Evaluation of the UK Futures Programme: conclusions and guidance

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Executive Summary

Introduction

This evaluation report presents the learning from the evaluation of the UK Futures Programme (UKFP). The UKFP ran between April 2014 and June 2016, and was funded by the UK Commission for Employment and Skills' (UKCES). The UKFP provided an innovative approach to tackling workforce development issues, offering small scale public co-investment to employers and industry, to design and test their own solutions to emerging or long-standing skills and productivity challenges. The UKFP's four key objectives were to:

- Support collaborative approaches to workforce development issues amongst employers and, where applicable, wider social partners

- Encourage innovative approaches to addressing workforce development issues

- Identify ways to address new or persistent market or system failures which act as a brake on UK workforce competitiveness

- Identify 'what works' when addressing market failures in relation to workforce development, for adoption in policy development and wider business practice.

Evaluation of the UK Futures Programme

UKCES commissioned SQW to carry out a real-time evaluation of the Programme. The purpose of the programme level evaluation is two-fold: to build on the learning from across the individual Productivity Challenges to identify thematic learning about 'what works'; and to investigate the design and delivery of the programme to evaluate the extent to which the investment approach met its objectives, above.

Conducted between October 2014 and July 2016, the evaluation methodology of the Programme consisted of three key elements:

- desk based review of programme documents

- consultations with key stakeholders

- participation at Co-creation Labs (which drew on wider experience of delivery of 'Innovation Lab'[1] style investments).

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[1] This refers to a mode of policy development which facilitates risk-taking to encourage innovation to tackle complex social issues, e.g., see http://blogs.worldbank.org/voices/what-are-innovation-labs-and-how-can-they-improve-development-0

Approach of the UK Futures Programme

The UKFP was designed on the basis of learning from previous UKCES investments and from the 'Innovation Lab' approaches being adopted in policy development. Key features included highly specified and targeted Productivity Challenges, employer leadership and engagement, collaborative solutions, a strong emphasis on testing new (and ideally innovative) approaches with an appetite for risk and co-creation between public and private investors.

The Productivity Challenges

The UKFP funded five Productivity Challenges. Each Challenge was focused around a specific skills and workplace productivity challenge:

- Productivity Challenge 1 focused on designing solutions to the workforce challenges in the offsite construction industry, an example of issues faced in 'sunrise' industries

- Productivity Challenge 2 focused on improving leadership and management through supply chains and networked organisations

- Productivity Challenge 3 focused on improving progression pathways in the retail and hospitality industries

- Productivity Challenge 4 focused on enhancing skills for innovation management and commercialisation in the manufacturing sector

- Productivity Challenge 5 focused on developing leadership and entrepreneurship skills in small firms and the role of anchor institutes in supporting the development of small firms.

Each Challenge comprised a number of distinct projects (between 5 and 7), most of which were employer led and based on partnerships between different organisations or companies. Each Productivity Challenge was evaluated and links to the respective evaluation reports can be found in Chapter 9.

Learning from the Productivity Challenges

The experience of the different Productivity Challenges generated a great deal of learning and evidence in relation to what works, and what doesn't, in enhancing skills and capabilities amongst the workforce within sectors and businesses where there are recognised barriers. A summary of the key common lessons across the five Challenges is provided below.

Generating solutions:

- Identifying the right problem was an important first step in developing solutions and making the case for change with businesses. Testing and learning is an important part of developing solutions, allowing end-users to identify elements that do not work, as well as highlighting gaps that need to be addressed

- The solutions need to be high quality and tailored to address the specific problem identified. These conditions apply, both for engaging end-users and employers, and in delivering solutions.

Engaging employers and end-users:

- Utilising existing networks and relationships, usually through face-to-face conversations, is a more efficient and effective means of engaging employers and wider stakeholders than 'cold' approaches

- Intermediaries and sector bodies can facilitate access to networks. Their non-commercial status can be useful for engaging employers as they are viewed as independent, non-competitive and operating on behalf of the sector or for social good

- Small firms face significant information and resource barriers to engagement. For practical reasons, sector initiatives also tended to be geographically focussed

- It is easier to engage employers and stakeholders, especially those with whom there is little previous relationship, with a product or solution that is tangible (e.g. a demo or prototype), rather than an idea

- The employers targeted by the UKFP are often not sure of their needs or the benefits to be gained from training, due to their lack of previous engagement. Therefore, they are more likely to engage if the initial offer is at low or no cost to employers, to enable them to participate with minimal risk or commitment

- Senior teams within employer organisations need to be engaged to ensure organisational buy-in and commitment to change, and middle managers need to be on board for effective implementation.

Promoting collaboration:

- Managers within organisations are critical in driving change and collaboration. They are able to put learning into action and cascade knowledge to other staff

- Effective promotion of collaboration requires sustained support from funders or other third party organisations to set up networking sessions, identify and highlight opportunities and provide introductions.

Sustainability and scalability:

- Securing sustainability and scalability of solutions requires a lead person or organisation to drive this and engage stakeholders across the wider industry

- The value of high profile employers and well-connected intermediaries in supporting projects and solutions to be sustainable was highlighted across all five Challenges

- There are a wide range of factors that impact on the sustainability of a project, including setting in place all of the right conditions cited above alongside strong project management

- Demonstrating the value of taking action is important to overcome barriers. Measuring baselines, tracking and assessing progress and reporting on this will support 'human stories' to garner wider engagement

- In part because they are not fully aware of their needs, businesses will underinvest or resist paying for skill development. Therefore, it is beneficial to attract participants by asking for a low level investment (or making the first stage free) for a fairly limited amount of support. Then, once participants experience the benefits of the solutions, they are more willing to increase their investment to gain further support. Public co-investment helped manage risk in the testing of pricing and marketing strategies for some projects.

Learning from the UK Futures Programme

The key learning from the delivery model and process of the UKFP are summarised below:

- The UKFP was successful in attracting new partners (stakeholders and employers) that UKCES did not engage previously. However, those who were less experienced in writing applications for funding may have benefitted from additional support from UKCES in the application process. They were also not helped by the tight timescale for the market making phase and for submitting applications

- The objective of collaboration and co-creation was generally met. Evidence from the different Productivity Challenges showed that projects were collaborating with each other to some level through sharing information and joining resources. But collaboration and co-creation required a great deal of stimuli from the UKFP team. UKCES Relationship Managers were key to spotting opportunities, which often the projects alone would not have seen

- The objective of innovation was achieved to some level with projects testing solutions that were new to them, as they adapted elements into new contexts. However, the feature of employer-led projects may have led to less transformative innovation and risk taking to the fullest, preferring instead to focus on practical solutions to existing challenges that they faced

- The UKFP achieved high levels of engagement from UKCES staff, project teams and participants in the projects. Furthermore, the programme has been successful in engaging contributions from partners (both cash and in-kind), which demonstrated the commitment from the companies and other organisations that were engaged in the projects. That said, the time invested from UKCES staff was an under-estimated cost of the programme. Any future similar investment should take into consideration the time that is required to support this type of model.

Lessons for future policy and programme delivery

As set out above there has been a great deal of learning generated through the UKFP and messages for a variety of audiences: funders, policy makers, businesses, individuals and delivery organisations on how to implement such a programme and / or how to tackle some difficult barriers which contribute to skills and workplace productivity challenges.

UKFP has shown that a relatively small amount of public cash investment can stimulate private investment and changed behaviour when supported by strong employer leadership and co-creation support from public sector project managers. Across the Challenges, UKFP focussed on difficult barriers, to ensure the Programme added value to existing initiatives. In so doing, it highlighted the important role Governments can play in supporting businesses to address these barriers, through information exchange and risk-sharing. This is particularly the case for addressing the long-term issue of management and leadership development in the UK and the management of UK workplaces, core themes of UKFP.

1 Introduction to the UK Futures Programme

Productivity growth in the UK is currently sluggish. Matching productivity in the US would make each family in the UK £21,000 better off. To boost productivity, the UK needs to pay due attention to improving the skills of our workforce and to putting them to better use. Productivity relies on a dynamic economy where good ideas spread rapidly, workers are well matched to jobs, firms can scale up, and where people move into jobs that use their skills.[2]

The UK Futures Programme (UKFP) sought to provide an innovative approach to tackling workforce development issues. The initiative was funded by the UK Commission for Employment and Skills (UKCES) and was run between April 2014 and June 2016. The UKFP was not intended as an extension of what went before, but instead was adopting a different approach by offering smaller scale investments, targeting particular issues and sectors, and seeking greater levels of innovation.

The programme took a Research and Development (R&D) approach to devising and testing skills solutions. It sought innovation and was tolerant to risk taking to promote greater levels of learning about what works, what does not, and how to apply that learning. The aim was to influence the application and implications of this learning in both strategic and policy decisions, and the action taken by employers and intermediaries.

The UKFP saw UKCES and industry co-creating projects to research, develop, pilot and / or scale innovative solutions to identified current and emerging workforce development issues that restrain business performance.

1.1 The objectives of the UK Futures Programme

Through the Programme, UKCES aimed to:

- Support collaborative approaches to workforce development issues amongst employers and, where applicable, wider social partners

- Encourage innovative approaches to addressing workforce development issues

- Identify ways to address emerging or persistent market or system failures which act as a brake on UK workforce competitiveness

- Identify 'what works' when addressing market failures in relation to workforce development, for adoption in policy development and wider business practice.

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[2] HM Treasury (2015) *Fixing the foundations: Creating a more prosperous nation*, HMSO

1.2 The model of the UK Futures Programme

The UKFP identified a series of 'Productivity Challenges' which, if solved, had the potential to increase the skills of the workforce and ensure that they are put to good use. Five Challenges were launched and completed by mid-2016. Each Productivity Challenge co-invested in a number of projects, identified through a competitive process, and explored different aspects of the Productivity Challenge theme or workforce development challenge(s). Further detail is provided in Chapter 2.

Each round of investment followed a staged process through which UKCES first identified the workforce development challenge from a combination of research, the knowledge of its Commissioners and staff, and then engaged in market testing activities and consultations with employers and intermediaries to refine that Challenge. UKCES then carried out a market making stage to encourage project development and applications that demonstrated shared risk and active cash and / or in-kind investment by employers to the benefit of the design, delivery, reach and / or communication of the proposed solution. These applications were then assessed. The successful projects were funded and received co-creation support to nurture learning, collaboration and innovation within and across the projects. This process is shown in Figure 1.1 and is described in further detail in Chapter 3.

Figure 1.1: UK Future Programme stages
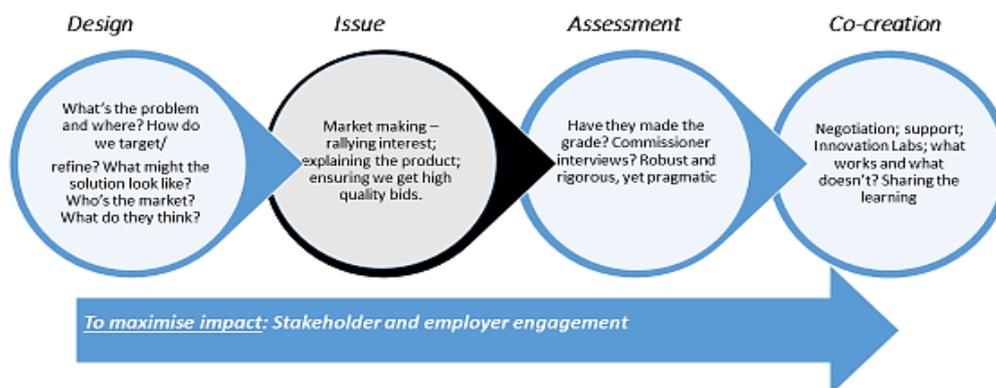
Source: UKCES

1.3 The key features of the UK Futures Programme

The idea for the UKFP originated from interest among senior staff in UKCES to try a new approach to addressing issues relating to workforce development, with a greater emphasis on R&D. UKCES designed a new model to deliver the UKFP. Key features of the model included:

- Highly specified and targeted Productivity Challenges

- Strong / effective employer leadership and engagement

- Collaborative solutions

- Small scale and short term investments (between six and twelve months)

- A strong emphasis on testing new (and ideally innovative) approaches with a great appetite for risk

- A strong learning component, willingness to learn from others and share learning

- An appropriate balance between public and private expenditure; and between cash and in-kind.

1.4   Evaluation of the UK Futures Programme

The ethos of testing and learning was integral to the UKFP. Evaluation was therefore core to the UKFP meeting its aims and objectives as well as reviewing how they had been met, supporting and complementing the management and monitoring information. To ensure objective learning was collected and fed back in to the Programme, UKCES commissioned SQW to carry out a real-time, independent evaluation of the UK Futures Programme. Continuous improvement based on testing and evaluation was expected of the projects and the delivery of UKFP itself.

The evaluation was focused in two broad areas. Firstly, it was concerned with learning what works, what doesn't work, under what circumstances and why in relation to the solutions that were being tested in addressing workforce development issues. And to do this tailored research questions were developed for each Productivity Challenge. These were reported at Productivity Challenge level and in two thematic reports, collating findings on specific topics from across Challenges.

Secondly, it was concerned with exploring the operation of the UKFP and its implications on UKCES delivery. This level of the evaluation investigated the following:

- How effective was the programme design in stimulating collaboration, innovation and learning what works? How could it be improved?

- How effective were the Co-creation Labs? How have they been received and used? How could they be improved?

- How effective was the co-creation offer [3]? How has this been received and used? How could it be improved?

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[3] Please see section 3.3 of this report for more detail on the co-creation offer and the Co-creation Labs

- What were the conditions or approaches that stimulated innovation?

- What were the conditions or approaches that stimulated collaborative approaches to workforce development issues?

- What was the appetite for testing and continuous learning? How well has testing and learning been applied and used? What has been the outcome of this? What has helped / hindered this?

- What helped to stimulate cross-fertilisation of learning? What has been the outcome of this? What has helped / hindered this?

- What were the conditions or approaches that helped to develop an understanding of 'what works'?

The three levels of evaluation are shown in Fig 1.2 below: (1) each Productivity Challenge was evaluated to extract the learning for the 'question' set in each Challenge Brief; (2) emerging learning from across Challenges were drawn together whilst the Programme was ongoing, in a series of thematic reports; and (3) learning from Challenges was aggregated together to create a summative evaluation of the UKFP as a whole, which is detailed in this report[4].

Figure 1.2 Evaluation structure

Programme evaluation: operation and delivery

Thematic evaluation: emerging learning from Challenges 1 - 5

5 Productivity Challenge evaluations

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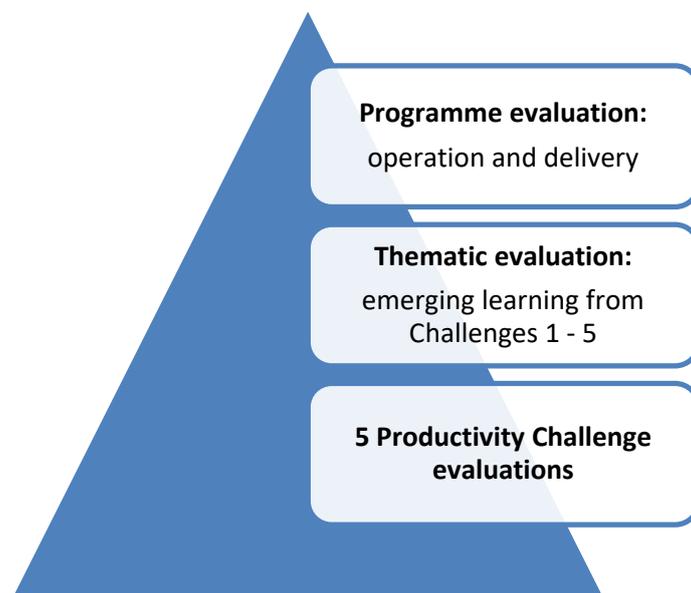
[4] See Chapter 8 for links to each Productivity Challenge evaluation report and thematic reports

1.5   Methodology

This final evaluation report summarises the emerging learning from the evaluation, gathered between October 2014 and July 2016. The research was designed in discussion with the UKFP team and consisted of three key elements:

- **Desk based review of programme documents**. The document review covered the following: programme background documentation (e.g. programme introduction document[5], various programme guidance documents[6]); Productivity Challenges guidance documents and summaries of the market testing phase; and application forms, logic chains and Stage End Reports[7] of the projects in the five Productivity Challenges

- **Consultations with key stakeholders**. Consultations were conducted with UKCES senior staff (3), UKCES Commissioners (6), Productivity Challenge Leads (8), and project leads (32). These were conducted at different milestone points during the lifetime of the programme

- **Participation at Co-creation Labs**. The evaluation team attended and observed 12 Co-creation Labs, one of which was a programme level event directed at the UKFP staff and 11 of which were for the five Productivity Challenges. In the final Lab in each of the Productivity Challenges (5 in total) the evaluation team took a leading role in designing and facilitating key sessions. In addition, the evaluation team circulated a post-Lab questionnaire to all Lab attendees asking about their reflections and learning from the day, and any affects these might have on their role / project going forward. After each Lab, the evaluation team carried out a debrief with the UKFP staff, who attended, to reflect on the success of the day and any learning that could be taken away. After each debrief, a note summarising the feedback on the Lab and highlighting the key learning points was circulated amongst projects and the UKFP staff.

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https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/418213/15.03.11._UKFP_Introduction_updated_-_V2.pdf
[6] UK Futures Programme website, https://www.gov.uk/government/collections/ukces-futures-programme-overview
[7] See section 3.3 of this report for more detail on the End Stage Reports

1.6 Structure of the report

This report was drafted based on these findings, with an emphasis placed on developing a 'readable' and pragmatic document, drawing on a range of experiences, that would be useful to different organisations who may wish to undertake a similar initiative and to policy stakeholders going forwards. The next chapter (Chapter 2) of the report provides a brief review of the different Productivity Challenges. Chapter 3 provides a review of the approach of the UKFP. Chapter 4 provides a summary of the learning from the UKFP model and delivery approach and Chapter 5 provides a summary of the learning in relation to policy and practice. Chapter 6 looks at the implications that the findings have with regards to future policy and programme delivery, and includes key messages and recommendations to different audiences of interest. Chapter of the report (Chapter 7) considers topics for further research.

Chapter 8 provides links to all the UKFP evaluation reports, thematic reports, case studies and brochures that have been produced and the report concludes with Chapter 9 which indexes a series of annexes of documents used in the delivery of UKFP.

2 The Productivity Challenges

2.1 Introduction

The UKFP funded and delivered five different Productivity Challenges. Each Challenge was focused around a specific market sector or issue. The Challenges included a number of distinct projects (between 5 and 7), most of which were employer led and based on partnerships between different organisations or companies. This chapter provides a brief summary of the five Productivity Challenges, the rationale behind them and their structure.

2.2 Productivity Challenge 1: Offsite Construction

Productivity Challenge 1 (PC1) focussed on designing solutions to the workforce challenges in the offsite construction (OSC) industry. The UK has one of the largest construction sectors in Europe and has the opportunity to benefit from the forecast growth in the global construction market to 2025.

Offsite construction, as one of a number of modern methods of construction, has the potential to change the way the construction industry builds and operates. If the UK construction industry is to exploit the potential of offsite construction, multi-skilling, interdisciplinary collaboration and greater flexibility within a number of job roles is crucial. UKCES research revealed that the current training and qualification offer for offsite construction was considered to be largely inadequate by employers. The sector itself was also fragmented with companies generally creating their own, bespoke, in-house training based on their identified needs[8]. As such, offsite construction provided ideal territory to explore what works in addressing the skills challenges of a 'sunrise sector'[9].

UKCES selected five projects for PC1 to co-invest in. The projects were led by BuildOffSite, Skanska, Edinburgh Napier University, Laing O'Rourke and the Steel Construction Institute. PC1 ran between September 2014 and March 2015, with a total UKCES investment of £616,029, and total co-investment of £439,243 (including cash and in kind).

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[8] UKCES (2014), The UK Futures Programme Competition Brief: Addressing skills deficiencies in the Offsite Construction Sector. Available online:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/307153/UK_Futures_Programme_Competition_brief.pdf
[9] A sunrise sector is one that is new or relatively new, is growing fast and is expected to become important in the future.

2.3 Productivity Challenge 2: Management and Leadership in Supply Chains and Networked Organisations

Productivity Challenge 2 (PC2) focussed on improving leadership and management in supply chains and networked organisations. This was in recognition that the UK does not measure up to the likes of the US on management capability. Recent international studies have revealed large variation in management quality across firms within all countries. What accounts for the difference between countries is the absence (e.g. US) or presence (e.g. India; UK) of a long tail of poorly managed firms. Even though the UK's best firms are often world leading, the presence of a large number of poorly managed firms is a barrier to growth in the UK economy[10].

The Productivity Challenge sought to test the hypothesis that supply chains, or other types of networked organisations, could be an effective means of developing management and leadership through the sharing of skills, ideas and values through existing business relationships. The hypothesis was that the influence of the prime organisations at the head of supply chains or sector bodies could stimulate activity from firms in their supply chains or networks.

PC2 was open only to primes[11] with UK based supply chains or those who were looking to expand their UK supply chains within the manufacturing, construction, legal and accounting services and financial services sectors. UKCES evidence suggested that the case to act was strongest in these sectors.

UKCES selected seven projects for PC2. The projects were led by Action Sustainability, Black Country Consortium, the Civil Engineering Contractors Association, Jaguar Land Rover, the Legal Aid Practitioners Group, Robert Woodhead, and the University of Chester. While two of these leads were primes in their own right, the others were networked organisations which then sought to engage and work through firms (including primes) in the respective sectors. PC2 ran between October 2014 and November 2015[12], with a total UKCES investment of £1,064,422 and total co-investment of £1,049,155 (including cash and in kind).

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[10] Bloom, N, et al. (2012) *Management Practices Across Firms and Countries*, Working Paper 17850. National Bureau of Economic Research, Cambridge, MA. within UKCES (2014). *UK Futures Programme Competition Brief: Management and Leadership in Supply Chains and Networked Organisations.*
[11] A prime is a business that sits at the head of a supply chain.
[12] While the second and final Innovation Lab was held in November one project continued delivery beyond this point.

2.4 Productivity Challenge 3: Progression Pathways in the Retail and Hospitality Industries

Productivity Challenge 3 (PC3) focused on progression pathways in the retail and hospitality industries. The retail and hospitality industries are two of the most important employing sectors of the UK economy, accounting for 20 per cent of all jobs, or around 6.9 million employees across the country. Whilst these sectors are predicted to see an increase in employment over the coming years, they continue to experience high turnover in labour, leading to significant recruitment costs for businesses. Moreover, company outlays on recruitment and induction draw investment away from developing existing employees through training and progression, leading to pressure on existing staff and reductions in sales. In addition, the sectors are heavily reliant on low paid workers, who are often either part-time or seasonal[13].

