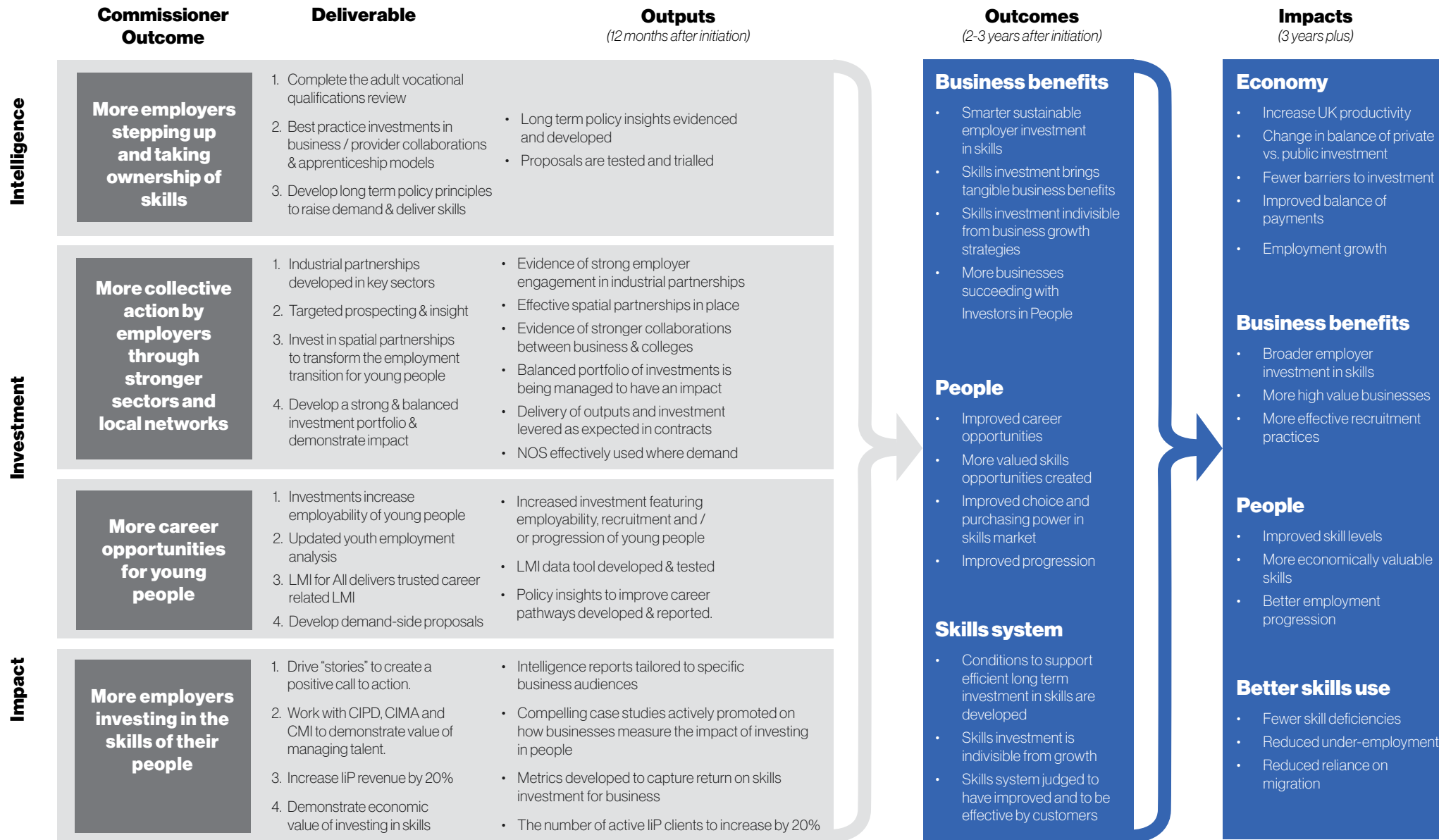
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2013

2014

2015

2016



Stronger

UK Commission's influence

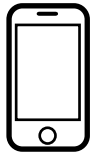
Weaker

Contact Us

Please get in touch with us if you would like more information about the UK Commission for Employment and Skills. We have offices in Yorkshire and London.



INVESTORS IN PEOPLE



Call our main reception:

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e-mail:

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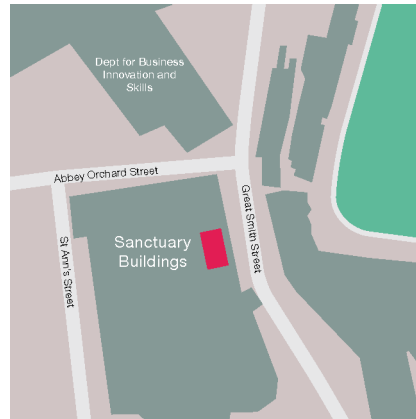
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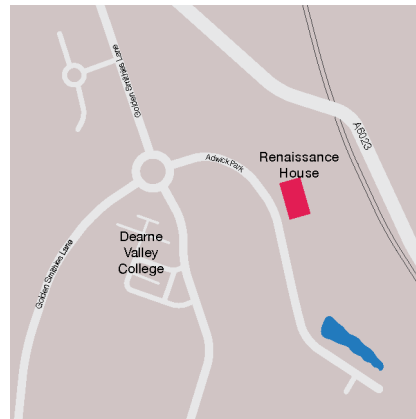
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