These issues have been recognised by employers for some time and are related to distinct features of the retail and hospitality sectors. These include relatively low margins and high levels of competitiveness, which lead businesses to focus on minimising costs, rather than investing heavily in staff. Moreover, these businesses tend to have large numbers of part-time workers, who are low paid and often seasonal. However, research reviewed by UKCES has shown that helping these workers progress and receive higher pay can lead to improved customer service, reduced staff turnover, better morale and increased customer spending[14].

UKCES selected seven projects to work with, and invest in, through PC3. Four of these focused on the hospitality sector and the remaining three were in retail. The projects were led by Fifteen Cornwall, People 1st, Rocco Forte Hotels, National Coastal Tourism Academy, Realm, The Living Wage Foundation and Timewise Foundation. PC3 projects ran between 1 April 2015 and 30 June 2016, with a total UKCES investment of £1, 204,264 and co-investment of £1,045,706 (including cash and in kind contributions). PC3 was run in partnership and with a co-investment from the Department for Work and Pensions (DWP).

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[13] UK Futures Programme Competition brief: Progression Pathways in the Retail and Hospitality Industries. Available online https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/363798/14.10.14._UKFP_Comp_3_Brief_V6.pdf
[14] Devins, D et al (2014) Improving Progression in Low Paid Low Skilled Retails, Catering and Care Jobs. Joseph Rowntree Foundation.

2.5 Productivity Challenge 4: Enhancing Skills for Innovation Management and Commercialisation

Productivity Challenge 4 (PC4) focused on enhancing skills for innovation management and commercialisation in the manufacturing sector. Innovation is vital for UK prosperity because, as the basis for economic growth, it is critical for job creation and improving productivity. Broadly speaking, for this Productivity Challenge, UKCES defined innovation as the introduction of new or significantly improved products, processes and services or as entirely new ways of doing business within the organisation itself or within the markets they compete in.

An international benchmarking assessment of the UK's science and innovation system, by the Department for Business, Innovation and Skills, identified deficiencies around management skills, which limit business' ability to capture economic value from innovation[15]. To successfully innovate requires a diversity of skills. UKCES' research and consultation with stakeholders suggested that there was less of a focus amongst businesses on the skills required to support the management and commercial exploitation of innovation. For this reason, this Productivity Challenge has focused on supporting the 'human factor' in these areas of innovation. PC4 focused on developing the workplace practices that were required for staff to manage and commercialise innovative projects in manufacturing.

UKCES selected five projects to work with, and invest in, through PC4. The projects were led by BAE Systems Maritime Naval Ships, BAE Systems (Operations Ltd), Cardiff Metropolitan University, Northern Ireland Polymers Association (NIPA) and Swansea University. PC4 ran between August 2015 and July 2016 with a total UKCES investment of £424,941, and a total co-investment of £351,172 (including cash and in kind contribution).

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[15] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/277090/bis-14-544-insights-from-international-benchmarking-of-the-UK-science-and-innovation-system-bis-analysis-paper-03.pdf

2.6 Productivity Challenge 5: Developing leadership and entrepreneurship skills in small firms

Productivity Challenge 5 (PC5) was focused on developing leadership and entrepreneurship skills in small firms and the role of anchor institutes in supporting the development of small firms. Evidence suggest that one of the fundamental problems holding back the growth of smaller organisations is a lack of leadership and management capability to drive performance and enable them to succeed. Small firms make up the vast majority of UK business, 99.3 per cent of UK businesses employ fewer than 50 people. As these businesses grow, the owners face pressures to create management structures that help them to delegate some degree of decision making to their staff. A lack of appropriate management and leadership skills within these firms holds back their performance[16].

The latest Employers Skills Survey[17], carried out by UKCES, found that small firms were significantly less likely to provide management training than their larger counterparts. Across the UK, 33 per cent of firms with less than 50 staff provided management training, whilst 72 per cent of those with more than 50 staff did. Leadership and entrepreneurship skills were the focus of this Challenge as they are the skills most strongly associated with good management practice and small firm performance. Research conducted by the Department for Business, Innovation and Skills (2015)[18] argued that these skills have the greatest positive impact on staff management practices which then lead to greater turnover, growth or productivity.

Many approaches have been adopted to improve the leadership and entrepreneurship skills and performance of small businesses. The specific approach tested through PC5 was to work through Anchor Institutions (AIs). AI is a description for organisations that have an important presence in the local community and are tied to specific locations by a combination of factors, including invested capital, mission and relationship to customers and employees. These institutions may also have high levels of employment and significant purchasing power. Being an AI involves making a strategic contribution to the local economy, and is likely to be a secondary aim rather than the main focus for the institution.

This Challenge sought to test how far AIs could and would be willing to use their role and status within the local economy to engage with small firms and then to support them to develop improved leadership and entrepreneurship skills.

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[16] Department for Business, Innovation and Skills. (2015) *Leadership and Management Skills in SMEs: Measuring Associations with Management Practices and Performance.* Department for Business, Innovation and Skills, Research Paper 211. London

[17] UKCES (2014). *Employer Skills Survey 2013*

[18] Department for Business, Innovation and Skills. (2015) *Leadership and Management Skills in SMEs: Measuring Associations with Management Practices and Performance.* Department for Business, Innovation and Skills, Research Paper 211. London

UKCES selected eight projects to co-invest in and work with in PC5. Projects were led by AIs of varying type: universities - Inverness College UHI, Newcastle University, University of Sunderland and the University of Teesside; business support organisations - Causeway Enterprise Agency and St Helens Chamber of Commerce; a skills development organisation - Regional Learning Partnership South West & Central Wales; and a local authority - Doncaster Metropolitan Borough Council. PC5 ran between August 2015 and June 2016[19], with a total UKCES investment of £1,048,984 and total co-investment of £627,023 (including cash and in kind).

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[19] Projects originally intended to run until August 2016 but the UK Government's decision to dissolve UKCES meant that projects' end dates were brought forward.

3 Approach of the UK Futures Programme

3.1 Introduction

In this Chapter we outline how the UKFP and the Productivity Challenges were designed, delivered and managed. The detail is intended to inform implementation of the UKFP approach in future and to enable others to benefit from the experience gained by UKCES in delivering the Programme.

3.2 Designing the UK Futures Programme

The design of the UKFP was entirely evidence based. It was informed by UKCES research and previous experience delivering other investment programmes. In particular, the UKFP built on the learning from UKCES management and evaluation of Employer Investment Fund (EIF) and Growth and Innovation Fund (GIF)[20]. The learning from the evaluation of these earlier programmes identified what was effective in employer led skills initiatives and influenced the following: the targeted nature of UKFP Challenges to bring out more learning; the greater emphasis on learning as an outcome; the application process and assessment criteria (including, for example, the value placed on in-kind contributions); and the management of the projects. Additionally, UKCES team drew on wider experience of delivery of 'Innovation Lab'[21] style investments, which corroborated learning from EIF and GIF, particularly from NESTA (e.g. 'Impact Measurement in Impact Investing'[22]) and, for example, the What Works Lab process developed by the Canadian Government's Department of Employment and Social Development[23].

UKCES did consider the design of a range of small scale randomised control trials (RCT). However, this would have required a radically different approach. The UKFP was focussed on flexibility and adaptation in response to immediate learning, whereas an RCT would have imposed a more fixed set of projects. RCT would have also represented a risk in terms of the important UKFP objectives of employer engagement and innovation. It was difficult to envisage an RCT design to truly compare like with like, across sectors or even different groups of employers.

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[20] Launched in 2011, the purpose of EIF and GIF was to stimulate a step change in employer leadership and investment in economically valuable skills through co-investment between employers and the UK Commission. The evaluation report can be found here: https://www.gov.uk/government/collections/ukces-investment-in-skills-solutions-evaluation

[21] This refers to a mode of policy development which facilitates risk-taking to encourage innovation to tackle complex social issues, e.g., see http://blogs.worldbank.org/voices/what-are-innovation-labs-and-how-can-they-improve-development-0

[22] http://www.nesta.org.uk/sites/default/files/impact_measurement_in_impact_investing.pdf

[23] http://www.oecd.org/leed-forum/activities/What-Works-Lab-Report.pdf

3.3   The UK Futures Programme Delivery team

A UKCES team was formed for each Productivity Challenge, tailored to the needs of each, in terms of the number of individuals on the team, their skills and the time they allocated to working on the Challenge.

That said, each Challenge broadly comprised the following roles:

- Lead UKCES Commissioner

- Challenge Lead

- (Additional) Relationship Manager(s)

- Testing, Evaluation and Learning Support

- Communications and other support.

The Lead UKCES Commissioner volunteered or was approached based on their specific experience or interest in the Challenge area. They provided oversight and ensured that the projects would add to the learning to be derived from the UKFP were taken forward.

UKCES Challenge Lead (who was also a Relationship Manager for at least some of the projects) had overall responsibility for the projects and for extracting learning from them through management, monitoring and linking to the evaluation. They were also responsible for engaging stakeholders and the dissemination of the findings to maximise impact. The Challenge Lead Essential Guide (see Appendix 1) sets out the Challenge Leads' role and responsibilities in full.

The Challenge Lead/Relationship Manager worked closely with the projects to support their delivery. They had regular contact with projects and also attended Steering Groups or observed project events/training activities. The Relationship Manager role was complex and multi-faceted. To support their development and the recruitment of future Relationship Managers. A Relationship Manager Skills Check (see Appendix 2) was developed after a year or so of operating the UKFP.

The Testing, Evaluation and Learning Support's role was to support projects to develop Testing and Learning Plans for their projects and tailored to their innovation and main learning areas (see Appendix 9 for an example Testing and Learning Plan). This also involved identifying co-creation support (see Stage 4 – Co-creation and Evaluation, below).

The Communication support helped with the promotion of the Challenge Brief and dissemination of learning. In addition, a core team worked across all Challenges, providing expert support on assessment, marketing, project management and evaluation.

3.4 UKFP Delivery process

Each round of investment followed a staged process. This process is shown in Figure .

Figure 3.1   **UKFP Challenge delivery process**

It is worth noting that the timing of each Productivity Challenge was largely dictated by the way in which UKCES funding was managed. In practice, the budget for the UKFP was not clear until a few weeks before the commencement of the financial year in April, with all allocated funding required to be spent by the end of the following March. This meant less time was allocated to each stage in the process than was ideal. It also meant that ideas for Challenges 'closer to market' were selected first (i.e. there was a good understanding of the problem, potential solution and knowledge of the influential stakeholders).

3.4.1 Stage 1 - Develop and test the hypothesis

Stage duration: between 6-12 weeks

UKCES identified issues to be explored through the UKFP. They draw on wider research and intelligence, knowledge of business and government priorities and the insight of UKCES Commissioners. Based on a clear understanding of the issue, a problem was specified along with a hypothesis of what might help resolve the problem.

Testing the Market

Stakeholders with an interest in the issue were consulted on a draft specification, to test: the definition of the problem; the strength of the hypothesis; whether any initiatives already existed covering the same issue in the same way (to avoid overlap); and whether there was potential interest in the topic from employers (i.e. was it a problem they recognised and were they already developing ideas and solutions to address it?).

Example: Management and Leadership through Supply Chains or Networked Organisations.

Commissioners wanted to explore whether management and leadership in small firms could be enhanced through the leadership shown by primes or heads of supply chains working to influence change. Using UKCES research (UK Employer Skills Survey), sectors were identified where management and leadership issues were more prevalent (Manufacturing, Construction, Insurance and Legal). Not all of these sectors recognised the concept of 'supply chains'. Wider UKCES research suggested that whilst supply chains were not prevalent in Insurance and Legal sector, other forms of business relationships were likely through networks of dependency (e.g. Insurance Advisers, sub-contracted specialist legal services). The scope was then extended to include the notion of 'networked organisations'.

The Productivity Challenge stakeholders were mapped and then prioritised:

- **Tier 1 stakeholders** were classified as the core group of people / organisations who were fundamentally important to UKCES. These stakeholders were likely also to be key Challenge-level stakeholders for all of the challenges run through the UKFP

- **Tier 2 stakeholders** were those people / organisations who were Challenge-level stakeholders for more than one of the Challenges running through the UKFP

- **Tier 3 stakeholders** were Challenge-level stakeholders for at least one of the Challenges run through the programme.

A variety of methods were used to contact stakeholders and test the market for the proposed Challenge. The stakeholder prioritisation informed the method by which they were contacted: broadly, tier 1 stakeholders were interviewed one-to-one, tier 2 were consulted via email and tier 3 were invited to fill in an on-line survey. (See Appendix 3 Tier 1 Stakeholders Market Testing Collection Template for an example from PC4.)

During this stage, the scope of the Productivity Challenge was refined, for example through selecting sectors in which the Challenge would be issued. This was to ensure successful projects were (as far as possible) focussed on the same underlying problem and so had more commonalities. Ensuring commonalities amongst projects was important to allow cross-fertilisation of ideas across projects, enhance collaboration across projects and allow more learning to be drawn out through broad comparisons, as the contextual factors were the same for each project. Feedback on the draft specification was used to produce a final Productivity Challenge Brief.

3.4.2 Stage 2 - Launch and Making the Market

Stage duration: Challenges were usually 'open' for 6 weeks

The launch of a Productivity Challenge typically involved a press notice, publication of the Challenge Brief, publication of the accompanying application documents and guidance and wide promotion within the target market to gain interest (see Section 9 for links all Challenge Briefs). To accompany the Brief, an Introduction to the UKFP document (see Appendix 4) was issued (this document included information on the principles of the UKFP, such as the types of projects it was looking to invest in and UKCES' expectations in relation to innovation, testing and shared learning). In addition, the UKFP Guidance (see Appendix 5) was published to support potential applicants in developing their submissions by detailing what UKCES was seeking in each of the six selection criteria in the application form (see 3.4.3 Stage 3 Assessment, below).

Following the Challenge launch, 'market making' was undertaken to generate further interest in and more in-depth understanding of the Challenge. This involved explaining to potential applicants what the Challenge was trying to achieve and how the application process worked. The market making stage also sought to encourage potential applicants to demonstrate innovative thinking (often uncovered through connections made at the market testing stage) and to come forward with proposals, but also to discourage those who were unlikely to meet the assessment criteria.

At least one webinar was held per Challenge, explaining the Brief and offering an opportunity to ask questions. Webinars as opposed to face-to-face events were chosen due to the scale of the fund and the potential wide geographical spread of interested parties. In later Challenges, a further webinar explaining the financial element of the application form was added due to applicants experiencing difficulty in completing this part of the application form. The financial statement was later simplified to make the process easier for applicants, while still ensuring that UKCES received the appropriate information to make an assessment judgement. UKCES also drew on support from external Associates to follow up leads and discuss potential applications. Training and briefing was provided to all those providing external support to ensure they understood UKCES requirements.

Due to the targeted nature of the Challenges and active management of potential applicants, success was not measured by a large volume of applications but rather a smaller number of high quality proposals. An example application form can be found at Appendix 6, an example logic chain can be found at Appendix 7 and an example financial spreadsheet and organisation financial assessment form can be found at Appendix 8 and 8.1 respectively.

3.4.3 Stage 3 - Assessment

Stage duration: 10 - 12 weeks

For each Productivity Challenge, the following assessment process was followed.

Figure 3.2   High level assessment process for the UK Futures Programme Challenges

1	• Launch of UK Futures Programme Challenge - Challenge open 6 weeks
2	• Bids submitted
3	• Assessment process including in-team moderation, expert panel and financial comments
4	• Shortlisting Panel
5	• Shortlisted applicants interviews chaired by Commissioner, Challenge Lead interviews
6	• Decision making - Recommendations made to Commissioners
7	• Applicants informed of final decision
8	• Handover to contract negotiation / co-creation

Once the application window closed, each application was rigorously assessed against the following criteria:

- Potential for impact (will the solution resolve the problem it is seeking to address?)

- Innovation (how innovative is the solution, or aspects of the solution?)

- Employer leadership and engagement (what is the level and nature of employer leadership and engagement?)

- Balance of contributions (does the proposal suggest an appropriate balance of public and private contributions and of cash and in-kind investment?)

- Testing and shared learning (are there plans to adequately test the developing solution?).

Each application was assessed by a minimum of two assessors who provided a recommendation. The team usually comprised a lead assessor from UKCES and an external assessor. A full day of training was provided for all assessors which covered: the assessment process, assessment criteria, and details of the Challenge and the learning sought. The assessors provided a moderated recommendation for each application reviewed. In the event of dispute over certain criteria, someone from the central UKCES assessment team, who worked across all Challenges and were familiar with the assessment criteria, was called in to review.

Recommendations were then reviewed by a moderating panel of UKFP core management, with input from Lead assessors and moderated across all assessment teams to ensure consistent scoring and approach. A separate Panel then shortlisted the applications that had reached the quality benchmark to an appropriate number of applicants to interview, ensuring a potential spread of learning across the Challenge portfolio.

UKCES Commissioners (and DWP senior management for Productivity Challenge 3) and UKCES management team interviewed the shortlisted applicants. The purpose of the interview was two-fold: firstly, to allow more in depth exploration of the paper application; and secondly, to ensure applicants had bought in to the UKFP ethos as topics such as 'testing' and 'co-creation' were new to the majority of applicants.

In later Challenges, these topics were emphasised more at the interview stage as learning from early projects showed that they were not familiar with these concepts. For earlier Challenges, due to the complexity and novelty of testing, more leniency had been allowed around these criteria.

Interviews for later Challenges were also observed by UKCES Relationship Managers. This first-hand experience of the interview and particular nature of Commissioner interest aided their ability to implement any recommendations made by the interview panel and to manage the projects.

The recommendations were then reviewed by the Commissioner group responsible for steering the UKFP. This part of the process offered a further opportunity for oversight and ensured that the projects that would add to the learning to be derived from the UKFP were taken forward.

Applicants were then informed of the final decision and successful projects moved into contract negotiations.

3.4.4 Stage 4 - Co-creation and Evaluation

Stage duration: project delivery period preferably around 12 months

Contract negotiation and testing

UKCES Relationship Managers undertook contract negotiations with successful applicants. Over the course of the Challenges, the specification of outputs was refined to ensure that they fully encapsulated the notion of learning during the project and to seek to avoid 'output driven behaviour'. For example, where the employer recruitment process was in some way experimental and / or part of what was innovative about the project, rather than an output being articulated as 'Recruit 20 new employers', as might be typical, the contracted output would instead reflect the expected learning: 'Identify effectiveness of methods used during recruitment of the 20 new small employers'.

Project level testing was a critical component of the UKFP. Projects needed to ensure they were testing what was innovative about their project and were able to gather learning about what worked in order to fine-tune their innovation and have a successful product/service. In negotiating contracts, projects were asked to identify key themes or questions to test during the course of the project and approaches to do that. This informed a Testing & Learning Plan (see Appendix 9) which was created, with support from UKCES Testing and Learning Support, for each project. Two pieces of Guidance on testing and learning were also developed for projects. The first covered what UKCES expected from projects in terms of testing and learning (See Appendix 11 for UKFP Guidance – What do we mean by testing and shared learning?). The second covered how to reach and test with end users, and the Kirkpatrick model[24] was developed to fit to training programmes and the UKFP, moving from a four stage to a five stage process (see Appendix 11.1 for UKFP Guidance – How do we test a training solution?). UKCES Testing and Learning Support actively and regularly supported applicants in the planning of their testing and learning activity through one-to-one support covering a range of testing activities, including: testing the design/ideas/prototype of the solution before implementation; testing the product during implementation; and / or evaluation – collating evidence and presenting a longer term reflection.

Projects were required to report on the progress made on the Testing and Learning Plan through the Stage End Report (a UKFP Stage End Report Template is included at Appendix 10).

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[24] http://www.kirkpatrickpartners.com/OurPhilosophy/TheKirkpatrickModel

Testing Plans were initiated at the contract negotiation stage to prevent projects from being purely focused on outputs. For later Challenges, the Testing Plan was developed in parallel with the output schedule to enable better integration of the two. The Testing and Learning Plan was used as a flexible document allowing projects to implement learning and refine their approach as often as they needed. The amount of resource expended on testing was expected to be proportionate to the investment made and ensure the critical questions for the project were addressed.

Projects in later Productivity Challenges were encouraged to focus more on setting baselines for participating businesses and individuals as earlier projects who had not done this had reflected that they would have found this useful, but had not been able to remedy this retrospectively. Baselining is important to track progress, measure success and, if appropriate, to be able to make a stronger business case for any further investment as harder measures of success were more effective at demonstrating the impact made by a solution.

Management, Monitoring and Co-creation

The Relationship Managers took responsibility for the management of projects, whilst monitoring was undertaken via the Stage End Reports which projects were required to submit on a (usually) quarterly basis. (A template Stage End Report is included at Appendix 10). Stage End Reports sought information on progress against each of the assessment criteria and against contracted outputs. These learnings were collated and reported to Commissioners throughout and formed an essential input to the learning process of the UKFP.

In addition to receiving support with testing and learning, the projects in each Challenge benefitted from co-creation support which comprised the experience and expertise, research, and connections of UKCES and UKCES Commissioners.

Each project received a bespoke Co-Creation Plan which outlined what support UKCES would give to each project. (An example Co-creation plan from PC1 is included at Appendix 12).

As well as the Co-Creation Plans, it was also hoped projects would work together to overcome barriers and learn from each other. Inception meetings were held at the commencement of each Challenge to introduce the projects to each other to encourage projects to work together, identify commonalities and to improve their own project through the new contacts made. For the same purposes, an Extranet site where projects could interact with each other and later, a Linked-In Group, were also established.

Finally, co-creation and learning was sought through the Co-creation Labs. The Co-creation Labs convened projects and gave them time and space to share progress and learning, challenge each other and identify commonalities and opportunities to work together.

Two Labs were held per Challenge. The first was usually around a quarter to a third of the way through the Challenge and was designed to pick up barriers and challenges the projects were having and to seek shared solutions to common issues. This Lab lasted one day, beginning with presentation of progress on each of the projects and continued with up to three working sessions focussing on specific issues, which had arisen during the Challenge. Sessions took the form of discussion groups, sometimes using various tools to stimulate innovative thinking. Experts also came in as part of the UKCES co-creation offer, including sharing expertise on National Occupational Standards, measuring innovation and the latest thinking on Government policy. The second Lab focussed more on evaluation questions and sustainability. These later Labs were steered more to gather learning about what had worked to inform policy and wider business practice.

4   Learning from the UK Futures Programme

Key learning

- The UKFP process of basing the Productivity Challenges topics on research and market testing activities has been effective in achieving highly targeted and specified Productivity Challenges

- The R&D approach of the UKFP and the focus on collaborative solutions required a large team to manage and support the work of the projects; consideration needed to be given to the staff skill-sets to provide the best support in relation to the Challenge topic

- The feature of highly targeted and specified Productivity Challenges had the benefit of linking projects' activities and outputs to policy agendas, which helped in engaging external stakeholders and securing funding for the continuation of specific projects

- The UKFP has been successful in attracting new partners (companies and employers) that UKCES did not engage previously

- The timeframe that was allocated for the market making stage and for submitting the applications was too tight and may have meant that a number of bidders missed the window of submitting an application

- Companies and employers who were less experienced in writing applications for funding may have benefitted from additional support from UKCES in the application process

- Evidence from the different Productivity Challenges suggested that projects were collaborating with each other to some level through sharing information and joining resources; co-creation mostly took place between UKCES and the projects rather than between projects and each other

- Collaboration and co-creation required a great deal of stimuli from the UKFP team. The Challenge Leads and Relationship Managers were key to spotting opportunities, which often the projects alone would not have seen. The main challenge that the team faced was the resourcing of this role

- Similarly, the objectives of innovation and testing and learning required a great deal of support and input from the UKFP team, and was very resource intensive

- The objective of innovation was achieved to some level with projects testing solutions that were new to them, adapting elements into new contexts. However, the feature of employer led projects may have hindered achieving the objective of transformative innovative thinking and risk taking to the fullest, as employers were not willing to take risks to the level that UKCES was hoping for

- The model of the UKFP and the processes that were developed to implement it (e.g. promoting collaboration, the co-creation offer and risk taking) form a new approach that has not been tried before in investments for addressing workforce development. In that respect the UKFP can be considered innovative

- The testing and learning feature of the programme was not fully implemented in the first two Challenges. The UKFP team learnt from experience and increased the emphasis of this feature as a key element of the projects plans in the later Challenges

- The speed at which the programme was delivered meant that there were limited opportunities for UKCES to learn and adapt as they went along (including learning from the evaluation findings)

- The design of the evaluation could have been improved by delivering workshops to the UKFP team (based on the model of the Co-creation Labs) to provide more timely feedback and recommendations

- The nature of the programme of small scale investment increased UKCES' confidence in taking risks and investing in solutions that may not work

- The cash investment in the UKFP was relatively small, however there was a greater investment of staff time, from both UKCES staff and projects teams. The time invested was considerable and an under-estimated cost of the programme. Any future similar investment should take into consideration the time that is required to support this type of model

- The UKFP achieved high levels of engagement from UKCES staff, project teams and participants in the projects. In that respect the UKFP has been effective in making a small investment go a long way

- The UKFP has been successful in engaging contributions from partners (both cash and in-kind), which demonstrated the commitment from the companies and other organisations that were engaged in the projects

- The short-term nature of the UKFP meant that during the life time of the programme the opportunity to test (rather than develop) solutions in practice was limited. If projects continue beyond the programme, their activities might produce more relevant learning in relation to addressing workforce development issues. It is important to develop a communications mechanism to ensure any learning and lessons taken away from further work of the projects are being shared and disseminated.

4.1 Introduction

In this Chapter we review each of the key elements around the design and delivery of the UKFP, to report on what worked well and what worked less well in relation to the different features of the model. In addition, we have considered whether and to what extent these features have been effective in achieving the key objectives of the programme: innovation, collaboration, co-creation and testing and learning.

4.2 Highly specified and targeted productivity Challenges

UKCES launched five Productivity Challenges as part of the UKFP. **The topics of the five Challenges show some level of diversity**, with two focusing on sectoral (PC1 and PC3) and three on broader cross-sectoral issues (PC2, PC4 and PC5). The topics for the different Productivity Challenges were decided by UKCES senior staff in consultation with the Commissioners. During the consultations in the early stages of the programme, stakeholders at different levels of the programme stated that the identification of the topics for the Challenges and 'getting them right' was important in ensuring a successful outcome.

The programme team developed and implemented several different methods for the selection of the Challenges topics. These included the use of research, consultations with potential partners, consultations with stakeholders in the industry, and the use of 'decision trees' to ensure the topics were clear and evidence based. It was apparent from the consultations with UKCES staff that **the topics of the Challenges were well considered and thought through**.

The market testing stage of the process was designed to: assess how justified or relevant the topic selection was; assess the level of interest there was in the market to address the issue; and identify potential partners and bidders and interest them in the market making stage. This stage demonstrated how important it was to the programme team to understand the issues in depth and to ensure that the topics were focused and defined clearly around relevant set of issues.

In the first Challenge the UKFP team felt that the market testing stage was not fully developed and lacked focus. The topic for the first Challenge had been selected because it was tightly defined around a specific sector and followed on from previous research which detailed the deficiencies in the sector[25]. In addition, UKCES felt that they had sufficient links with stakeholders in the sector in order to get started relatively quickly. However, as the market testing stage progressed, it became apparent to the UKFP team that while UKCES had good links with various stakeholders in the sector (e.g. the Construction Industry Training Board and sector membership organisations) these links were not sufficient to raise UKCES' profile amongst a large number of employers in the sector. The UKFP team found it challenging to engage with a sufficient number of employers and interest them in submitting a bid. In addition, the time that was allocated for the market making stage in the first Challenge, was not enough to allow the UKFP team to research further and identify additional stakeholders to engage with the Challenge. This resulted in a low number of quality applications in the first Challenge, resulting in a budget underspend.

As the programme progressed and the UKFP team gained experience **they learned to allow more time for the market testing stage**, to enable more research to be conducted if needed, and more importantly for consultations to take place with potential stakeholders outside of the circle of stakeholders that were known to UKCES. In the later Challenges, UKCES thought that allocating more time and resource for completing the market testing stage helped them reach a larger and wider circle of employers. In addition, the UKFP team conducted **consultations with the stakeholders that they had engaged to collate feedback from them about the different issues relating to the topic of the Challenge**. This feedback provided insight into the challenges that the sector was facing from different points of view, and the activities that were already taking place. This feedback was then used to refine and improve the brief of the Challenge. The success of this process was demonstrated in the growing number of quality applications from the third Challenge onwards, increasing UKCES's ability to select different types of project as well as the providers and employers with which UKCES could engage.

One of the benefits of running targeted and specified Challenges was that it helped to **highlight commonalities between projects**, which in turn assisted in bringing projects together to work jointly on the same issues. In addition, in a number of the Challenges UKCES **brought together organisations of different nature and from different places in a sector**, who ran very different projects (in particular in PC4). The targeted nature of the Challenges provided a common focus for the projects and enabled shared learning across the Challenge.

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[25] UKCES (2013) Technology and Skills in the Construction Industry, Evidence Report 74. Available online on https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/305024/Technology_and_skills_in_the_construction_industry_evidence_report_74.pdf

The focused and highly specified nature of the Challenges enabled UKCES to **link the activities of the projects to specific policy agendas**. Throughout the work of the UKFP, UKCES approached stakeholders in different government bodies with the aim of supporting the sustainability and scaling up the work of the projects. UKCES senior staff commented that when they were able to link outputs of the projects to specific policy agenda (for example in PC3 – linking the work of the projects to the policy agenda of tackling job inequalities and in-work poverty), they were successful in gaining wider interest in the work and securing external funding for the continuation of the work of specific projects. Where they were not able to link the topic of the Challenge to policy agenda, or where the policy stakeholders were less receptive to the idea (as in the case of PC4) discussion around sustainability and scalability were a great deal more challenging and less successful.

4.3 Strong employer leadership and engagement

One of the key requirements of the projects that were funded through the UKFP was that they were employer-led. This was because the UKCES' evidence base suggested that lack of employer leadership in the skills agenda has led to some of the difficulties faced by the sectors that the UKFP was looking to address.

The market making stage was designed to engage the different organisations, businesses and employers with the Productivity Challenges and encourage them to submit an application for funding under the programme. It was hoped that the market making stage would identify the right partners to work with UKCES in each of the Challenges. It was important to UKCES to ensure that they engaged with those employers and companies that were identified (through research and the market testing stage) as most suitable for the topic of the Challenge. In addition, UKCES wanted to ensure that they did not miss any employers and companies that were not known to them or identified in the early stages, but that might express interest and could be effectively engaged with the programme. UKCES senior staff and Commissioners commented that through the work of the UKFP, they were hoping to **engage with new partners, stakeholders and organisations that they had not worked with before**.

Not all of the Productivity Challenges were designed to be led by employers (for example, PC5 was looking to engage Anchor Institutions), but the vast majority of the projects in the programme were led by employers or employer representative bodies.

One of the challenges that UKCES faced at the start of the programme, was that it became apparent that UKCES did not have a high profile amongst a wide range of employers, and this limited their reach. In order to address this, UKCES began **reaching out to stakeholders in the wider networks of the stakeholders known to them**, making use of these links to widen their reach. In addition, UKCES **deployed a number of their Associates** to assist the UKFP team during the market making stage in identifying and contacting stakeholders outside their circle of known organisations.

UKCES senior staff and the UKFP team commented that as they learned from their experience in the early Challenges, they had got better in using the market making stage to **effectively identify different employers and organisations to engage in the programme**. UKCES senior staff commented that rather than looking to contact a large number of employers and stakeholders, they were aiming to reach employers who would be a good fit for the Challenge, even if it meant engaging with a smaller number. Indeed, UKCES were successful in engaging employers, companies and organisations of different types, including primes, large companies, SMEs, universities and other education institutions and intermediaries.

That said, the UKFP team and UKCES senior staff commented that the market making stage, and in particular the application process did not work as well as it could. The main issue that was mentioned by all of the consultees was the **tight timeframe that was allocated to each step**. On average the market making stage in each Challenge ran for between six to seven weeks, and this included the initial contact with the potential bidders as well as the time to write and submit the bids. All the people that we consulted with commented that this was not enough time and some expressed concerns that the tight timeframe might have meant that they missed the opportunity to engage some new partners simply because they missed the window for submitting a bid.

> *I think had we had more time and the opportunity to conduct more challenges, then we could have gotten smarter at making sure we're really reaching into bits of the market that we get maximum value from our investment* (UKCES Commissioner)

UKCES senior staff commented that in hindsight they would have liked to have made the market making stage longer. However, while in the process of delivering the programme, they were focused on delivering the outputs and meeting budget deadlines. In addition, as noted in Chapter 3 above, the timing of each Productivity Challenge was largely dictated by the way that public funding is managed, which posed a considerable constraint on the UKFP team with regards to the timeframe for each Challenge. One senior staff member commented that if they were to continue, they would conduct the consultations with the stakeholders in a focus-group format (a method they used in the set-up of a sixth Challenge that did not proceed due to the withdrawal of Whitehall funding for UKCES announced in November 2015). This approach saved time and stimulated a discussion between the stakeholders, which in turn produced helpful information for refining and re-focusing the Challenge brief.

In addition, a number of the people we consulted with commented that a few of the employers and companies that were engaged in the market making stage, **would have benefitted from additional support during the writing of the application process**. Because UKCES was engaging new partners in the programme, this meant that many did not have experience of writing applications for funding. In some cases, the employers decided to drop out before writing a bid, and in others the bids that were submitted were not as good as they could have been. If they were to do this again, a number of the consultees suggested that they would extend the time allocated for the market making stage and introduce an element of support to the bidders through the writing of their application forms.

4.4   Collaborative solutions

Promoting collaborative solutions was a key feature of the UKFP and one of the main objectives of the programme. Collaborative solutions in the context of the UKFP included two key elements: collaboration between UKCES and the projects, and collaboration between the projects themselves. The collaborative feature of the programme was also referred to as the co-creation offer.

Achieving collaboration between the different employers, companies and organisations within each Challenge could have posed a significant challenge, as due to the focussed nature of some Challenges, the companies that led the different projects were also business competitors. However, the evidence from the activities of the five Productivity Challenges suggested that the **projects were collaborating together to some level, through sharing information and ideas and in some cases through joining resources** (e.g. attending each other's steering groups, testing and providing feedback on each other's products, and engaging in peer-to-peer learning activities). Furthermore, in a number of projects the activities had seen participating companies engaging in collaborative work, jointly developing products. In a few cases participating companies developed new partnerships and were discussing further joint working on different business project beyond the UKFP.

The co-creation offer required a great deal of stimuli from UKCES. The role of UKCES in promoting and supporting collaboration between projects was crucial to the success of this feature. Indeed, UKCES seemed to direct the bulk of its resources towards this. The Challenge Leads and Relationship Managers had a key role in identifying opportunities to link projects, which often the projects alone would not see, and in many cases brokered relationships between projects.

The collaboration between UKCES and the projects was established at the outset through the governance structure of the programme. Each Productivity Challenge was allocated a nominated team (of Challenge Lead and Relationship Managers) from UKCES to support the work of the projects. The relationship between the Challenge team and the projects started to be established during the market making stage and was nurtured and strengthened throughout the life of the Challenge.

> *That whole aspect of co-creation was a very key element of the project* [the UKFP]*, which was the Commission* [UKCES] *wasn't just a funder, it wasn't just a grant to organisations… it was a very important part of the process that we were going to be involved and engaged.* (Commissioner)

A key element of the co-creation offer was the Co-creation Labs. These Labs were designed as a one-day workshop where delegates from all the projects in the Challenge and members of the UKFP team came together to discuss and test solutions for tackling specific issues of interest to the sector. **The Labs provided an opportunity for the project teams and the UKFP team to come together and engage in discussions and activities focusing around specific issues relating to the projects**. They were intended to encourage the cross-fertilisation of ideas and to function as a platform for the projects to raise specific requests from UKCES, in particular with regards to the sustainability and scalability of the projects (e.g. linking projects with stakeholders in UKCES' network).

> *Inevitably when bringing people together, things will happen that you didn't have planned for. But I think that the whole idea of doing that in an informal, open, not rushed way, I think was very beneficial.* (Commissioner)

UKCES had a number of objectives for the Co-creation Labs. The primary objective was to explore learning about the topics of the Challenges, but additional objectives included to raise aspirations of the projects, awareness and understanding of the policy and wider context of the Challenge and to inform the tailored evaluation questions for each Challenge. For the projects, the main objectives were to discuss issues relating to the delivery of their projects and to learn from others about how they were addressing often similar issues, and to network with other projects. This list of objectives in a one-day workshop posed a Challenge to meet all needs and to get the balance right between the overview and the specifics of operational issues.

The feedback from participants in the Labs suggested that they were effective in bringing projects together. Project delegates enjoyed these days and appreciated the opportunity to learn about what other projects were doing, their challenges and how they addressed them. They also valued the opportunity to network with other projects and expand their business network. Furthermore, the Labs were successful in highlighting common issues that projects were facing, and thus provided a good opportunity for UKCES to learn about the topics of the Challenges from the experience of the projects. The learning from these Labs fed into the design of the evaluation 'deep-dive' activities, to further increase the learning and understanding of the issues.

However, the observations of the SQW evaluation team and feedback from participants in the different Labs (while being largely positive) suggested that in a number of cases the Labs could have been better. In many of the Labs, sessions overran, which left less time than was hoped for depth discussion to take place between the projects about the issues that were raised. In addition, in some of the sessions the choice of topics for discussion was led by UKCES and the SQW evaluation team (mostly in the second Labs, which were designed to feed into the evaluation, but also in some of the first Labs), representing the awareness raising or evaluative objectives that concerned UKCES but not necessarily the projects. In these cases, the delegates commented that they did not see the relevance of the discussion to their projects. For example, most second Labs included sessions looking at next steps for the projects, in particular scaling up and widening their effect. While for UKCES this was understandably a primary objective and a vital issue to address and understand with the projects, for the majority of the projects this discussion came too early in the process of their delivery, and they were not able to fully engage with the discussion.

This suggests that the sessions could have worked better if the selection of the topics would have been done jointly with the projects and directed by issues that concerned both the projects and UKCES, keeping in line with the feature of the model of co-creation. That said, in the early Challenges UKCES did make an effort to design the discussion sessions in the Labs with the projects. However, the response from many of the projects was that the overall input to Lab design had posed too heavy burden on them. This implies that getting the balance right between jointly designing the sessions and not over burdening the project teams is challenging to define and difficult to get right. Given that the concept of 'Co-creation' was new to all parties, and was in development as the UKFP developed, more perhaps could have been done to explain this earlier in the process.

The consultations with the various stakeholders in the programme highlighted that in order for the UKCES role to be effective, it was **important that the Challenge Leads and Relationship Managers had suitable skill-sets to fit with the topic of the Challenge** and provide the best support to the projects. In addition, it highlighted the importance of **maintaining consistency amongst the Challenge support team** to ensure that rapport can be built between UKCES and the projects and that the relationship is stable.

The activities to promote and support collaborative working were very resource intensive. Many of the UKFP team and UKCES senior staff commented that the staff time that was required to be invested in the support of the co-creation offer was far higher than was anticipated. This posed great pressure on the UKFP team, who had other commitments within UKCES to respond to.

Despite being challenging and resource intensive, it was commented by all the people we consulted with that the objective of promoting collaborative solutions had been met and that this was one of the strengths of the UKFP model. The **collaboration and co-creation was more evident between UKCES and the projects than between the projects and each other**. Through the Relationship Managers, UKCES contributed to the design and in some cases the testing activities of the projects. This was very apparent in PC5 where the Relationship Managers invested considerable time encouraging projects to think of themselves as Anchor Institution; and supporting projects to refine their ideas and learn about what might work if things were done differently, when initial approaches did not work. The collaboration between projects happened between a limited number of projects and was mostly evident in the first Challenge.

The consultations with stakeholders suggested that it was hoped that successful collaboration between projects would help the sustainability and scaling up of the solutions that had been developed. The rationale for this was that partners would disseminate their learning across their networks, and through collaboration they would increase their resources as companies in the networks of each of the partners was invited to take part. However, evidence from the five Challenges suggested that in most cases, the **projects were still focusing their efforts around the product they developed and did not look beyond the scope of the Challenge** and their partnership into the wider sector. It appeared that it was too soon for many of the projects to consider reaching to wider circles, and in order to do that they would still need support similar to that UKCES provided during the UKFP.

4.5   A strong emphasis on developing new and innovative approaches

The UKFP was a new approach to addressing issues relating to workforce development, with a strong emphasis on promoting new and innovative ideas and solutions. UKCES perceived innovation as running on a spectrum from continuous (i.e. incremental development of existing initiatives) to discontinuous (i.e. out of the box thinking, radically different solutions)[26]. It was hoped that the UKFP would produce solutions across the spectrum with a greater weight towards the discontinuous side of the spectrum, which is harder to achieve and quite rare in similar initiatives.

This objective highlighted **a key feature of the programme of an appetite for risk taking**, accepting that things may not always work, but that if they did, then much could be gained, and if not then there is much value in learning from what does not work. For this reason, the feature of the co-creation offer (referred to above) was key to the programme. UKCES was keen to explore together with the projects what new approach might work in addressing some of the persisting issues relating to skills and workforce development.

Our review of the projects in all of the five Productivity Challenges revealed that overall the solutions and products that were developed and tested, **while new to the employers and the companies who were engaged in the projects (and so innovative for them), were almost always things UKCES were aware of had been used to elsewhere**. UKCES Commissioners and senior staff commented that as the work of the projects progressed it became clear that the full ambition objective of the programme was not met, and perhaps had been too ambitious at the outset as transformative innovation is actually very rare.

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[26] UK Futures Programme – Guidance Document: Innovation. Available online:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/363955/14.10.15._UKFP_Innovation_V2.pdf

Nonetheless UKCES did not feel that this meant that the programme did not add value. The senior staff commented that because UKCES had a great deal of experience in issues relating to skills and workforce development, through their investments in other initiatives that dealt with these issues, their wealth of knowledge in this area was quite extensive. Many of the solutions that projects developed may not have been new for UKCES but they were new to the projects and employers that were engaged. In this respect, **many of the solutions that were developed and tested in the UKFP could be considered as contextual or adaptive innovation** (i.e. solutions that have been adapted and applied to a different context or issue), on the lower end of the innovation spectrum as defined by UKCES.

The feedback from the consultations suggested that UKCES senior team acknowledged that there was value for projects in having their own first-hand experience of the learning process by trying something that was new to them. The UKFP team saw benefit in learning from the experience of other sectors as they adapted solutions which had been tried elsewhere to the context of the different Challenges.

> *People need to try different things in their own situation, so I think we just need to be careful about our expectations around innovation in that respect and not expect things that are completely going to change the world or something that nobody has ever done before* (UKCES senior staff member)

When reflecting on the outputs of the projects and the extent to which they could be considered as new or innovative, UKCES senior staff commented that they may have **overestimated the level of risk that their partners in the projects** (i.e. the employers, companies and organisation who led the projects) **were willing to take**. While for UKCES this programme was set up as a small scale investment with a key focus on trying new things and learning from what works and what doesn't, for the projects this was an investment of their business in developing a solution that would address an issue or a gap.

> *Conceptually innovation can be lots and lots of things, it doesn't always have to be about invention, and I think all too often employers think that innovation is simply about invention rather than about improvement* (Commissioner)

This suggests that there was some level of tension between the objectives of UKCES and those of the projects. It might be that **the choice of employers to lead projects had hindered the objective of innovation and risk taking**. Companies were less likely to take risk with a business investment, to the level that UKCES was hoping to achieve. While the feature of the projects of being employer led was designed to ensure skills and workforce development deficiencies were addressed at the source, a number of UKCES staff commented that having employers as leads to the projects, to some extent may have restricted the level of risk taking and the extent of innovative thinking. It may be that greater innovation and risk taking may be more likely amongst other (intermediary) bodies, so long as they can take employers with them to trial and develop a solution.

The points illustrated above highlight the importance of getting the balance right between coming up with new and innovative ideas (and taking risks), and focusing on learning and finding solutions that work. This relates to the long-term goal of the UKFP and to what UKCES was aiming to achieve by this programme. If the aim of UKCES was to develop an evidence base of solutions for addressing skills gaps and workforce development issues that they could roll out and promote amongst policy makers and other relevant stakeholders, then it seems that the objective of new and innovative ideas may not be central to achieving this.

That said, the model of the UKFP (i.e. highly specified and targeted employer led Challenges), as well as the processes that were established in implementing the programme (e.g. market testing, market making and co-creation offer), was something new, and in that respect the programme was innovative. This suggests that **the key contribution of the UKFP might be in introducing a prototype of a new approach for developing and testing ideas for addressing issues**. Through the work of the Challenges, employers and companies who were engaged with projects were exposed to new techniques and there was anecdotal evidence to suggest change in mind-sets in relation to how companies might approach developing solutions in the future, including being more open to working collaboratively.

4.6 A strong learning component - testing what works

The fourth key objective of the UKFP (as listed in Chapter 1 above) was a strong learning and testing component. This objective underpinned the emphasis of the programme on risk taking and innovative thinking, as a key purpose in doing so was to gain learning. The testing and learning element of the UKFP was on two levels:

- The programme level, through internal meetings and the implementation of real-time evaluation

- The Productivity Challenge level, through testing and learning activities of the different projects.

On the programme level, UKCES was keen to test the new approach to investment that they designed with the UKFP model. Learning from the programme might influence the way that other government bodies design their initiatives in the future. As described above, UKCES commissioned a real-time evaluation of the programme with the aim of actively enabling continuous improvement of the model. Feedback from UKCES senior staff suggested that while there have been elements where learning has led to changes to the model being introduced in 'real-time' (e.g. deploying Associates in the market testing stage, adding consultations with stakeholders in the market testing stage, changing the facilitation arrangements of the Co-creation Labs), overall the evaluation of the programme did not produce a great deal of iterative learning that was acted upon during the programme.

The design of the evaluation was such that the outputs with lessons were produced at the end of each stage of each Challenge. Although the development and launch of each Challenge was staggered, the tight timeframe that was allocated between each Challenge and for each stage of the development of the Challenge, meant that the timing of the outputs from the evaluation allowed for only limited opportunities to act upon the learning and recommendations. In hindsight it **could have been more beneficial if the evaluation included planned workshops for the UKFP team**, facilitated by the SQW evaluation team. These workshops, which could have followed the Co-creation Labs design, could have brought staff from different Challenges and department in UKCES together to discuss their experience of the implementation so far, what worked well, what worked less well and how things could be improved for the next Challenge. Set up at different points in time around programme, this might have provided more timely feedback around lessons, than the schedule of more formal, written outputs that was utilised.

The Co-creation Labs debriefs, which took place after each Lab, went some way in providing iterative learning. Indeed, following these sessions, a number of changes in the design and planning of the Labs were introduced (e.g. shorter presentation time, fewer sessions, change of facilitators). However, these debriefs focused solely on learning from the Co-creation Labs. It would have been beneficial to have a platform to discuss learning on all the elements of the programme.

At the Challenge level, the UKFP team and UKCES Senior staff commented that at the beginning of the programme, and in particular during the first two Productivity Challenges, the projects did not appreciate how central the testing and learning element was to the programme. The UKFP team found that they were spending a great deal more time than they envisaged working with the projects on developing their testing and learning strategy, rather than engaging in co-creation around the development of the solutions. In later Challenges, UKCES **emphasised the prominence of the testing and learning element earlier in the process** (i.e. at the market making and bids assessment stages). They included a set of questions during the interviewing stage asking about the projects Testing and Research Plans, and introduces a new role in the Challenge Lead team – Testing and Learning Support, who worked with the projects along side of the Relationship Managers, with a specific focus on the testing and learning element.

In addition, UKCES senior staff commented that as the programme progressed they became better at shortlisting and selecting the projects to fund in each of the Challenges. The team drew out what they were hoping to learn from each of the projects and summarised these in a document. They then used a framework that was developed by UKCES, to ensure that they have **a balanced portfolio of projects that covered different approaches and aspects of the topic**, to fully answer the brief of the Challenge. Feedback from the consultations with UKCES staff suggested that these steps have helped to increase the focus on the testing and learning elements in the projects in the later Challenges.

Similar to the feature of innovative thinking, here too the role of UKCES in promoting the testing and learning element was key. The Testing and Learning Support and the Relationship Managers in each of the Challenges supported the projects in developing and implementing testing plans, and the Co-creation Labs provided an opportunity for the projects to share their own learning and learn from others. Feedback from the projects suggested that initially they did not fully comprehend the ethos of testing and learning element, and found it quite confusing. However, as they increased their engagement with UKCES staff they realised the value in this element and commented that they **benefited from sharing experiences of their project work with each other**, for example, by seeing how different solutions worked in different contexts.

That said, projects commented that the testing and learning element involved a great deal of reporting and paper work. This included each project producing a Testing and Learning Plan, as well as writing summaries of their progress of their learning and testing activities in designated sections of the Stage End Reports (of which up to five were completed during the lifetime of the project). The Testing and Learning Plans and the reports were uploaded onto a shared portal (the UKFP Extranet Site), for all project to access, but throughout the lifetime of the programme there was very little engagement of projects with this portal (e.g. by projects reviewing each other's materials or communicating with each other about their activities through the forum platform). UKCES also sought to make use of LinkedIn groups as a forum for generating discussions between projects to share their learning and experience. However, this was not successful as the projects did not engage with the platform.

Feedback from the consultations with project leads suggested that they found the task of producing written reports on their progress burdensome. For many of the projects the Testing and Learning Plans required a number of iterations before being finalised and uploaded onto the portal, and project leads had to put a great deal of effort and thought into them. However, with the low engagement of projects in the shared portal, which was one of the primary mechanism for projects to share their learning, the project felt that their efforts in this regards provided relatively little gain in terms of sharing the learning with each other.

In terms of learning what works in addressing workforce development issues, **the Productivity Challenges yielded lessons in relation to different aspects of developing solutions in addressing workforce development**. These are summarised in Chapter 5 below and in a series of Challenge reports that were produced by the evaluation team in collaboration with UKCES. The short-term nature of the investment meant that during the lifetime of the Challenges the opportunity to test the solutions that were developed on the ground was limited to the *process of development of the solutions* and engagement of partners, with less opportunity to learn about *outcomes*.

This was anticipated by UKCES. For this reason, projects were required to produce a logic chain as part of their application to indicate intended outcomes and impacts of the project, even beyond the funding period ('potential for impact' was one of the six assessment criteria in recognition of this issue. It was anticipated that if the projects continued, as a number of them indicated that they intended to do, the activities would produce more impact and learning in the long-term. This highlights the **importance of the development of an** information **gathering and communications mechanism** to ensure that any learning from further work of the projects is gathered and disseminated.

4.7 Small scale and short term investments

The format of the model of the UKFP around small scale and short term investments was in part designed to address the reduction in government funding to UKCES' activities. It was hoped that an investment around small scale and short-term projects would make good use of the funds that were available to UKCES, and would be an effective and practical way of learning what works in addressing issues relating to workforce development.

As noted above, UKCES expressed a large appetite for risk taking in developing and testing out new ideas, fully accepting that some things may not work. Commissioners and UKCES staff commented that **because the investment of public funds was of a relatively small scale, the confidence of UKCES to take risks in this investment grew**. In that respect, this feature of the model assisted in promoting the commission's objective of taking considered risks, and investing in ideas, that may have not been considered in other circumstances. These were projects that suggested an approach that had not been tried in the specific context before, and so had potential to produce learning around processes of development, implementation and engagement, independent of whether or not the solutions work in the end.

Although the UKFP involved a relatively small scale investment in funds, UKCES senior staff commented that the activities required a great deal of staff time as they were undertaking the various activities in the setting up of the Challenges, assessing and selecting projects and promoting and supporting collaboration between projects. The co-creation offer, as well as the R&D approach of the programme, required a considerable team structure to manage and support the work of the projects. **UKCES deployed a large team of staff from across different parts of UKCES[27], with a variety of skill-sets across the team** (as is consistent for an 'Innovation Lab' type approach). Each Challenge was led by a different Commissioner, who had a specific background and expertise that was related to the Challenge. In addition, members of staff were selected to lead or be a Relationship Manager in a Challenge based on their specific skill set and expertise (e.g. research, business management). This was to ensure that the specified topic was followed through with the right level of expertise to provide support and insight.

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[27] Up to 25 staff were utilised during the busiest points.

This staffing requirement posed a considerable challenge in terms of the resource that UKCES was required to put in to the programme, in particular because it required the UKFP team to engage with different departments across UKCES and gain senior support to free up staff time to work on the programme. In order to achieve this the UKFP team had to develop good internal communications between the staff across UKCES who were engaged in the programme. The UKFP team held frequent team meetings to update the staff who were engaged about the progress of the programme and any changes that were introduced to the processes at different stages. It was noted that this level of engagement of staff was not fully costed, and in that respect **staff time was an under-estimated cost of the programme**.

The projects that were engaged in the programme have equally invested a great deal of their time as well. UKCES staff commented that they were very pleased with the level of commitment that they received from the projects, which was evident in the high level of engagement and time that project teams had put into the development and implementation of their solutions. In a number of cases, the participating companies in the projects (and not just the leads and project teams) invested a great deal of their time through their engagement with the projects, demonstrating a high level of commitment to the development of the solutions that were suggested in the projects.

The UKFP has been effective in achieving a high level of engagement from a relatively small investment, and in that respect exceeded the expectations that UKCES senior staff and Commissioners had from the programme.

> *The programme made a relatively small budget go a long way. A good investment.* (Commissioner)

4.8 Balance between public and private expenditure, and between cash and in-kind

Linked to the programme feature of small-scale and short-term investments, was a consideration of striking a good balance between private and public expenditure, as well as between cash and in-kind contributions of projects. One of the key objectives of the UKFP was to support the development of collaborative approaches to workforce development issues. Promoting this objective required of employers to have a leading role and high level engagement in the development of the solutions. UKCES senior staff commented that although the financial investment in the programme was not a key concern for UKCES, they saw financial investment from the partners in the project as a means to ensure their commitment to the project. A review of the overall financial investment of funds in the programme **showed that the investment from the projects almost matched the investment put in by UKCES** (around £4.4m investment from UKCES and £3.7m investment from projects via cash and in-kind contributions). This implies that the UKFP was successful in attracting good level of private funds from partners.

The contribution from the projects included both cash and in-kind contributions (converted into monetary value in the calculation of the projects' contribution). When looking into the breakdown of the contribution from the projects, the financial contribution was smaller, and the bulk of their investment was in in-kind (mainly time of staff) contributions. The people who were engaged with the projects invested a great deal of time. It demonstrated the high level of commitment from the companies and organisations who were engaged in the projects. Based on lessons from their previous investments (EIF and GIF), UKCES senior staff emphasised that **this in-kind contribution was of far greater value to the programme** than a cash contribution as it showed good levels of engagement and so provided scope for learning, in line with the programme objectives.

It was hoped that this commitment from companies would help to ensure the sustainability of the solutions that were developed, as the companies take ownership of and responsibility for these. However, the evidence from the different projects suggests that at this stage, the projects were still focused on securing means to continue the development of the solutions within their own environment (e.g. company or partnership), and not really looking beyond, into wider circles in their respective sectors or industries. It is worth noting that many of the projects were led by companies and other firms and organisations were engaged as participants. Feedback from the projects suggested that **the primary interest of the companies to engage and continue any work (either as leads or as participants) was the benefits in profitability to their own business, rather than investing in driving a change in the wider sector**.

Another constraint that the private investment had posed on the objectives of the programme was related to the level of risks that the projects were willing to take. As noted above, having the projects being led by employers, who invested funds and time into the development and implementation of the projects, may have limited the level of risk that they were willing to take. **While UKCES were willing to accept that some solutions may not work, this was not the mind-set that employers and companies were ready to adopt**. For the employer or company, this was an investment of their business, that they would find difficult to justify should it fail.

5 Learning from the Productivity Challenges: What works in relation to policy and practice

Key Learning

- Identifying the right problem is an important first step in developing solutions and making the case for change with businesses

- Solutions need to be high quality and tailored to address the specific problem identified. These conditions apply, both for engaging end-users and employers, and in delivering solutions

- Utilising existing networks and relationships is a more efficient and effective means of engaging employers and wider stakeholders than 'cold' approaches

- Intermediaries and sector bodies can facilitate access to networks. Their non-commercial status can be useful for engaging employers as they are viewed as independent, non-competitive and operating on behalf of the sector or for social good

- Small firms face significant information and resource barriers to engagement. For practical reasons, sector initiatives also tended to be geographically focussed

- It is important to take a personalised and open approach to engaging employers and wider stakeholders. This usually requires face-to-face conversations, which is resource-intensive but essential to securing and maintaining engagement, and tailored messaging

- It is easier to engage employers and stakeholders, especially those with whom there is little previous relationship, with a product or solution that is tangible (e.g. a demo or prototype), rather than an idea

- Employers are often not sure of their needs or the benefits to be gained from training. Therefore, they are more likely to engage if the initial offer is at low or no cost to employers, to enable them to participate with minimal risk or commitment

- Testing and learning is an important part of developing solutions, allowing end-users to identify elements that do not work, as well as highlighting gaps that need to be addressed

- Senior teams within employer organisations need to be engaged to ensure organisational buy-in and commitment to change, middle managers need to be on board for effective implementation and all relevant departments and individuals (including 'change agents') need to be identified and engaged

- Managers within organisations are critical in driving change and collaboration. They are able to put learning into action and cascade knowledge to other staff

- Effective promotion of collaboration requires sustained support from funders or other third party organisations to set up networking sessions, identify and highlight opportunities and provide introductions

- Securing sustainability and scalability of solutions requires a lead person or organisation to drive this and engage stakeholders across the wider industry

- The value of high profile employers and well-connected intermediaries in supporting projects and solutions to be sustainable was highlighted across all five Challenges.

5.1   Learning from the Productivity Challenges

This chapter reports on the learning from the UKFP five Productivity Challenges in relation to what works for policy and practice. It is based on the five Productivity Challenge reports, which are available at the following links:

- Productivity Challenge 1:   Offsite Construction

- Productivity Challenge 2: Management and Leadership in Supply Chains and Networked Organisations

- Productivity Challenge 3: Pay and Progression Pathways in Hospitality and Retail

- Productivity Challenge 4:   Skills for Innovation in Manufacturing

- Productivity Challenge 5: Developing Leadership and Entrepreneurship Skills in Small Firms

In addition, the following case studies and thematic reports were developed:

- Case Study: Jaguar Land Rover

- Case Study Report: Offsite Hub (Scotland)

- Case Study Report: Offsite Management School

- Case Study Report: Robert Woodhead Good to Gold

- Case Study Report: Supply Chain Sustainability School

- Thematic Report: Employer Leadership and Collaboration to Address Workforce Development Challenges

- Thematic Report: The Strategic Role and Influence of Supply Chains in Workforce Development

A bespoke set of research questions was developed for each of the five Challenges, tailored to the specific issues that they were seeking to address. The evaluation was designed to gather evidence to report against these research questions within each of the Challenge reports. This chapter brings together the learning from across all five Productivity Challenges, with a particular focus on identifying common lessons that demonstrate what works and what does not work in different circumstances. It is structured around the following themes that were common across all five Challenges:

- Distance travelled - enhancing skills / capabilities

- Engaging employers and end users

- Engaging wider stakeholders

- Promoting collaboration

- Stimulating innovation

- Sustainability and scalability.

5.2 Distance travelled – enhancing skills/capabilities

5.2.1 What works?

This section considers evidence from the UKFP in relation to what works well to enhance skills and capabilities within sectors and businesses. The headline messages are summarised in the table below, with a detailed breakdown of these messages set out in the text that follows.

What works?	How / why does this work?
Engaging industry in discussions about what the skills gaps related issues are	This is essential for tailoring provision to meet business needs and getting them to think about the importance of skills
Developing tangible tools and solutions, demonstrating to industry what good looks like	This enables business to understand what good practice looks like in action, rather than just being told the theory. Businesses gain significant value from approaches where they work with other businesses on practical solutions, through approaches like peer learning and mentoring
Baseline existing capabilities, to evidence gaps in knowledge / skills	This helps to communicate the need to upskill to businesses and identifies which skills need attention. Baselining can be effective both on an individual business level or across a sector
Targeting the right senior managers and leaders	These employees are able to put learning into practice, through implementing action plans to support change. They are also able to cascade learning to junior managers to widen the reach of solutions

Testing new ideas and learning from mistakes	There are benefits in being open to try new ideas when it is not clear whether they will work and accepting that while some things may produce large gains, this cannot always be known in advance
Use of training methods that are tailored to the needs of end-users	There are a wide range of training methods available, and different employee roles require a different mixture of methods. Identifying the correct methods is crucial for delivering the most effective training
Focussing on practical learning	Employers were seeking support around very particular issues. They therefore wanted interventions which addressed these issues, and did so directly to minimise the time that they had to engage
Developing relationships between companies around finding solutions to issues relating to skills	There are many ways that companies can learn from each other and develop joint solutions to issues around skills. This can take the form of peer-to-peer learning, or the delivery of joint projects
High quality sessions tailored to need	Employers are attracted by sessions that are targeted to meet their specific issues, and that clearly add value beyond generic training provision

Across the Productivity Challenges, it was clear that **the engagement of end-users (employers and employees) played a significant role in developing products and solutions** to issues. For instance, in PC1, projects found that engaging end-users helped to identify where the gaps in skills were, what end users needed to address these gaps, and to test and refine possible solutions as they were being developed. Projects in PC2 found that engaging employers in discussions helped to develop effective training, and to assemble a database of end-users who could be contacted once solutions had been developed.

The programme also provided insights into the types of skills solutions that were useful to businesses. When approaching skills developments, businesses need to be given **tangible tools and solutions** to their issues, which can be seen in action. Offering training or management tools that are too academic will fail to have a significant impact on end-users and employers, and practical learning needs to be provided to complement theory based training. In both PC2 and PC4, projects used credible employers to host training, simulation exercises and provide one-to-one support, so that attendees could experience what "good" looks like in the workplace.

Practical, tangible solutions could take other useful forms. PC4 and PC5 used peer-to-peer learning to help training participants to develop solutions to their issues. Working with other businesses who had similar issues and looked at them from a practical perspective was found to be another effective way of moving beyond academic learning to create effective solutions. Other projects in these Challenges used a mentoring approach to work with projects to help guide them through innovation management, and to provide them with the tools they required to develop their own solutions.

Baselining existing capabilities of businesses and sectors was another important tool for projects across the programme, for highlighting skills gaps, identifying demand for specific skills, and to track progress and measure or demonstrate change. In PC3, projects gathered data on businesses to provide a baseline for future progress and to highlight issues. The process of auditing skills helped to strengthen the engagement of participants, by illustrating that there were skills issues in the businesses. Projects in PC4 also used baselining with training participants, which helped to illustrate their distance travelled, when baseline questionnaires were repeated at the end of the training.

Selecting the right people to engage in an organisation was shown to be a crucial factor in driving forward change, and in improving skills in businesses. **Suitably senior managers need to be engaged** in order to implement solutions and to extend the reach of those solutions by cascading learning to other managers. PC2 focused on leadership and management skills, and highlighted the need to engage suitably senior managers who would be able to put management training to effective use in their organisations. Learning from PC3, also showed that engagement from senior leadership helped to provide the strategic drive and authority for skills improvement, and that without senior buy-in, it was difficult for middle managers to make progress. However, projects in PC4 demonstrated that it was important to select managers with the right mixture of strategic and operational focus that allowed them to implement change at the right levels. Overall, selecting the right people can be a complex task, but it has proved an important one to get right if a solution is to succeed.

Innovation is one of the key themes of the Programme, and innovative solutions to issues are generally found through testing and learning. Projects across the Productivity Challenges have highlighted the **benefits of being open to trying new ideas**, even those that come with associated risks. In PC5, projects found that building testing and learning into their programmes to assist businesses helped to give them the flexibility to adapt their products to end-users throughout delivery. In this instance, testing and learning helped projects to continue to refine and develop their solutions to meet the needs of businesses.

The programme also provided some lessons on the types of training programme that work. It became clear from the wide range of projects, and the types of training that they delivered, that there is no one effective model for skills training. **Different job roles require different approaches**. In PC3, projects working with hospitality staff found that hands-on training delivered in the workplace often works as the core of a training programme, supplemented by some classroom training. However, in PC4 and PC5, a large amount of training was delivered in classrooms, through workshops and presentations, as the focus was on management, rather than practical tasks.

Some projects worked with apps, or internet content, which was helpful for organisations where staff are geographically dispersed, or have no access to PCs or laptops. However, in other situations, for example customer service training, online training proved less effective than face-to-face instruction. Often the best way to understand what works with training methods was to test a prototype with end-users and study their responses.

Across the Challenges, **employers were looking for highly specific support** to address their particular issues. As a result, they wanted support that addressed their problems directly, and required minimal time investment. On PC4, several participants on innovation management training programmes were from small, high-tech, start-ups and found the training to be an exact match to the issues that they faced. However, other participants from larger, more established businesses found it far less helpful, as they faced completely different challenges when managing innovation. In PC3, projects developed toolkits and training materials that addressed highly specific issues of progression, job design, and pay scales in hospitality and retail, in some cases offering them only to businesses within their local area. The fact that these solutions were targeted to the businesses' needs made them easily accessible and relatively simple to put into practice.

Many of the projects on the programme involved **building relationships between different organisations**, both in partners delivering the project activities, and through businesses participating in training programmes forming mutually beneficial partnerships. In PC1, several projects involved construction companies collaborating with other businesses, higher education partners and sector organisations, to develop solutions to skills issues and to share good practice. Even competitors within sectors found that they could learn from each-other in ways that helped to improve their individual businesses, and ultimately helped the sector. PC4 involved several training programmes, which made use of peer-to-peer learning, where participants in training programmes were encouraged to build strong relationships and work together, sharing knowledge and offering advice on each other's issues.

Across all the productivity Challenges, projects highlighted the need to **offer high quality solutions** to employer skills needs, which were tailored to a specific target audience. Projects in PC2 raised this as an important lesson from their work, particularly the need to ensure that training is appropriate for its intended audience and different from other generic types of training (in this case management and leadership training). Training that met these standards was well received by end-users, who found it easier to identify with the issues it raised and to apply its solutions to their workplace.

5.2.2 What does not work?

What did not work?	Why not?
Enhancing skills in the wider sector, reach beyond the engaged companies	It is difficult to engage businesses or other stakeholders beyond those that are already known to project leads or have existing relationships with partners. Creating new linkages remains time consuming and challenging
Short lifetime of the projects	Projects that seek to have a significant impact on skills within a business or the wider sector require time to develop, select the right partners and embed changes. Without enough time, impacts tend to be limited

Several projects across the programme found it **difficult to extend the impact** of their activities beyond their stakeholders, and engage with the wider sector. Whilst not all projects attempted to engage with their wider sector in the period studied, several did. In PC2, which focussed on improving leadership and management within supply chains, projects found some difficulty in converting initial interest from supply chain businesses into engagement with their solutions. This was due to issues with timing and the fit with short term business priorities.

In PC3, some organisations that led projects had difficulties with developing and maintaining engagement with partners who they had not worked with before. These difficulties limited the scope of some projects, and their ability to link with the wider sector. It is also worth noting that the wider engagement activities generally took place towards the end of projects, meaning that their full impact may not become evident until after the end of the programme.

However, some projects that attempted wider engagement actually had some success. Some projects from PC1 in particular were able to generate significant interest in their solutions, both during the Challenge and after completing their funded work. Those that were successful were led by a sector organisation, rather than an employer, and needed to engage more businesses to bring in income. As a result, these projects had a real incentive to continue engagement. In comparison, projects led by employers or universities had less incentive or capacity to deliver engagement activities.

The relatively short delivery time available to projects was another issue that may have limited their measurable impact in the time of the programme, hence applications were assessed on the basis of their 'potential for impact' and the strength of their logic chain. It took time for skills to be embedded in organisations and in sectors, especially with projects looking to develop cultural changes. Projects in PC3 focussed on embedding high performance working practices in businesses, and in opening up progression pathways for employees. Due to time available for delivery, several of these initiatives were only just beginning to implement solutions / show results when the programme ended. As a result, whilst there were likely to be benefits in the future, the evaluation was unable to capture them.

The cases of PC3 and PC4 highlight two further issues with the short timescale of the programme. Firstly, projects were unable to deliver as much of their chosen activities as they would have liked, which limited their impact on end-users, and their sector as a whole. Secondly, the evaluation was unable to pick up the longer term impacts of the programme, meaning that there are likely to be future benefits from project activities that will not be captured. However, it is worth noting that PC5 proved to be an exception to this trend, with projects indicating that a sense of momentum and pace from the tight deadlines actually helped to drive attendance at training sessions.

5.3　Engaging employers and employees

The engagement of employers and employees in the design, development and implementation of solutions was a key feature of all five Productivity Challenges. A particular focus for UKFP projects was on engaging hardest to reach businesses, including SMEs, to ensure that they did not duplicate existing initiatives and added value to the existing landscape of support for skills development. This section summarises the key messages in relation to what works and does not work, both for securing initial engagement with employers and end users and for maintaining engagement.

5.3.1　What works for securing initial engagement?

What works for securing initial engagement?	Why / how does this work?
Utilising existing networks and relationships	It takes time to build trusting relationships and it is therefore more effective (and quicker) to make initial connections based on existing associations rather than 'cold' approaches
Use of intermediaries as facilitators and brokers of relationships	They have access to existing networks and are often viewed as independent, non-competitive and genuinely motivated to improve the performance of the sector and / or workforce

Building trust and credibility through conversations, often face to face, tailored messaging and the use of appropriate language	A personalised approach, based on an understanding of employers' individual issues and concerns, is an effective means to develop rapport and secure engagement – particularly for SMEs and those working in non-desk based industries
Having a tangible product or solution to discuss and / or demonstrate	It is easier to engage employers and end users with a product or solution that is tangible (not just an idea)
Demonstrate potential commercial benefit from engagement	Through evidence of return on investment, case studies and testimonials from those that have benefited and the offer of an opportunity to meet potential buyers and sector leaders / mentors
Involvement of high profile and highly regarded employers	Attracts the interest of supply chain companies, who see the potential of a closer relationship with a prime as an incentive for engagement. This opportunity needs to be explicitly communicated and capitalised on, for example through 'meet the buyer' events
Low / no cost for initial engagement	This ensures that cost does not become a barrier to participation and enables employers to try solutions before committing a lot financially

The effectiveness of **utilising existing networks and relationships** for engaging employers came through particularly strongly in PC1. This was reported as being useful for getting projects off the ground quickly, with **the role of sector bodies** in facilitating access to employer networks highlighted as being particularly useful. However, projects' engagement outside of their existing networks and in the wider sector was limited. This was in part due to **time constraints**, and in part because projects did not see collaboration outside their networks as a priority while they were still developing their products, and when they tried they often found it difficult. Of those that tried, a key challenge identified was in **finding the right person** to speak to and in some cases having to develop relationships with multiple people, both of which took time. However, the need to widen the network was identified as **essential when taking solutions to market**, and in several cases was planned to happen either towards the end or after completion of the Challenge.

Similarly, almost all projects in PC2 **drew on existing networks** to engage employers via supply chains (in Manufacturing and Construction) or networked organisations (in the legal sector). This was reported to have helped projects start from an advanced position, saving time in the early stages. Most of these also had a strong geographical concentration, which helped engage busy and resource-poor small firms. The Anchor Institutions (AIs) involved in PC5 also drew on **local and alumni networks** to secure engagement with employers and end users, with their profile and credibility cited as a key asset. They were also able to draw on their own assets and local contacts to secure special venues, such as landmark buildings, to host project events and activities, which was an added attraction.

The **non-commercial status of some intermediaries and social enterprises** was highlighted as useful to engaging employers in PC2, PC3 and PC5. They were viewed as independent, non-competitive and operating on behalf of the sector (rather than individual interest) or for social good. However, a lesson from PC3 was that the effectiveness of intermediaries in managing and delivering projects can be variable. A key success factor appears to be the **skills, competencies and proactivity of project managers** within intermediary organisations.

For PC5, the **profile, contacts and expertise of AIs** was found to be effective in engaging SMEs. However, this profile could also act as a barrier if they are seen as overly academic or focussed on large firms, and so the messages needs to be tailored. A further advantage of AIs as intermediaries was that they have the ability to engage and influence strategic partners, such as Local Enterprise Partnership (LEPs).

The importance of taking a **personalised and open approach** to engaging employers and end users came through strongly across all five Challenges. Projects involved in PC1 found that one-to-one conversations helped build rapport and ensure that end-users felt listened to and had the opportunity to ask questions. Similarly, a key message from PC3 was that retail and hospitality employers were very much 'people businesses' and so the **best form of engagement and communication was face-to-face**. As with PC1, the important of taking the time to understand their individual issues and motivations and to tailor the messages accordingly was highlighted. For example, one project developed three different sets of slide packs for introducing the project, each tailored to different types of employers.

PC5 focussed on engaging SMEs and the messages were similar – they needed to feel confident that the programme, and those delivering it, would meet their needs. To this end, it needed to be communicated **clearly and in plain English**, avoiding the use of complex language and acronyms. This usually required **face-to-face conversations**, which was resource intensive, but essential to securing and maintaining engagement. As one SME engaged with PC5 noted:

> *Because you came round and asked, you appeared credible and we trust the organisation; We did not read any literature.*

This is similar to feedback from employers involved in PC3, who said that they had received multiple emails and literature on the project, but **did not engage until they received a site visit from the project manager**, who explained it to them in person. This seems to be a particular issue for small and micro-firms (or local branches of national firms) in **non-desk based industries**, such as construction, retail and hospitality, and **small businesses** who are not used to 'buying' training – a key target group for UKFP projects. The informal approach to management and operations taken by many small firms means that they **don't engage well with lengthy written materials**.

In initiating conversations with employers and end-users, a lesson from PC1 was that **having something tangible** (e.g. a demo or prototype) made it easier to explain the product or solution being developed and to secure engagement. Similarly, having a product or solution that was **already part or fully developed** was found to be key to engaging large employers in PC2, who showed a preference for **'seeing' the solution** before buying into a project.

The involvement of **high profile and highly regarded employers** was found to attract the interest of supply chain companies in PC2, who saw the potential of a closer relationship with a prime[28] as a key incentive for engagement and participation. This opportunity needs to be explicitly communicated and capitalised on, for example through 'meet the buyer' events as a method for engagement. As one PC2 organisation commented:

> *The pulling power of the Primes got people* [supply chain businesses] *to attend the events… just a room would not be enough, the events would have to offer a benefit to make sure people* [supply chain businesses] *would turn up.*

For PC3, evidence of **potential return on investment in financial terms** was found to help address misperceptions amongst retail and hospitality businesses that taking action to address poor pay and progression represents a 'cost' rather than an 'investment'. Case studies and testimonials were also identified as a powerful means of engaging employers and demonstrating the potential benefits and returns.

A further lesson from PC2, PC3 and PC5 was the importance of ensuring that cost does not become a barrier to participation by having **low / no cost for initial engagement**. Similarly, employers involved in these Challenges were more likely to sign up to **short courses**, or longer courses spread over a number of months, rather than time-intensive programmes delivered over a short period of time. Having low / no cost for initial engagement enables employers to get involved with **minimal risk or commitment on their part**, which was found to be key for getting them on board. Moreover, once they begin, they often found that they had wider needs than they expected, and so wanted more development/ support. It was also found to mitigate the need for local branches of national / international firms to seek approval for participation from head office, which takes time and is less likely to be successful in the absence of evidence of potential benefits. Having an 'entry-level' offer provides an opportunity for employers to build the business case for themselves to proceed to the next level of engagement, which could involve a higher cost and / or time commitment.

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[28] A prime is a business that sits at the head of a supply chain.

5.3.2 What works for maintaining engagement?

What works for maintaining engagement?	Why / how does this work?
Taking a whole-organisation approach, engaging at all levels and across all relevant departments	Senior teams need to be engaged to ensure organisational buy-in, middle managers need to be on board for effective implementation and all relevant departments and individuals (including 'change agents') need to be identified and engaged
Creating opportunities to develop a group dynamic	Workshops and group sessions are an effective tool for bringing together employer teams and groups of different employers to discuss and agree on the issues, and to develop, test and refine solutions. The connections and 'bonding' that occurs during these sessions helps foster commitment to maintaining engagement
Having a well organised and scheduled programme of engagement	The likelihood of engagement and participation is maximised if interventions are timed appropriately, for example to avoid peak times in employer calendars, scheduled well in advance and well organised
Involving high profile sector leaders	The presence of primes can motivate supply chain companies to attend meetings and events as they are an important source of industry contracts. More generally, the presence of larger, aspirational firms, or events held in business premises, can also encourage attendance

The scale and nature of change that the Productivity Challenges were seeking to achieve within employer organisations requires **long term commitment and engagement**. A key finding from PC3 was the importance of securing senior level engagement and buy-in to this from all relevant departments, which usually includes HR, finance and operations teams. Similarly, PC4 found that **innovation cannot happen in isolation** and that the introduction or enhancement of innovation management involved the engagement of individuals at all levels and across all departments. PC4 also identified **senior level buy-in** as a key enabler for change.

The importance of **engaging middle management** at as early a stage as possible and throughout was also highlighted in PC3, given that responsibility for successful implementation will ultimately sit with them. Similarly, middle management was identified as the tier **most likely to champion innovation** in PC4 as they are in the right grade to communicate change to senior management and get their buy-in, and also well placed to convey the message of change to the workforce.

PC4 also highlighted the role of **'change agents'**. That is, key individuals within a business who are able to drive change. They should be in a position that enables them to secure buy-in from all internal stakeholders, connect different divisions, departments and units, and bring together individuals at different grades to develop processes.

The value of **enabling the development of a group dynamic**, for example through facilitated workshops and group sessions, both within and between employers, was highlighted as useful for maintaining engagement. The connections and 'bonding' that occurs during these sessions creates an incentive for ongoing participation. Workshops were identified through PC3 as an **effective way of engaging employers and staff in the development of solutions**, particularly when combined with insights from research with employees on issues such as job satisfaction. Bringing groups of employers together to discuss common issues and challenges was also found to **foster solidarity and a willingness to share best practice**.

One of the projects in PC4 ran a series of **intensive workshops** with staff at different levels within a manufacturing firm in order to develop and refine the project concept and solution. This helped **secure engagement and ownership**, as well as insight into potential issues with implementation. It also provided fora for staff to discuss any issues or concerns that they had with the changes.

A **high quality offering that was planned well in advance of the delivery date** was found to help maintain the engagement of SMEs in PC2, PC3 and PC5. Success factors included the importance of clear communication on the content of sessions, logistical considerations such as parking and catering, email and telephone reminders in the run up to scheduled events and partnering. There was also evidence from PC2 of supply-chain companies being motivated to attend events due to the presence of primes, who are an important source of industry contracts. More generally, the presence of larger, aspirational firms or trips to business premises also tended to encourage people to attend.

5.3.3   What does not work on initial and maintaining engagement?

What does not work?	Why not?
Trying to secure engagement within short timescales	For large employers, financial and investment decisions are often taken at Head Office / Board level and this process takes time. For SMEs (particularly those in seasonal industries), time availability can be a major barrier to engagement
Impersonal approaches to marketing and promotion, for example via email, surveys, social media or leaflets	This type of blanket approach to engagement can feel quite remote and is easy for busy employers to ignore, particularly those in non-desk based industries with limited access to IT facilities
Reference to academic theories	Too much emphasis on academic theories, both at the stage of initial engagement and during ongoing contact, can disengage businesses as they struggle to see the relevance to their day-to-day operations

The challenge of **trying to secure engagement with employers within short timescales** was highlighted by PC2, PC3 and PC5. Some intermediaries leading projects involved in PC2 aimed to engage primes, typically national or multi-national firms. Whilst they were generally successful at engaging local managers, the decision about involvement often had to be signed off by someone else more senior and sometimes based outside the UK. This process could take a long time – often beyond the Challenge period. Similarly, whilst some projects in PC3 were generally successful in engaging local branches of national retail and hospitality businesses within the timeframes, they were less successful at head office / board level where key investment decisions were made.

A further learning from PC2 and PC3 was that it was **not possible to fully engage businesses (particularly SMEs) during busy periods.** In PC3, it was the pre- and post-Christmas period for retailers and the summer months for hospitality businesses. Times like these are best avoided as employers simply don't have time to commit and attempts to force this can be counter-productive.

The limitations of **impersonal approaches to marketing and promotion**, such as surveys, emails, social media and leaflets, were highlighted in all five Challenges. For PC1, which targeted employers in the construction industry, email and e-surveys were found to be too remote and easy for end-users to ignore. The challenge for PC3 was that most jobs in the retail and hospitality industry don't tend to be desk-based, even at the owner-manager level, and so employers can often be unresponsive to written communications such as emails. Access to IT can also be an issue in these industries. Similarly, the SMEs targeted by projects through PC5 did not respond to cold calling and flyers. They also did not respond well to promotional materials that were too academic or theory-based as they could not see the relevance to their day-to-day operations.

5.4   Engaging wider stakeholders

5.4.1 What works?

What works?	Why / how does this work?
Working through established networks and partnerships	This is an efficient and effective means of engaging groups of stakeholders who have existing relationships, ideally based around issues of relevance to the solution being developed and promoted
Tailored / nuanced approach to stakeholder communications and engagement	Messages should be tailored to each stakeholder / stakeholder group based on their specific remit and interest, with resources targeted at those identified as most influential
Developing versions of products for use by different stakeholders	This ensures the suitability and relevance of the product to different audiences

Sharing success stories	The messages conveyed to stakeholders should demonstrate what successful outcomes look like, again these should be tailored to their remit and interests to illustrate potential impact
Endorsements from high profile companies	High profile / highly regarded companies can be very influential with wider stakeholders and partners, helping to secure engagement and participation

The lessons about what works for engaging wider stakeholders were very similar to those for engaging employers. Learning from PC1 highlighted the need to **develop alternate versions of products for use by different stakeholders**, recognising that they have distinct requirements and drivers for participation. In one project, training modules were designed to target skills gaps in the specific context of an employer, whilst the module developed for universities included more generic content. In another example, a university partner received a condensed version of the product, as the functions required for business purposes were not necessary for education purposes.

The findings from PC4 suggest that an effective way to convince stakeholders that innovation management is worth pursuing is by **sharing success stories** and showcasing the positive outcomes of the process. Related to this, an **open door policy** in communications with external stakeholders can also help secure engagement. Some projects hosted events for stakeholders where project participants provided a first-hand account of their insights and learning from the experience.

There were examples of Anchor Institutions (AIs) involved in PC5 using their projects to **influence wider stakeholders within their respective regions**. This tended to happen through them inviting stakeholders, such as LEPs or Government agencies, to sit on project steering groups. This gave them access to the learning from projects, which directly influencing the coverage and focus of local strategies. One project lead commented that:

> *Their strategy will include a specific reference to micro-businesses, and that is down to this project. They* [the agency] *recognised that they had a gap in their thinking.*

5.4.2 What does not work?

What does not work?	Why not?
Trying to engage a large number of stakeholders in a short period of time	As with employers, it takes time to develop meaningful relationships with wider stakeholders and partners, and longer to secure commitment to collaboration and joint working
Social media	This was found to be an ineffective platform for companies to engage with each other, or with wider stakeholders and partners, on the development of skills solutions

As with employers, **it takes time to develop meaningful relationships with wider stakeholders and partners**, and longer to secure commitment to collaboration and joint working. The projects involved in PC1 found that there was not sufficient time during the lifetime of the Challenge to broaden their networks significantly, and this was a common theme across the other Challenges. The issue of **getting the timing right** for this engagement was also highlighted in PC1. The correct timing was dependent on the nature of the input that projects were looking for. For example, if they required feedback on the product, then engagement had to come after a prototype was available; if they required buy-in to the idea and co-investment, then a later engagement worked better for those not engaged from the start (when projects could provide case studies or feedback from users to demonstrate potential benefits).

The challenge of engaging high profile stakeholders in the manufacturing industry was highlighted by projects involved in PC4. The key issue was that, whilst they had high levels of **influence** in the sector, they had relatively low levels of **interest** in the issue of enhancing skills for innovation management, which will take time to overcome. This was also raised as a potential challenge in discussions with project leads involved in PC3.

A number of projects in PC4 trialled the use of **social media platforms** such as LinkedIn and other online sectoral or interest groups to promote a discussion around innovation in the workplace. However, this was found to be an ineffective tool for engaging stakeholders in this type of discussion, with feedback suggesting that they either did not have time to engage or were not accustomed to using social media in this way.

5.5 Promoting collaboration

5.5.1 What works?

What works?	Why / how does this work?
Organisations collaborated to deliver projects	A range of different organisations came together as partners to deliver projects, including businesses, sector organisations, academics and third sector organisations. Several had not previously worked together. Relationships were built through the applications process, through the administrative requirements of funding programmes and through delivery of activities
In some cases, competitor businesses collaborated on shared skills problems	Competitors are able to co-operate when the necessary relationships are developed and the shared project is mutually beneficial. This can be facilitated by either a third partner to broker the relationship or a shared set of priorities, often based around a sectoral cluster in a particular location

Projects collaborated with each other	Projects with similar aims were able to collaborate through sharing learning, sharing resources, and assisting each other on project delivery. This was generally developed through the Co-creation Labs, or through suggestions from Relationship Managers
Projects expected to continue to collaborate	Where collaboration was fruitful, organisations have formed longer term partnerships, which has the potential to work beyond the programme. This is true of collaborations between organisations delivering a single project, and cross-project collaborations. Contacts built up during the programme will continue to be useful in the future. This was generally facilitated by UKCES or other organisations setting up networking sessions and encouraging employers and other partners to meet and discuss shared issues

The programme brought together a range of different organisations into new partnerships to deliver projects. The most common type of collaboration evidenced across the programme was between stakeholders within a project. This usually involved industry partners (primes, other employers, membership business organisations) and knowledge partners (universities, skills experts) coming together towards a common goal. Different projects had different numbers of stakeholders involved, and different levels of partnerships and collaboration. In most cases projects had a day-to-day management group constructed of a small number of employers and / or knowledge partners who were leading on the development and delivery of the project. This was often referred to as the 'core group'.

In the first instance, the existence of the Challenges, and the need to develop applications brought organisations together to collaborate. In many cases, collaborators already had some sort of relationship, which was strengthened by working together on the programme. In others, organisations found suitable partners in order to meet the requirements of Challenge Briefs. The application process required organisations to consider their common issues, which helped to build their relationships. Once on the programme, organisations continued to develop their relationships and build trust, both through delivery of their activities and through interactions with UKCES.

In PC1, projects brought together a range of stakeholders through their steering groups, which came together to define the terms of the projects and agree on the key issues that needed to be addressed. In PC3, some projects identified local businesses with similar issues to collaborate with, and deepened their relationship through visits to each other's sites. The local connection between the businesses, in an area with a tight knit community, helped to develop these relationships. In PC4, university departments identified employers who had strategic relationships with the university as a whole, and used this existing linkage to form a stronger partnership around delivering a project on the programme.

Organisations also collaborated across projects, as a result of networking through the Programme. PC1 saw different types of collaboration between projects. In a few projects, stakeholders from one project became members of the steering group of another. Others shared their progress and received / provided feedback to each other. Stakeholders also tested each other's products. Consultations indicated that the dialogue with UKCES and the other projects at Co-Creation Labs played a key role in promoting the collaboration between the projects. UKCES Relationship Managers also recommended that particular projects contact each other, using their expertise and knowledge of the projects to identify potential collaboration.

The programme also managed to bring together companies that normally compete to work on collaborative projects, providing mutual benefits. In PC1, construction companies worked together on a training project, visiting each other's facilities and sharing good practice. This was facilitated by a third, higher education, partner which helped to develop the relationship between the two and assuage any issues around competition. For these projects, trust was built over a number of meetings, brokered by the third partner, and in some cases agreements on information sharing were signed. Higher education partners also used existing evidence on the benefits of collaboration as tool to sell partnerships to competitors.

Several of the projects in PC3 involved businesses in the retail and hospitality industry also working together, but under different circumstances. These projects were based in a specific location, with local businesses working together on shared issues. Not only did these projects involve competitors working together to deliver projects, but they also engaged with other businesses in the sector in order to improve business practices, setting up workshops and other sessions to share good practice.

The co-operation in these PC3 projects was led by individuals within the key employers delivering the project, who had developed a wider strategic vision about the future of the sector in their local area, and the benefits of co-operation on skills to all the local companies in the industry. Their vision was based on the specific needs of the sector in a particular location, which were well understood by local businesses, and formed a good foundation for co-operative work. The fact that these individuals were situated in businesses rather than in networking or sectoral organisation was unusual, but proved effective, as they were able to make the case for beneficial co-operation from a commercial perspective, rather than as an outsider.

The programme was also able to inspire longer term collaborations between organisations, that are likely to continue after it has finished. Participants in training programmes delivered by PC4 projects were able to develop lasting relationships with each other, and indicated that they would work together in the future. Collaboration took a number of forms, including SMEs connecting with academics to provide technical expertise, or prime contractors developing their supply chain through creating links to smaller businesses. The programme did not just build linkages between participants, but also set up opportunities for further networking and linkages with large local businesses, helping to connect local clusters in the manufacturing sector. PC1 created lasting partnerships between organisations working on skills in offsite construction, which agreed to continue to share content distribution platforms, and help to disseminate each other's training materials.

Links were built around shared objectives, aspirations or needs, generally developed at a session where projects were able to network and discuss their work. At Co-creation labs across the programme, projects indicated that the most helpful sessions were those where projects presented their work and discussed it with other participants. These discussions highlighted areas for potential collaboration and helped to initiate relationships, which continued to develop over the rest of the activities during the day.

In addition, on PC1, UKCES facilitated some extra sessions or meetings outside of the labs, where projects had indicated their interest in learning more about particular subjects or having further discussions on issues. This second step helped to further cement relationships on the Challenge and focus projects in on areas where collaboration would be mutually beneficial.

Within projects, particularly in PC4, participants were taken on trips to visit university departments and large companies, where linkages were brokered and the possibility of shared projects discussed. Some university led projects encouraged participants to continue their relationship with the university after the end of the programme, by offering free use of facilities and access to further networking.

5.5.2 What does not work?

What did not work?	Why not?
Projects linking together without an external stimulus	Where projects were not brought together, they did not see the benefits of approaching each other. Introductions needed to be brokered, and time spent to develop relationships
Increasing collaboration on day-to-day activities	The practicalities of collaborating on a day-to-day basis make it difficult to do, and businesses generally do not see the value in overcoming these difficulties

In several instances, it proved difficult to encourage projects to collaborate proactivity, beyond the Co-creation Labs and outside of programme activities. In one example, the projects in PC1 came together to discuss setting up a body to drive forward skills in offsite construction, in a meeting facilitated by UKCES. However, once PC1 had ended, and UKCES stepped back, a leader failed to emerge from among the projects, and the initiative stalled. Projects across several of the other Challenges commented that they did not begin to interact with other projects until they came together for Co-creation Labs. This suggests that an introduction at the Challenge inception meeting, and sharing contact details online was not enough to encourage projects to link-up on their own. More intensive support was required from UKCES to help relationships develop. This did occur in PC1 and PC2, where UKCES relationship managers recommended that specific projects talk to each other, but was not used across the programme.

Whilst there was significant collaboration within projects, it was often on a strategic level, with partners working separately on their own sections of projects. Co-operation between organisations at a more operational, day-to-day level proved difficult in practice. Projects in PC3, where several large businesses co-operated on multi-part initiatives, commented that it was highly challenging to get senior managers or even middle managers from different organisations together in the same place. These types of logistical issues also affected projects in PC1, where some project leads had difficulty in marshalling partners to work on their project on a regular basis. Ultimately, in both PC1 and PC3, projects found it easier for organisations to work on their own tasks separately, and reconvene for progress meetings.

5.6   Stimulating Innovation

5.6.1 What works

What worked well?	Why?
Providing opportunity to develop new products, try out new solutions	The projects delivered a wide variety of different solutions to issues and developed a number of new products. This was largely stimulated by the focus on innovation in the Challenge briefs
Stimulating new ways of working	Projects helped to disseminate and embed a range of high performance working practices, and other new ways of working, through various activities. The focus on testing and learning helped projects to refine and develop their solutions

The programme provided a wide variety of **opportunities for organisations and partnerships to pilot new approaches to solve problems** in their sectors. Projects across the programme trialled a range of different solutions, from delivering practical training to bringing together partners to develop new products. Some focused on delivering training solutions to businesses, from SMEs to larger companies. Others looked at developing new guidance and online content for use across the sector, and engaging with businesses to disseminate their work. Across the programme, projects were able to offer end users and employers new solutions to their skills issues, often tailored to their sector, size and specific circumstances.

Innovative approaches by projects were generally stimulated when they developed their proposals in their funding applications. The emphasis on innovation in the briefing materials that UKCES produced for each Challenge was the primary influence on applicants, and it appears that the elements of their proposals that demonstrated innovation were developed in response to these materials. On PC1, organisations working on offsite construction skills were prompted to look at using online skills materials (which is unusual in the sector) in order to boost the innovative nature of their projects. On PC4, university-led projects that delivered innovation management training, made changes to their existing training model as a result of the Challenge Briefs, adding in co-operation with sector specific university departments, and adjusting their training to address the needs of a specific sector.

In some cases, UKCES encouraged projects to go further with particular elements of their projects, which may have led to more innovative approaches, but overall it was the fact that the funding was linked to taking innovative approaches which had the main impact. In one example, in PC1, projects were advised to develop their testing and learning plans more, which helped them get a better understanding of the needs of their end-users. However, it was clear from consultations with the projects, that the main innovative elements of their approaches to skills in offsite construction were developed through their applications, with testing and learning helping to refine, rather than revolutionise their approaches.

There were projects across all the Productivity Challenges that worked on developing high performance working practices within businesses, through focussing on multiskilling staff, creating new progression pathways and refining job design. Several projects on PC3 were particularly focused on these issues, helping businesses to understand how to support staff to develop their careers, and add value to the retail and hospitality sector. The projects accomplished this by designing new job specifications that were more suited to particular types of staff, as well as building clearly structured progression pathways for entry level staff, to assist them in adding more value to their companies. One particular project on PC2 also addressed high performance working practices, through development of a model and approach to high performance working which is now being offered as a complementary approach to workforce development with the intention of building a community of practitioners.

One of the main stimulants for producing innovative solutions was the emphasis on testing and learning that was built into the programme. Several projects across the programme, particularly those that were led by employers, noted that they had not used testing and learning approaches before. Whilst some were initially unsure about this element of the programme, many found that it produced useful results that improved the delivery of their project. The testing and learning plans, and the evidence that they helped to produce allowed projects to refine and develop their solutions, making them more responsive to the needs of their end-users, and highlighting areas where they were ineffective.

On PC1, a project had originally planned to deliver offsite construction training using virtual reality techniques, as an innovative new approach. However, following testing with end-users, it became clear that this technique was not appropriate, and that simpler, more hands-on methods were better at engaging offsite construction workers. Projects on PC3 also tested their solutions with end-users and stakeholders, including HR departments. Engaging with HR managers brought out some key issues with their products that were resolved early on, ensuring that they did not face difficulties once they were released.

5.6.2 What does not work?

What did not work?	Why not?
Generating innovative solutions	Generally, existing solutions were applied in new areas, rather than completely new solutions being developed. The innovation was in where they were applied
Encouraging companies to take risks	Many businesses are inherently risk averse, particularly those with small profit margins, or SMEs that have very few available resources to lose

| Use of standards and qualifications | Projects found that businesses and end users showed little interest in formal recognition of training solutions, being more concerned how practical and useful training was |

One of the areas where the programme was less successful was in developing completely new solutions to issues. Whilst some projects did develop entirely new concepts, the majority made use of existing ideas or tools and applied them to new areas, companies or end-users. This approach of applying tried and tested models can be effective, especially in the conditions of the UKFP, whereby there was a short time period to engage and change behaviours amongst the hardest-to-reach, non-training employers. For example, in PC1, several projects produced online content or mobile phone applications, which whilst not innovative across the whole economy, are relatively rare in the construction sector. In PC3, projects took existing models of high performance working practices, and adapted them to the needs of businesses in retail and hospitality, in order to enhance employee productivity and progression. Similarly, in PC4, several projects delivered programmes of innovation management training, which were largely based on previously developed delivery models.

As noted above, taking risks is an important part of the innovation process, and is required for significant change. However, both projects and participants in project activities proved more risk-averse than anticipated, particularly given the difficulties of engaging hard-to-reach employers. In PC1, projects were highly focused on delivering solutions that they thought would work, rather than aiming for discontinuous innovation. It appeared that projects were less interested in this type of innovation, which might hold more sway amongst businesses with greater experience in skill development, than in developing solutions that could be shown to meet identifiable needs.

Comments from projects on PC2 illustrated a different type of risk adversity. Some of the supply chain companies reported concerns that upskilled employees would seek new employment opportunities elsewhere. This shows how a general anti-risk outlook in companies can hold back innovation in skills in a variety of ways. This is in contrast with some employers working in PC3, who were happy to upskill employees, as they believed that creating a highly skilled local pool of labour was beneficial to the sector as a whole. If enough local companies participated, then a good supply of skilled labour would be available to all. This is a good illustration of the inhibiting influence of a narrow focus on the needs of a single company, versus the enabling effects of a wider strategic vision for a sector.

Standards and qualifications played less of a role in the programme than might have been expected, considering its focus on skills. In PC2, projects found that end-users of training solutions were not concerned with gaining formal recognition for their learning. However, some of these end-users did welcome a quality mark or endorsement from an industry body, suggesting that there is some demand for standards. On PC3, there was some engagement with formal qualifications and standards from projects, but others indicated that these had failed to meet their needs, and that more practical, internal training was more useful than skills provision from the FE sector.

5.7   Sustainability and scalability

5.7.1 What works?

What works?	Why / how does this work?
Having an appropriate lead person or organisation to take it forward	There needs to be dedicated resource to support the continued development, marketing and promotion of solutions in order to achieve sustainability and scalability
Recognition of the skills issues and challenges that the solution is seeking to address	Employers and wider stakeholders need to recognise the skills issues and challenges if they are to buy-in to the solution
Demand from employers and end users for the solution	Demand is a prerequisite for achieving sustainability and scalability of the solutions developed, particularly where there is a financial cost associated with them
Having solutions that are well developed and tested	Solutions need to have gone beyond the early development and testing stages in order to be scaled up and replicated elsewhere
Utilising high profile employers and well-connected intermediaries	The influence and reputation of high profile employers and intermediaries gives credibility to the solutions developed, as well as access to networks
Having plans in place for achieving sustainability and / or scalability from the outset	This brings focus throughout the project to activities aimed at securing sustainability beyond the funded period

The consensus amongst projects involved in PC1 was that maintaining momentum beyond the Challenge period was possible, but that this would require **a lead person or organisation** to drive this and engage stakeholders across the wider industry. A lesson from across the Challenges was that **networked organisations and intermediaries** appeared most likely to take projects forward beyond the funded period, particularly where the project aims aligned with their core mission and objectives. However, most were dependent on additional sources of funding to support this. In cases where employers were planning to take solutions forward, this was mainly for their own benefit rather than for the wider sector. This highlights the degree of challenge associated with raising both skills and the demand for skills amongst employers.

The value of **high profile employers and well-connected intermediaries** in helping projects secure sustainability was highlighted across all of the Challenges. In PC2, primes and intermediaries demonstrated that they could engage the supply chain to take on board solutions based on their credibility and knowledge of what was required. Projects involved in PC4 collaborated with large companies and high profile stakeholders in the manufacturing sector on the development and delivery of solutions. These relationships were cited as key to ensuring sustainability beyond the Challenge period. There was also emerging evidence from PC5 of Anchor Institutions (AIs) influencing local strategies through their existing networks and connections.

In engaging stakeholders, the importance of **tailoring messages** based on their individual levels of interest and influence was highlighted across all five Challenges. A key lesson from PC4 was that communications to stakeholders must be **open and honest**, incorporating learning from project activities and invitations to business sites to showcase the changes made and the impact these have had on business growth and profitability.

A critical success factor in achieving sustainability and scalability of projects is **recognition** by employers and wider stakeholders of the skills issues and challenges that they are seeking to address. **Benchmarking** can be a useful tool for demonstrating this. There was an example from PC2 of supply chain businesses who thought they had no leadership and management issues until a baseline assessment highlighted a series of potential gaps.

Beyond recognition of the skills issues and challenges that projects are seeking to address, there also needs to be **demand from employers and end users for the solution**. This was cited by the majority of projects involved in PC2 as the key factor that would determine the sustainability of their solution. However, all of the projects had offered their solution free or at a price below what they thought the market rate would be. This was seen as important to attract interest and initial engagement. However, their future costing models were unclear because when they asked employers what they would be willing to pay, it was less than hoped; and they had not collected evidence to demonstrate return on investment. Similarly, almost all of the products delivered through PC3 were at low or no cost and anecdotal evidence from employers suggested that they would not have been willing to pay, suggesting that **more needs to be done to establish market demand**. Reasons given for not being willing to pay include that they would need to develop a business case for sign-off at head office / board level and that they could not justify the investment in what was perceived as non-business critical activities.

Having solutions that that were **well developed and tested** was found to be important in securing sustainability and scalability. Projects involved in PC1 were able to attract business investment to continue beyond the end of the Challenge period on the basis of having well developed products. At the outset, investing 'in an idea' was perceived as too high risk for many businesses in the sector – even amongst known partners, and with UKCES willing to share some of that risk. Similarly, all of the projects involved in PC2 had plans to maintain their solutions beyond the lifetime of the Challenge. In some cases, they had secured support to continue delivering their solutions and in others, they were using the intelligence they had gained to move on to the next phase of development. The UKFP funds had been used to **establish a foundation** from which all intended to grow.

5.7.2 What does not work in sustainability and scalability?

What does not work?	Why not?
Limited efforts to reach a wider audience	Sustainability and scalability can only be achieved through targeted engagement of a wide range of employers, stakeholders and partners, which takes dedicated time and resource
Relying only on core group of partners and stakeholders	Efforts to engage a wider audience need to extend beyond the core group involved in the development of the solution and their networks
Becoming financially self-sustaining	The majority of projects had not taken their solution to market following the end of the UKFP funding and were therefore dependent on continued funding / subsidies from other sources
Impact on wider skills policy and funding	Most projects focussed on changing employer working practices, with limited evidence of impact on the wider skills policy and funding landscape

Evidencing return on investment	This is key to securing sustainability and scalability of solutions, but is challenging and many projects struggled to achieve this within the timeframes of the UKFP funding and did not have the means in place to measure this

Almost all projects across all five Challenges drew heavily on existing networks, contacts and relationships in the development of solutions. However, there was recognition that they would need to reach out to a **much wider audience** in order to secure sustainability and scalability beyond the Challenge period. This will take **dedicated time and resource,** which in most cases was not possible within the timeframes of the Challenges, and was not built into project plans, which focussed on developing and testing solutions and building the evidence base for investment.

A particular challenge for many of the projects was how to become **financially self-sustaining** beyond the funded period. All of those involved in PC1 agreed that having funding from the UKFP had been **essential to initiate the work**. They believed that now solutions had been developed, and partnerships formed, employers were more likely to agree to jointly invest in products in future. However, this had yet to be proven by the end of the Challenge period.

The projects involved in PC5 were generally positive about the solutions that had been developed and wanted to build on these in future, but almost all were concerned about future funding. In doing so, they were often implicitly acknowledging that they were **delivering a grant funded programme**, which in future they could not charge at (or close to) full cost, and which the AI did not view as core to its mission. In at least one case, the project was seeking funding support from within the institution, but this was uncertain, reflecting the more transactional nature of the activity.

Demonstrating return on investment was identified as key to securing sustainability and scalability of the solutions developed across all Challenges, but many projects found this to be more challenging than originally anticipated and most struggled to achieve this within the timeframes of the UKFP funding. The consensus amongst projects involved in PC3 was that it would take time to see the longer term benefits on the wider industry, with further work required to build the evidence base to demonstrate the benefits of taking action to address low pay and poor progression. As this evidence is further developed and disseminated, it is hoped that it will provide a resource for others in the sector to make the case for investment. In this context, the UKFP could again be considered the first step in the process, with each of the projects looking to move on and further develop in different ways beyond the end of the Challenge period.

6 Lessons for Future Policy and Programme Delivery

As set out in the previous chapters there has been a great deal of learning generated through the UKFP. This chapter distils that learning in to a series of key messages for different groups:

- Funders – organisations which may consider funding similar types of activities in the future. These messages are not specific to the skills arena, but instead cover wider lessons about programme design and management

- Policymakers – are often aligned to or co-terminus with funders. The messages here focus much more on the strategic implications from the programme (as opposed to the practical delivery lessons set out for funders)

- Lead, delivery organisation – these organisations are key to project delivery. There have been some consistent messages across the programme to guide future delivery

- Businesses participating in projects – these are the ultimate beneficiaries and there are some clear messages for them about how to maximise their return from being involved.

The key messages for each group are set out in Table 6.1 below.

Table 6.1   Key messages by audience

Audience	Key messages
Funders	**Relatively small amounts of money** can attract high profile project leads and generate high levels of commitment
	An **R&D approach to project delivery** can generate a great deal of learning about approaches that work or not
	To be effective an R&D approach requires **flexibility** to respond and adapt to emerging learning and issues, and an acceptance that at points there will be a need to move away from the original project plan
	Making an R&D approach work requires **considerable project management input** – much more so than 'normal' grant management
	When adapting an R&D approach, funders need to acknowledge that project teams and project participants need to **go through their own learning processes**. Learning cannot simply be transferred by the use of existing evidence bases
	Project management staff require a **broad range of skills** – covering project delivery and subject knowledge. These skills may not always exist in one person, and a cross-functional team may be required

Audience	Key messages
	The **time** taken to set up programmes and to generate interest and high quality applications is important, and should not be underestimated
	Evaluation requirements are different in this type of delivery model. Project staff know much more about the projects than is often the case. Instead the evaluation should focus on the delivery process and feedback from beneficiaries of the projects (to validate and test what projects are reporting)
	Time needs to be built in to any programme for **reflection** and learning (including evaluation feedback) so that later rounds can build on earlier experiences
	Business engagement in leading projects can add value in providing insight into the persistent gaps in the industry, however they are less proficient in applying for funding of this nature, and would benefit from **support in the process of writing and submitting an application for funding**
	If seeking longer term sustainability and scalability beyond the funding period, funders should consider the types of organisation that they support. **Organisations with a wider sector or geographical remit may be more likely to take projects forward** in the longer term
Policymakers	Public policy has a role in growing the **awareness** in relation to long term failures in the level of demand for skills and management and leadership capabilities amongst companies in the market
	Policy has a role in **encouraging and signposting employers to existing opportunities and frameworks** (including tools and previous experiences) to tackle skills issues; however, it is important to be realistic about how far companies will learn without experiencing and implementing for themselves
	There is a real issue around **market failure** with companies not knowing their own needs in relation to workforce skills, most apparently around management and leadership. Companies learn more about their skill needs through becoming engaged and active. However, it is difficult to get companies engaged to begin this development process
	There needs to be realism about how innovative projects can be, and ho**w much time employers will want to invest if they see too much risk** with little chance of return
	Solutions are much more likely to be effective and gain buy-in when they are **demand-led**, with strong input from employers to ensure tailoring so that their needs are met
	Employers can be encouraged to collaborate to tackle skills issues, in part because **skills are seen as an area where there is more to be gained from working together** to grow the pool, than as an area of competition

Audience	Key messages
	A **sectoral/industrial approach can be enhanced by a geographic focus**, especially if seeking to engage busy small businesses and meet common economic needs
	Collaboration can lead projects to develop better solutions, or to apply these solutions across a larger number of organisations
	By working collaboratively employers and stakeholders will develop solutions which are **more widely accepted**
	Employers and stakeholders need to be encouraged to come together. **Funding is important, but needs to be set alongside support and stimulation** in a co-creation/co-production approach
	Intermediaries can be an effective way to bring together employers who routinely compete with each other
	A relatively **small investment can yield a high level of engagement** and produce a great deal of productive activity around developing solutions
	There appears to be strong **latent demand for leadership and management skills.** However, many of the beneficiaries had done little to meet their own needs before the UKFP. This latent demand needs careful targeting by suppliers
	No single, most effective, model of delivery – length, mix of learning etc – emerged but in general longer courses that emphasise academic learning were less attractive
	Also, many employers are not interested / additionally attracted to **certified learning**. Instead, they will focus on what is covered and how far it meets their specific needs; and the credibility of the delivery organisation
Delivery organisations / project leads	**Time** needs to be built in to enable engagement with collaboration and co-creation activities with funders and other peer projects
	Face-to-face, **personal contact** works much better in attracting participants than email, flyers or social media, even where personal relationships exist
	Building **trust** between participating companies is key to positive and productive collaboration. Trust could be built through conversations, working on joint tasks or through each being asked to develop an element and share this with others. This takes time and resource that should be built into the project plan
	Use of **existing networks and relationships** is an effective method of engaging participants in the project activities
	Intermediaries can play a key role in brokering and maintaining relationships between companies and stakeholders who are involved in the project
	Creating personal bonds between people and giving them scope to learn from each other in an effective approach to generate learning and to encourage future attendance

Audience	Key messages
	Establishing a **baseline** of existing capabilities amongst participating companies can be useful in identifying the gaps that need addressing. It is also helpful in measuring distance travelled by marking the starting point against which progress can be tracked
	Having high profile guest speakers, trips to exemplar employers or offering access to potential customers or collaborators can all **attract attendees to programmes**, even if they are unsure of the wider content or their needs
	Having a **well organised and scheduled programme** of engagement is effective in ensuring continuous participants' engagement, as well as making the most of their time investment
Businesses participating in projects / projects beneficiaries	Improving skill levels and skills utilisation **through job design** could lead to business growth and increased productivity and profitability
	Collaborating with other companies could generate a great deal of learning around addressing common issues and could be beneficial for developing solutions to addressing gaps identified
	Respected intermediaries can be an important way to bring together companies who routinely compete with each other
	Participating companies should adopt and **open and trusting approach** to enable collaborative working to take place
	Senior engagement and buy-in in the project is required for a change to take place in the business
	Change does not happen in isolation in a business. Managers should seek to **engage everyone in the company** with the change process
	Participating companies should develop **good internal communication process** to disseminate the learning from the project across the business and enable the engagement of the entire business

7 Further research

In delivering the UK Futures Programme, further questions were raised on the hypotheses tested which could not be addressed through the projects themselves. In this section we document those additional areas for research; some other potential Challenge topics which UKCES experience and research highlight as worthy of further investigation using an approach such as the UKFP and also consider how the model could be adopted by sectoral and geographical organisations such as Local Enterprise Partnerships.

7.1 Compulsory approaches to encourage employers to train on a collective basis

Productivity Challenge 2, Management and Leadership in Supply Chains, was informed by several pieces of research from UKCES and beyond that provided convincing findings about the problem of management and leadership in the UK, the sector pattern of the problem and of the potential of employer networks to affect behaviour change. The hypothesis was to test supply chains or networked organisations as a type of pre-existing transactional network, which might act as a vehicle to improve management and leadership skills.

Projects in PC2 covered a number of different versions of 'supply chains', some led by single primes, others by groups or by a trusted intermediary. In common, however, they all used voluntary approaches to engage their supply chain in management and leadership development. The evaluation reported that this was perceived by projects to be the most effective approach and more likely to gain genuine buy-in and commitment from the supply chain, many of whom could also take their resource to other primes without such requirements. Whilst participation may not always have been interpreted by the supply chain as voluntary, it was the intention of the primes, and was generally considered beneficial.

Thus the Challenge did not have the opportunity to test what might happen if more compulsory approaches had been adopted, such as tying management and leadership development to procurement requirements. But such approaches do exist in other supply chains, for other skill and non-skill related factors. A topic for further research might then be to explore how those arrangements work and their effectiveness in tackling the particular issue or impact on relationships within the supply chain, in comparison to the voluntary approaches tried through the UKFP.

7.2 Impact of the National Living Wage on Career Progression in low-pay sectors

Productivity Challenge 3 investigated whether changing practices to help low earners progress at work could lead to improved customer service, better decision making abilities, reduced turnover, better morale and increased customer spending in the retail and hospitality sectors. Projects started in April 2015 and ran until June 2016. On 1 April 2016, half way through the delivery period for Productivity Challenge 3 projects, the government introduced a new mandatory national living wage of £7.20 for workers aged 25+, representing a rise of 50p compared to current National Minimum Wage rate.

Low-wage sectors such as retail and hospitality are set to be affected the most by the introduction of the National Living Wage and projects faced uncertainty about the impact of its introduction on their businesses' ability to plan and encourage progression. An investigation of the impact of the National Living Wage on career progression in low-pay sectors could learn lessons from solutions that have been designed specifically optimise the introduction of the National Living Wage and help low earners progress at work in these sectors.

7.3 Innovations in good job design for lower paid women workers

UKCES planned and prepared a Productivity Challenge which invited proposals from employers and partners to trial innovations in good job design for lower paid women workers. As UKCES did not have the opportunity to run this Challenge, it remains a relevant and important topic.

Women make up 50.5 per cent of the UK's population of working age (16-69) and 47 per cent of those in work[29]. But even in 2015 women do not enjoy an equal share of opportunities in and outcomes from the labour market. Not least, the latest data show that the gender pay gap among all employees, full and part-time, remains at 19 per cent[30].

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[29] Source: (1) Labour Force Survey; (2) ONS. *UK Labour Market, March 2015: Statistical Bulletin*.
[30] Office for National Statistics, 14th November 2014. *Annual Survey of Hours and Earnings, 2014 Provisional Results*.
http://www.ons.gov.uk/ons/dcp171778_385428.pdf

It has been estimated that this gender-related market failure represents an opportunity cost to the economy of between £15 billion and £23 billion annually[31]. Correcting this failure could add 1.3-2.0 per cent to GDP every year. Employers recognise how gender inequality squanders talent and incurs costs for their businesses by impacting on their available pool of workers and productivity losses within their operations[32]. Although legislation has helped make progress and policy developments will continue to be vital, there is also a need for a new emphasis that recognises the leadership role of employers[33].

The designed Challenge focused on women earning around £10 per hour or less - in the cleaning, commercial catering, and adult social care industries where women make up a large share of the workforce. UKCES was motivated by the fact that these workers, while not high-profile, are critical to the organisations they work for and to the economy as a whole. UKCES wanted to support employers to find out how productivity and working lives could be enhanced for business and individual benefit. Any improvements for these women could also be an important contribution to tackling gender inequality in the economy.

7.4   Testing a broader range of anchor institutions and a sectoral focus

UKCES Commissioners were keen to test the potential of a broad range of anchor institutions to reach out to small employers and engage them in management and leadership development. Further Education (FE) Colleges were not represented amongst the successful projects and there was interest in testing whether they might have more productive relationships with local small businesses, by being better able to engage and more 'approachable' than universities for example. This could be explored by researching how FE Colleges currently engage with local communities, or developing another Challenge aimed specifically at FE Colleges.

Additionally, the projects in PC5 were focused on small businesses which had not previously engaged in management and leadership training and the majority of projects did not take a specific industry focus, in part to ensure they attained an audience for the programme they were testing. However, a stronger sectoral approach, tied to local economic priorities and less focussed on 'additionality' (i.e. those businesses not previously engaged) could test 'what works' when anchor institutions seek to work together to improve leadership skills and skills demand at a local level, drawing on the learning from the UKFP.

Office for National Statistics, 14th November 2014. *Annual Survey of Ho
urs and Earnings, 2014 Provisional Results.*
ww.ons.gov.uk/ons/dcp171778_385428.pdf" http://www.ons.gov.uk/ons/dcp171778_385428.pdf
ubery (2007): *"it is at the level of the workplace that women's jobs are actually given a value… At the workplace level all of the issues associated with undervaluation – of visibility, valuation, vocation, value-added, and variance – need to be addressed."*

7.5   Adopting the methodology – testing at the local level?

The UKFP methodology could be applied by a range of organisations in seeking to resolve complex skills and productivity issues, working with employers. It is a model that could be adopted within Local Enterprise Partnerships (LEP) to test new ideas and use the process of doing so to raise awareness and understanding of a particular issue in a locality. The tailored nature of Challenges could be adopted to focus on very specific priorities and the LEP and its partners would have a strong reach to engage local businesses to consider how to address the Challenges, perhaps involving more collaboration in developing solutions (i.e. before bids) because of the geographical proximity. The full access to documentation in Chapter 9 Index of appendices is intended to support other organisations to take this approach, which for a relatively low cost, could achieve significant impact within local areas.

8   UK Futures Programme reports

8.1   Thematic reports

The thematic reports draw together lessons across Productivity Challenges:

Thematic report on collaboration brings together lessons from Productivity Challenge 1 and others. This includes identifying factors which enable employers to work together effectively.

Thematic report on supply chains brings together lessons from Productivity Challenge 2 and others. It looks at a particular type of collaboration, that which occurs through supply chains and networked organisations to promote workforce development.

8.2   Productivity Challenge 1: Offsite Construction

Challenge brief

Productivity Challenge 1: Offsite Construction

Challenge brochure

The outputs and results of the projects are available in the brochure, which also looks at how the sector can take forward the developments to date:

A 10-year programme: Developing offsite construction skills for the challenges ahead.

Challenge evaluation report

The Challenge evaluation report draws out findings and lessons from this Productivity Challenge, including how other sectors should respond to skill deficiencies.

Offsite construction independent evaluation report

Challenge case studies

Case studies takes an in depth look at one project and provide further illustration of the lessons from the Productivity Challenge.

Edinburgh Napier Offsite Hub case study
Offsite Management School case study report

8.3 Productivity Challenge 2: Management and Leadership in Supply Chains and Networked Organisations

Challenge brief

[Productivity Challenge 2: Management and Leadership in Supply Chains and Networked Organisations](#)

Challenge brochure

The outputs and results of the projects are available in the brochure, which also looks at how the sector can take forward the developments to date:

[Strengthening the links in the chain: Management and leadership in supply chains and networked organisations](#)

Challenge evaluation report

[Management and Leadership in Supply Chains and Networked Organisations](#)

Challenge case studies

Case studies takes an in depth look at one project and provide further illustration of the lessons from the Productivity Challenge, including how other sectors should respond to skill deficiencies.

[Robert Woodhead case study](#)

[Action Sustainability case study](#)

[Jaguar Land Rover](#)

8.4 Productivity Challenge 3: Progression Pathways in the Retail and Hospitality Industries

Challenge brief

[Productivity Challenge 3: Progression Pathways in the Retail and Hospitality Industries](#)

Challenge brochure

The outputs and results of the projects are available in the brochure, which also looks at how the sector can take forward the developments to date:

[Climbing the ladder: Progression pathways in retail and hospitality](#)

Challenge evaluation report

The Challenge evaluation report draws out findings and lessons from this Productivity Challenge, including how other sectors should respond to skill deficiencies.

[Pay and progression pathways in retail and hospitality](#)

8.5 Productivity Challenge 4: Enhancing Skills for Innovation Management and Commercialisation

Challenge brief

Productivity Challenge 4: Enhancing Skills for Innovation Management and Commercialisation

Challenge brochure

The outputs and results of the projects are available in the brochure, which also looks at how the sector can take forward the developments to date:

Tilting the odds: Skills for innovation in manufacturing

Challenge evaluation report

The Challenge evaluation report draws out findings and lessons from this Productivity Challenge, including how other sectors should respond to skill deficiencies.

Skills for innovation in manufacturing

8.6 Productivity Challenge 5: Developing leadership and entrepreneurship skills in small firms: how can anchor institutions support the development of small firms in their local economy?

Challenge brief

Productivity Challenge 5: Developing leadership and entrepreneurship skills in small firms: how can anchor institutions support the development of small firms in their local economy?

Challenge brochure

The outputs and results of the projects are available in the brochure, which also looks at how the sector can take forward the developments to date:

Unlocking the community chest: Developing leadership and entrepreneurship through local anchor institutions

Challenge evaluation report

Developing leadership and entrepreneurship skills in small firms through anchor institutions

9   Index of appendices

Appendix 1   Challenge Lead Essential Guide

Appendix 2   Relationship Management Skills Check

Appendix 3   Tier 1 Stakeholders Market Testing Collection Template

Appendix 4   UKFP Introduction

Appendix 5   UKFP Guidance

Appendix 6   Example Application Form

Appendix 7   Logic Chain Template

Appendix 8   Example UKFP Finance Spreadsheet

Appendix 8.1 Example UKFP Organisation Assessment of Contracting Company

Appendix 9   Template Testing and Learning Plan

Appendix 9.1 Testing and Learning Guidance

Appendix 10   UKFP Stage End Report

Appendix 11   UK Futures Programe Guidance document - What do we mean by testng and shared learning? –

Appendix 11.1 UK Futures Programe Guidance document - How do we test a training solution

Appendix 12   Co-creation Plan

1 Productivity Challenge Lead Essential Guide

The Guide provides a list of processes to follow to successfully manage a UKFP Productivity Challenge to ensure the Challenge provides as much opportunity for learning for policy and practice as possible. Links to supporting documents are also provided, including the Relationship Manager skills check. The processes have been designed to support the Challenge Lead in delivering a successful outcome and are built on our experience of managing the UKFP to date. A number of points are collected under the four stages of the UKFP Challenge implementation. Not all points are exclusive to one step.

Assumptions
- The approach for individual challenges will be determined by the level of internal and external resource available to support
- All Challenge Leads will be familiar with all materials (Introduction, guidance documents and application form) and with the principles of the UK Futures Programme
- Depending on the scale of the Challenge, there will be a Challenge Support (at least on a part time basis). It is within the management role of the Challenge Lead to appropriately use/develop the Challenge support and to ensure all the activities are conducted to get the best possible outcomes.
- We are also able to call on external support (Assessors) to support market testing/making activity where required. Where this does happen, it is within the management role of the Challenge Lead to manage the external support as a team to support the market testing and market making.

Throughout
- Maintain contact with UK Futures Programme core team to ensure that the core systems and processes are being followed and timescales adhered to
- Maintain contact with other Challenge Leads
- Maintain contact with the Commissioner Lead
- Manage the Challenge support
- Manage the team of resource for market testing and market making

1. Define: Developing the scope of the Productivity Challenge and the brief
- Agree resource and timetable with Senior Programme Manager
- Establish contact with core team support: communications, market making, research/scoping, and testing & learning and evaluation
- Scoping challenge: Work with research/scoping team to:
  - Clarify rationale and 'story' for the challenge – **how do we achieve the greatest change or impact** through the challenge?
  - identify specific focus for the challenge, e.g. by size, sector, topic and therefore **who is the target market to bid?**
  - identify if this is an area where new research is needed and whether to focus on specific project types
  - what examples exist from our investments that could be scaled or otherwise drawn on?
  - wider examples of existing initiatives with similar aims (e.g. LEPs) to ensure make use of these or justify the unique added value of the challenge
  - identify whether there are any existing Employer Ownership projects in territory
  - contact industrial partnerships team for any overlap with industrial partnerships.

- Establish contact with Commissioner Lead and agree their involvement in the different aspects of the challenge and develop an action plan. They must be committed to interview dates and the Commissioner decision making meeting.
- Develop strategies for (guidance documents are linked for challenge leads):
    - Communications: a focus on 'narrow casting' to support market making activity and focused on advertising the opportunity to the specified target audience)
    - Market testing to refine and shape the problem and check that there is a market for the challenge
    - Stakeholders – determine who the key stakeholders are (**who we want to influence with the messages from the Challenge**) and ensure strategy for appropriate engagement throughout. Develop stakeholder plan.
    - Confirm evaluation approach for challenge.
    - Establish potential success measures and framework for defined success measures with support team. May not be possible for all Challenges, but useful to explore at outset.

- Carry out market testing to refine and shape the problem and check that there is a market for the challenge; initial market making to stimulate interest with key employers and stakeholders
- Work with Senior Programme Manager to agree application forms etc.
- Develop the Challenge brief and associated documents
- Agree final Challenge brief and ensure all parts complete, e.g. consider type of project and eligibility factors
- Ensure all key stakeholder contacts are stored on Nimble, and kept up to date regarding meetings held with them, events they have attended, and any specific interests they have. (It is the role of the Challenge Support to do this).

2. **Issue: brief is issued and market making activities underway**
- Carry out market making to stimulate interest and keep a record of Market Making; build on interest from market testing
- Cultivate a group of interested stakeholders and intermediaries (FSB, CIPD, LEPs etc.) and send them over a Communications toolkit so they can disseminate out the launch further
- Develop a series of Tweets and log them on the Twitter Bank for dissemination
- Support potential applicants with advice on applications and the application process
- If applicable train up and manage the use of extra resources in the form of Associates to aid in Market Making
- On-going communications strategy (External communications)
- Commissioner involvement and leadership
- At least one webinar fielding questions using the Webinar Guidance document
- Answer specific questions raised via variety of routes
- Develop the FAQs and add to website. Keep this updated.
- Engage key stakeholders and interest groups and refine stakeholder map

3. **Assessment and decision making**
- During Assessment Period: Read applications - focus on the project descriptions, what they intend to do and identify potential synergies /complementarities between projects. Get to know the potential for each project to contribute to the learning identified in the Challenge brief.
- Produce the project map to identify the areas mentioned above: Project Mapping Templates

- <u>Attendance at cross team moderation</u>, inputting perspective from the potential of how the sum of projects may add particular value. Note this is not an assessment exercise and would not supersede recommendations based on the criteria, but provides an additional perspective which can help in any shortlisting decisions.
- <u>Attendance at interviews</u> and note taking and to get to know the projects and be conversant with Commissioner views
- Production of papers on challenge wide context, mapping and interplay of projects, co-creation and wider learning for ODG3 meeting

4. **Co-create: Relationship Management, gathering and reporting the learning**
- Follow the Project Grant Process (insert flowchart).
- Familiarise self with Grant Funding Agreement and Standard Conditions of Funding.
- Collect supplier details and produce contract request template
- Agree Schedule 1 outputs example and template which reflect application form, logic chain and key learning. See hints and tips here.
- Commissioner involvement
- Agree testing and learning plan, with Testing Support, for each project
- Agree a co-creation plan for individual projects and challenge as a whole to signify the difference of this programme and identify potential areas for UKCES support
- Arrange inception meeting as first opportunity to bring projects together.
- Relationship Management including fortnightly phone calls to projects, site visits etc. and supporting continuous improvement. Providing a challenge function and a supportive role.
- Complete Contacts Log to provide a brief record of contacts
- Encourage use of Extranet by projects to share key documents and information on an on-going basis.
- Develop Research/evaluation questions with Testing support and keep 'answers' up to date after each Stage End (see below) in the Project Map
- Work with evaluation team and testing support to design the 'deep dives' – i.e. the bespoke element of the evaluation for your Challenge.
- Update and refresh and maintain the Challenge Stakeholder strategy and keep stakeholders 'warm'. Consider brochure to highlight what the projects are for sharing with stakeholders.
- Ensure project leads are recorded on Nimble with reference to the Contact Log for more detailed record of contact
- Create the Challenge Phase 3 (Delivery) Comms Strategy and manage Comms budget. Adhere to R drive and Extranet filing protocols
- Support completion of Stage Completion Reports to ensure accurate and open data are collected.
- Sign off Stage Completion Reports and support reporting to Commissioners, update Project Map (no longer applicable)
- Any Variations should adhere to Protcol/Guidance
- Respond to requests for briefing on the nature and progress of projects
- Proactive engagement with other UKCES staff on the challenges, ensure conversant with lessons from earlier Challenges to relay to projects, including drawing in other expertise inside and out of the UKCES to support co-creation
- Update Lessons Learnt Log with learning on the operation of the Programme and contribute to on-going Lessons Learnt slides with lessons for projects.
- Full engagement in evaluation and learning activities, e.g. the planning and design of the Co-Creation Labs and bring management, monitoring and evaluation insight together to consider how the Challenge has addressed the original problem and the research questions.

- At the end of each stage discuss learning against research questions and record in the Project Map, the evaluation team will support you in this. This will also be drawn upon for ODG3 papers.
- Update Impact Log with evidence of 'impact' of individual projects or Challenge as a whole.

2   Relationship Management Skills Check

The Relationship Manager role is multi-skilled, requiring an <u>understanding of the policy context</u> in which the projects are taking place and the types of business practice and government policy we want to influence; understanding <u>how the specific project fits into that and the innovation</u> it brings; <u>bringing that into every conversation</u> with the projects to ensure we are maximising the value of them, (but hiding the wiring a bit); being <u>inquiring</u> and not accepting things at face value (using <u>influencing skills to do that constructively</u> in the Relationship Management role and consistently with <u>good practice in contract management</u>); and crucially being able to <u>analyse, understand and report</u> on all of that. To <u>understand the role of the external evaluation</u> and appreciation of the methods, to support its delivery and ability to communicate this to projects. Once you've done that, there is a need to influence stakeholders and <u>communicate</u> messages effectively, marketing the findings of the Challenge, so that we achieve the impact on policy and practice set out in our objectives.

To help ensure that the UKCES helps you do this role to the best of your ability, please can you complete this skills check. Please be open and honest. This is a difficult task, one new to the organisation and to do it well means we'd have to be 10 different people! We're not, so we need to provide support and guidance to help you make the most of your strengths and get the best development opportunities.

Some additional explanations are provided below the table

Knowledge/skills area	Score out of 10. 1 is 'development area' 10 is 'excellent'	Strengths (give examples)	Areas of development (give examples)
<u>understanding of the policy context</u> of the Productivity Challenge working on			
<u>how each specific project fits into that and the innovation</u> it brings			
<u>bringing that into every conversation</u> with the projects			
being <u>inquiring</u> and not accepting things at face value			
Using influencing skills to do that <u>constructively</u>			

Apply good contract management skills			
<u>analyse, understand and report</u> on all of that			
<u>Understand the role of the external evaluation</u>			
<u>Communicate</u> messages to achieve impact			

<u>Understanding of the policy context of the Productivity Challenge you are working on:</u>

- you know what government policy (from which department(s)) or business practice we are trying to change thorough the Challenge;
- you are aware of changes to policy in the area and maintain awareness of changes through updating your knowledge regularly (through alerts, IDOX, searches, conversations, conferences etc.);
- you know which organisations (business/government/intermediaries/think tanks/academics etc.) have influence in this area, position them appropriately in the stakeholder strategy and define and deliver an effective approach to engaging them throughout the Challenge;
- you understand the UKCES position, why the Challenge was selected and what the UKCES view is on this.

<u>How each specific project fits into that and the innovation</u> it brings:

- you understand how each of your projects contribute to (i) solving the Productivity Challenge, (ii) thematic Futures Programme learning, (iii)the Commission's wider work, and (iv) the bigger policy picture;
- you understand what is innovative about the project (as determined through the application and assessment process) and are able to ensure the project adheres to this (for more on the management of this, see below) outputs);
- you understand the co-creation plan for the Productivity Challenge as a whole and for your own projects;
- you understand the testing plan and how it complements the delivery of the project.

<u>bringing that into every conversation</u> with the projects

- you are able to direct discussions with the projects so that they encompass 'outputs and activities' but also maintain a consideration of the bigger picture and the projects contribution to answering the exam questions through what is innovative about their project;
- you prepare for and plan each interaction with the projects to maximise the value (maintain positive relations, extract learning, alignment to research questions and ultimate focus of the Challenge).

being <u>inquiring</u> and not accepting things at face value

- Projects will sometimes tell us what we want to hear! You are able to ask questions to get beneath that to find out what is really going on;
- You recognise that we can learn as much if not more from what does not work than what does and you are able to glean that information from the projects and set in the context of the bigger picture above.

Using <u>influencing skills to do that constructively</u>

- You have the confidence to inquire and challenge in a constructive way and maintain good relations with the projects – using the UKFP ethos as your justification if necessary and escalating quickly if there are difficulties;
- You are able to encourage the projects to be open and honest to enable learning from 'what doesn't work' as much as 'what works';
- Excellent influencing skills will support constructive relationships and enable you to align goals and achieve quality outcomes. Setting clear objectives, planning, good communication (including listening) skills, building trust and rapport are all key components of this.

Consistent with good practice in <u>contract management</u>

- You will have good knowledge of contract management processes including developing quality output schedules based on the Application Form, reviewing Stage End Reports from this perspective, managing variance appropriately
- You can balance considerations of achieving outputs versus maintaining a focus on the innovation and manage the project accordingly
- You can support projects to specify outputs which are SMART (Specific, measurable. achievable, realistic and time bound);
- When considering variance, you can take on board the knowledge derived from your inquiries, influencing skills, analysis and reporting.
- You can recognise the evidence required to substantiate project outputs and reported successes etc. and have worked with projects to ensure this is accessible. This can be done on a sample basis, by encouraging projects to use the Extranet or by attending an events/meetings – triangulate all evidence.
- You can remain impartial, don't get overly familiar with the grant recipient.
- You are familiar with all contractual obligations

<u>analyse, understand and report</u> on all of that

- you are able to process the information from your projects and understand the meaning and impact without bias;
- you are able to review Stage End Reports to ensure they capture the data they should and can guide projects to completing in this way;
- you are able to triangulate data from all sources, including your day-to-day Management of the project and the Stage End Reports (Monitoring);
- you are able to contribute to discussions internally about what all the projects in a Challenge add up to and how they address the overall 'exam question' and research questions;
- you are able to reflect this in written reports to Commissioners and others;
- you understand how Management, Monitoring and Evaluation come together.

<u>Understand the role of the external evaluation</u>

- You understand the role of the evaluation, the role it plays in helping you answer the research questions (and how Management, Monitoring and Evaluation come together);
- You have an understanding of the methods used in the evaluation and can contribute to the discussions on design to ensure the research questions are answered;
- You are able to communicate this to projects.

<u>Communicating</u> and marketing the messages to <u>achieve impact</u>

- You can translate the findings into 'implications' and messages of relevance to the business and policy audiences we are seeking to influence through the Challenge;
- You are able to define and deliver effective stakeholder and communications strategies which evolve throughout the lifetime of the Challenge, identifying most effective routes, channels and messengers to achieve influence;
- You are able to apply influencing skills to engage audiences and achieve impact.

3 Tier 1 Stakeholders Market Testing Collection Template

The UK Futures Programme:

"The UK Futures Programme will co-create with industry to research, develop, pilot and scale innovative solutions to tackling current and emerging workforce development issues that restrain business performance."
Scott Waddington, Chief Executive of SA Brain & Co Ltd and UKCES Commissioner.

At the UK Commission for Employment and Skills (UKCES), we have a driving ambition to encourage more and better investment in skills and employment opportunities for people in the UK. This is crucial to enhancing the UK's global competitiveness and to providing good jobs, and people with the capabilities to enable businesses to thrive and grow. Critically, fostering greater collaboration amongst businesses and understanding 'what works' in addressing workforce development issues, are important steps to achieving that ambition.

Through the UK Futures Programme, UKCES will co-invest with industry to identify 'what works' in tackling existing or emerging skills issues. All successful projects will test innovative ways of working and the shared learning can be applied to wider policy and practice.

The Programme brings an 'R&D' approach to skills development. Testing new products is the life-blood of many businesses. Businesses would not launch a new service or product without developing and piloting it adequately. The UK Futures Programme brings these principles to skills development.
Highly specified and targeted challenges will be issued in response to specific areas prioritised through our research and Commissioner insight. This is essential to facilitate shared learning within the projects and then to wider applied policy development.

All successful projects must show a willingness to share learning; demonstrate that their project will actively test something innovative, either in whole or in part; have the right balance of public and private contribution to meet the project goals; demonstrate strong employer leadership and engagement and clearly show how the project has the potential for impact. Given the nature of the Programme, demonstrating a clear understanding at the outset of how the project could address problems is a critical assessment criterion.

More information on the UK Futures Programme can be found here.

This challenge:

We are looking to potentially launch a challenge to tackle some of the skills issues that hold back innovation.

Creativity and innovation are critical in British industry, but the evidence suggests that we lack some of the skills to get the best out of our creative people or to commercialise innovation. A challenge in this area would require further scoping, and early testing suggests that businesses do not necessarily recognise these types of skills as lacking (they are more likely to focus on supply-side and lack of STEM skills etc., for which there are a number of other initiatives). A challenge in this area may be a challenging first step to growing awareness of the importance of commercialising innovation skills/managing innovation. We will explore whether a challenge in this area could run alongside a challenge that will be run by the Technology Strategy Board (or their Small Business Research Institute), which may help bring the issues to the fore. A significant amount of preparation and market making will be needed if the challenge is to have this focus.

Early testing has begun. Continual testing and shaping ahead of a launch in March. Interviews would be in early June.

1	What do you think are the key requirements of successful innovation?
Response	
2	As an organisation, what barriers to innovation, caused by skills issues, have you experienced?
Response	
3	How do these barriers affect your business and its ability to innovate?
Response	

4	What do you think causes these skills barriers?
	Response
	As an organisation, do you feel there is a lack of skills needed for the development of new ideas, or that the workplace environment and practices are not conducive to enabling innovation?

5	How does your organisation try to address these skills barriers?
	Response
	If it does not, why not?
	Response
	What do you think **would** help to successfully tackle these?

6	Are there any existing examples of good practice you are aware of?
Response	
7	Do you think certain sectors or particular sized companies experience greater skills barriers to innovation?
Response	
8	Are there existing events/meetings you know of that we can tap into to talk to people?
Response	
9	Do you have any further contact details for other organisations that would like to be involved in communications about this challenge?
	Response

10	Do you think a challenge exploring the skills needed to underpin technological innovation as well as innovative methods/approaches to address these skill deficiencies would be beneficial to enabling innovation in organisations?
Response	
11	Would you be interested in hearing more/helping to develop the scope of the challenge?
Response	

Once you have completed this questionnaire please submit this form to xxx.xxxx@ukces.org.uk

UK Futures Programme:
an introduction

March 2015

UKCES

**UK COMMISSION FOR
EMPLOYMENT AND SKILLS**
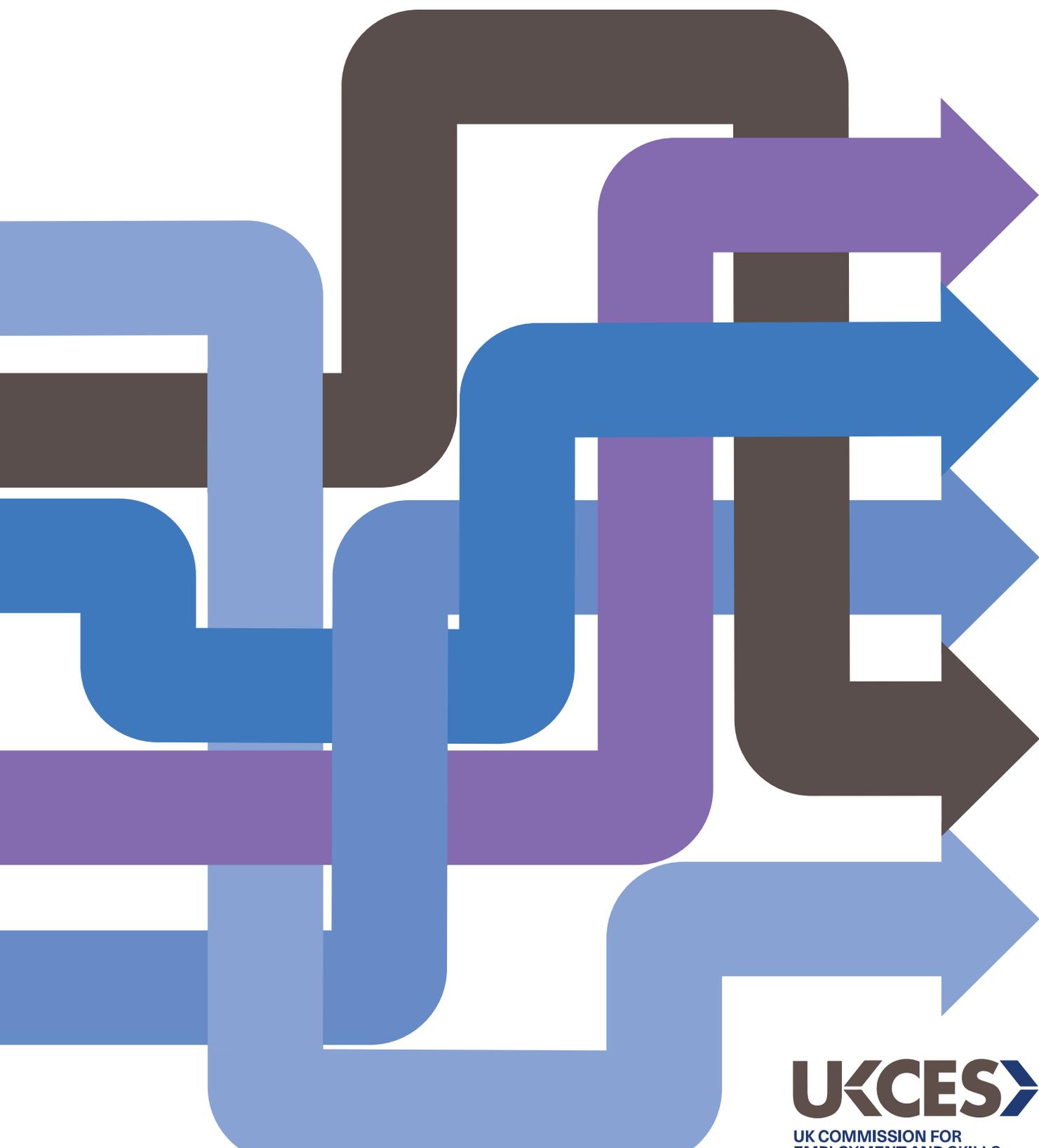
Foreword: Scott Waddington, UKCES Commissioner

In April 2014, the green shoots of the recovery were starting to show after the most difficult economic period for a generation. The picture was one of optimism tempered by caution. Whilst the economy was starting to grow, productivity and wages remained low and youth unemployment high. There were also significant sectoral and regional imbalances.

It was in this context that we launched the UK Futures Programme. The Programme explores 'what works' in addressing new or persistent workforce development issues that contribute to the 'cautious optimism'. Industry is invited to come up with solutions to the workforce development issues that we know are restraining both business and wider economic performance through highly focused competitions. In our first few months, we have launched 4 competitions and invested in 12 business collaborations to design and test innovative solutions to some of our most pressing skills challenges.

The level of employer engagement, collaboration, innovation and vision has exceeded our expectations, and I'd like to thank the project teams for ensuring we have had a successful start to the programme. My fellow Commissioners also appreciate the willingness of projects to try something new and learn from what works and what might not work so well. In this way, the project teams are generating intelligence that will guide the future of skills development for policy and wider business practice. Even in a short time, we have already seen some great examples of this and I look forward to sharing the insights we have gained in the next few months.

In our next year we will progress our existing competitions and launch new ones aligned to the actions recently set out in the UKCES Growth Through People report, focussing particularly on improving workplace productivity.

Scott Waddington

Chief Executive, SA Brain & Co Ltd.; Commissioner, UK Commission for Employment and Skills

March 2015

Contents

1. Introduction

This document introduces the UK Commission for Employment and Skills' (UKCES) UK Futures Programme. Since April 2014, UKCES has been trialling innovative ideas with industry to test 'what works' in addressing current or anticipated workforce development problems that are restraining their business performance. In this document, we provide an overview of the Programme to inform potential applicants on the purpose of the Programme, and to provide background for employers and policy developers.

The introduction outlines:

- the aims of the UK Futures Programme
- what UKCES can offer in terms of co-creating solutions
- what we would expect from successful applicants
- the broad themes which indicate where we are looking to create impact through the Programme
- information about the competitions we have already launched, and those we are planning to run through the next year

2. The UK Futures Programme – an overview

This section provides an overview of the UK Futures Programme.

At UKCES, we have a driving ambition to encourage more and better investment in skills and employment opportunities for people in the UK. This is crucial to enhancing the UK's global competitiveness and to providing good jobs and people, with the capabilities to enable businesses to thrive and grow. Critically, fostering greater collaboration amongst businesses and understanding 'what works' in addressing workforce development issues, are important steps to achieving that ambition.

Since April 2014, UKCES has pursued this ambition through the UK Futures Programme by working with industry to research, develop, pilot and scale innovative solutions to tackling current and emerging workforce development issues that restrain business performance.

Through this Programme, we aim to achieve the following objectives:

- To identify 'what works' when addressing market failures in relation to workforce development, for adoption in policy development and wider business practice.

- To support collaborative approaches to workforce development issues amongst employers and, where applicable, wider social partners
- To encourage innovative approaches to addressing workforce development issues.

Essentially, the UK Futures Programme encourages an R&D approach to skills development and application in the workplace.

The UK Futures Programme mainly operates by issuing targeted competitions that aim to achieve the ambitions outlined in Section 6. Each competition has a competition brief that is published on the UK Futures Programme website and provides more detailed information including:

- the scope of the competition and the rationale for running the competition (the problem we are seeking to address)
- the target audiences (eligibility)
- details about the application process (including submission deadlines)
- contact details for further information

We may also commission research to underpin activity which will be published on the Contracts Finder website.

3. Key features of the UK Futures Programme

This section sets out the key information regarding the UK Futures Programme.

Targeted competitions: Targeted competitions are issued in response to the areas where we are looking to create impact through this Programme (see section 6 for further details). All competitions ultimately aim to improve productivity in UK businesses. The competitions we run will be identified through the insights of our Commissioners and from our research base. We will support multiple projects identified through each competition.

Testing and shared learning: Any innovation needs to be tested to know if it is fit for purpose. Testing, with a broad section of the target market, is therefore a crucial component of all projects. To understand 'what works', the lessons learnt from the experimentation – good and bad – are shared with the UKCES and, through our Innovation Labs, with other projects within the competition. This has proved to be a very effective way of sharing learning, picking up top tips and avoiding pitfalls.

Eligibility: The Programme operates across the whole of the UK. Collaborative employer-led projects are encouraged, as are proposals which also include wider social partners, such as trade unions and membership bodies. However, we will also support single employer proposals where there is potential for impact/learning to be applied in wider contexts. Intermediaries can work with employers to develop and test collaborative solutions, but it must be clear how employers are driving the proposal.

Public funding: Around £3-5m of public money will be available annually alongside private investment. Each competition will offer varying levels of public investment which will be published in the brief.

Public and private contributions: All projects we support will need to show how they would effectively utilise public money alongside private investment (cash and/or in-kind). The balance needed for particular projects will vary according to the specific nature of each competition and the individual proposed project. Further information will be provided in the individual competition briefs.

Project types: The Programme will support four different 'types' of innovative project – 'research', 'development', 'piloting', and 'scaling'. We may also offer to support the evaluation of existing activities in scope. The competition brief will indicate which of the project types are being supported. Most of our current projects fall within the 'developing' or 'piloting' categories.

Success criteria: All successful proposals will have to demonstrate the following:

- the potential for impact
- innovation
- strong employer leadership and engagement
- appropriate balance of private and public contributions
- testing and shared learning

Co-creation: All projects that are supported through the Programme will benefit from the experience, expertise, research and connections of UKCES and our Commissioners (see section 4 for further details on co-creation).

Evaluation: In addition to testing within the projects, the UKCES is also evaluating the Programme, focusing on what works, and why, to inform wider policy and practice.

Developing networks: Projects will come together on at least 3 occasions through the lifecycle of each project – at an inception meeting and at two Innovation Labs. Through the events we have held to date, effective relationships have formed and there has been a high degree of cross-fertilisation of ideas.

Maximising impact: The primary value of learning what works is using this knowledge to influence policy and wider practice. The success of the Programme is crucially dependent on actively communicating our findings and sharing good practice to influence employer practices and future public policy debates.

Exclusions: There are a number of things that we are not looking to support through the Programme. These include large scale delivery of training ('participation'); projects that could be supported through already existing routes ('mainstream'); and costs not directly linked to delivery of projects.

4. What can successful projects expect from UKCES?

This section sets out what successful applicants can expect to receive from UKCES.

A key aim of the UK Futures Programme is for UKCES to actively support projects through our co-creation role which goes above and beyond monetary investment. We have extensive experience working with partners throughout the skills world, and we have developed significant expertise that can help to shape and guide projects. Below, we outline our broad co-creation offer.

Our Commissioners will provide ongoing leadership

The strategic direction of UKCES is set by our Commissioners, forming a social partnership. They come from employers, large and small, from the commercial, public and third sectors, from unions, from universities and colleges, and from the four nations of the UK. Our Commissioners are at the heart of the Programme, stimulating innovation, challenging applicants and providing expert input. Their reach and influence is fundamental to the Programme. Commissioners have been involved in a range of activity - interviewing shortlisted applicants, attending Innovation Labs and helping to launch activities supported through the Programme.

'It was really great to have someone like Will Butler-Adams at the launch of our on-line school (Supply Chain Sustainability Facilities Management School). He gave a really memorable speech which has really helped position our project within the sector and inspire our next steps.'

Ian Heptonstall, Action Sustainability, Supply Chain School Leadership programme.

We use our experience and expertise to support and advise projects

UKCES has considerable experience of co-investing with employers to identify and tackle problems that are restraining businesses performance. Projects will benefit from this experience via the support of a dedicated Relationship Manager who will be a consistent point of contact with UKCES and will support projects to identify and overcome difficulties. In addition, our research team are experts on testing innovation and will work with project teams to hardwire testing and learning into their project plans.

We have used the insights gained from the independent evaluation of our earlier investment programmes to produce a set of UK Futures Programme – Guidance Documents. These provide greater detail about what we expect from applicants, and how to embed proven good practice at the earliest stage of projects. This is summarised in the box below.

Conditions for successful projects

UKCES has already co-invested alongside industry in workforce development solutions through a variety of investment programmes. These programmes have taught us a number of specific lessons about the conditions needed to create successful solutions to workforce development problems. The following lessons have been crucial in helping us to shape the UK Futures Programme:

Start with the problem in mind: A project founded on a rich understanding of the problem / opportunity which key players are looking to tackle, and how it is experienced by a cross-section of its audience, is better placed to respond to it than one that isn't.

Don't just engage the 'usual suspects': For a project to really meet the needs of the 'wider' audience, it needs to move beyond those employers that engage readily and reach out to a representative cross-section of employers. Sometimes these can be the 'hardest to reach'. Testing products with the 'unusual suspects' can be a powerful way of getting fresh insight and gaining their interest.

Start early and put resource behind it: Moving beyond the 'usual suspects' is not easy. Projects need to be realistic about the resource and time required to engage employers, plan for it, and actively review and manage the risks.

What's in it for employers? Clearly articulating the challenge, how the proposed solution tackles the problem, what's 'new' about it, plus the benefits/ risks of action/inaction, will help build employer engagement.

Quality counts: The nature, quality and value of the employer contribution (whether cash or in-kind) matters. Where an employer actively engages in shaping, testing and championing the project, it pays dividends.

It's never too early to plan for sustainability: The benefit of grappling with this challenge at an early stage is that it rehearses and tests the financial model as part of the development of the solution. Projects are then hard-wired to plan for the future. Testing for sustainability will be a key plank of the Programme.

In addition, as projects have encountered challenges in areas in which UKCES has expertise, we make additional guidance available or support projects directly on how to best approach a solution, such as how to test training solutions or develop a sustainable product. For example, UKCES are experts in vocational qualifications across the UK and have provided advice to projects on how they could make use of National Occupational Standards. UKCES are also responsible for the Investors in People standard, an internationally recognised framework for best practice in people management so can provide advice and support in this area.

'The support of the Relationship Manager has been very helpful. He has introduced us to other projects, showing us how we can learn from them and vice versa. We didn't really expect much involvement, and were a bit wary at first, but the project has benefitted from the connections he has made for us.'

Alison Lamplough, Laing O' Rourke, Addressing Skills Deficiency in Off-site Construction project

Collaboration and connections

We know from our research that when employers collaborate they are able to achieve more than they ever could alone. This is about more than just the pooling of resources. Projects often face similar challenges, and entirely new perspectives on how to solve them can emerge when ideas are shared and potential solutions are worked through together. As discussed above, we bring project teams together on at least 3 occasions and also run a secure on-line platform.

In addition to this, we also encourage collaboration with staff or wider partners to support project delivery and, through testing, we encourage engagement with end-users of a product under development from the outset.

We will also work with projects to engage other stakeholders who may be important to the long-term success of tackling problems, by raising awareness of the projects and facilitating meetings and connections. Our Commissioners and the work of the Commission ensures we have good relationships with major influential organisations in the field of skills and employment and we use that to support employer relationships. We also use this to produce practical guidance for employers, e.g. in communicating with colleges.

We are experts on the labour market and the world of skills

We produce the biggest employer survey in the world in which we engage over 90,000 enterprises across the UK to create authoritative business intelligence on employer skills needs and challenges. We enrich these surveys with in depth sectoral studies, and create compelling insights into the future of the labour market as well as creating practical resources to help individuals think about

their future careers. Our research also explores best practice in implementing solutions to skills problems, such as employer networks, occupational regulation and high performance working. This research, supplemented by the insight of our Commissioners, shapes the competitions we launch and can help to guide projects to develop the most effective possible intervention.

Maximising impact

The central purpose of the UK Futures Programme is to find out what works in addressing the problems we outline in our competition briefs and to share that learning beyond the projects. In particular, as each competition comes to a close we will draw the learning together and promote to the relevant audiences, with the intention of influencing policy and practice. Our Communications team will support these activities, best achieved in collaboration with projects themselves. To do this effectively, 'communications toolkits' will be shared with projects teams.

5. What does UKCES expect from projects?

This section outlines what we expect from projects.

Within individual competitions, we will be looking to maximise the learning we gain from the innovation being tested by the projects and to understand how those insights tackle the problem we are looking to resolve. To facilitate this, we expect projects to take part in the following:

Testing and learning: Every project will develop a tailored 'Testing Plan' with the support of UKCES. This will lay out what wider learning the project is expected to generate, the steps that will be taken to test the project, and the process by which the learning will be used to reshape the project as it progresses. This will enrich our collective understanding of which aspects of any implemented solution do/don't work and why, and the insights we gain will go on to inform wider policy and practice.

Co-creation: Every project will work with their relationship manager to produce a co-creation plan that outlines how we can support each project beyond our financial contribution to your project, as outlined in section 4. We have found this invaluable in encouraging projects to consider the value which could be added by UKCES, and in connection to other projects, which most have not considered during the application process.

Inception meetings: Fostering collaboration is at the heart of the programme. We know that projects have a greater chance of success when ideas and solutions are shared between project teams. To this end, at the earliest point we bring together all successful projects within a competition and encourage them to share and develop areas of common concern. These meetings have been really welcomed by the projects we are already working with.

Innovation Labs: For each competition we hold at least two Innovation Labs where project teams share lessons learned and work together to address common problems. The Innovation Labs crucially depend upon a commitment from projects to engage fully with the day. We expect at least two senior individuals from each project to attend the labs, and there will often be activities to complete in advance.

Monitoring reports: As projects complete delivery stages they will be expected to complete reports that provide comprehensive information on all aspects of the delivery in order to receive payment. Our intention is to ensure that the completion of the reports adds value to the projects themselves as well as the opportunity to reflect on progress and achievement of objectives.

Case Studies: we will be looking to work with some of the projects we support to compile influential and impactful case studies to share as part of the wider learning from each competition.

Evaluation: All projects are expected to take part in our evaluation of each competition. This is an important part of the learning process which allows us to draw out key insights to affect wider policy and practice and we plan to use the learning from each competition to do this. We would also expect the projects that 'do work' to continue in their own right and be sustainable.

6. Where are we looking to create impact?

UKCES' ambition is for a sustained economic recovery for the long term, driven by the skills and talents of people. Our vision was articulated in our 'Growth through People' report.

'Growth through People' outlines 5 priorities for action if this ambition is to be realised. The priorities are:

Employers should lead on skills and government should support them

- Improving workplace productivity should be recognised as the key route to increasing pay and prosperity

- 'Earning and learning' should be the gold standard in vocational qualifications

- Education and employers should be better connected to prepare people for work

- Success should be measured by a wider set of outcomes not just educational attainment

While every one of these priorities is crucial for realising growth through people, and the UK Futures Programme will be supporting each of them through individual competitions, we will be focusing particular attention on improving workplace productivity.

7. What has the UK Futures Programme achieved so far?

Despite being a new programme, a significant amount has been achieved since the UK Futures Programme was launched in April 2014.

To date, we have launched four competitions. We are currently working with 12 collaborations testing new ways of tackling skills issues across the first two competitions in the off-site construction sector (1) and using supply chains to improve management and leadership (2).

As this goes to print, we are finalising contracts for a third competition to explore workplace innovation to tackling pay and progression barriers in retail and hospitality sectors. Applications to a fourth competition on enhancing the skills required to manage innovation in the manufacturing sector are being assessed.

Timelines for further known competitions are provided in the table below.

Competition	Launch date	Closing date
5. Anchor institutions: improving management and leadership in small firms	19 March 2015	30 April 2015
6. Addressing gender imbalances in the workplace	May 2015	June 2015

We are working with partners to identify further competitions. The UK Futures Programme has successfully catalysed innovation and collaboration in the areas we have targeted, and we are exploring the opportunity to do more. Full details will be provided on our website. All links and contact details are provided in the next section.

8. Contacts and further information

Contact us:

All information on the UK Futures Programme can be found at:

https://www.gov.uk/government/collections/ukces-futures-programme-overview

Questions and queries regarding the UK Futures Programme can be submitted to:

enquiries.futuresprogramme@ukces.org.uk.

We aim to respond to questions within five working days.

We will advertise the commissioning of any research to underpin the programme activity on Contracts Finder: http:/www.gov.uk/contracts-finder

Freedom of information and Data protection:

Please be aware that the UK Commission for Employment and Skills (UKCES) is a public body which is subject to the provisions of the Freedom of Information Act 2000 and the Environmental Information Regulations 2004. If you mark any material you submit as part of your application as confidential or indicate that its disclosure would, or would be likely to be prejudicial to your or anyone else's commercial or other interests, then UKCES will have regard to this when considering if any of the exemptions from disclosure in the relevant legislation apply where a request has been made the scope of which includes the information you have provided. You should also explain why release of this information would be prejudicial to your interests or those of third parties. However UKCES cannot guarantee that any information supplied to it would not fail to be disclosed, whether following an initial request for information or by a direction of a regulatory authority (including the Information Commissioner) or a court or other authority of competent jurisdiction.

Any personal data that is provided as part of your application will be processed in accordance with the Data Protection Act 1998, in particular in full compliance with the data protection principles in schedule 1 of that Act. The personal information will only be processed by UKCES (and its administrators)

for the purpose of assessing your eligibility for the UK Futures Programme. It will not be used for any other purpose without your permission, nor will it be shared with any third party, subject to the provisions of the 1998 Act.

Intellectual property:

"Intellectual Property" means patents, inventions, trademarks, service marks, logos, design rights (whether registrable or not), applications for any of those rights, copyright (including Crown copyright), database rights, domain names, trade or business names, moral rights and other similar rights or obligations, whether registrable or not, in any country (including but not limited to, the United Kingdom) and the right to sue for passing off.

For Intellectual Property (IP) created or developed directly as a result of any Grant awarded by the UK Commission, the following rights will apply:

- You will grant UK Commission, free of charge, a non-exclusive non-revocable royalty-free licence to use, exploit and/or adapt the IP throughout the world in perpetuity

- You will agree to grant a licence for the IP to any other organisation as reasonably requested by UK Commission

- In granting the licence to UK Commission, You shall ensure that any materials in which there are pre-existing intellectual property rights owned by You or Your agents, sub-contractors or third parties:

  You will provide, or procure from such agent, subcontractor or third party a non-exclusive licence (or sub-licence) allowing UK Commission to use, reproduce, modify, adapt and enhance those materials as UK Commission sees fit. Such licence (or sub-licence) shall be perpetual, irrevocable and granted at no cost to UK Commission.

  You indemnify UK Commission against all claims and proceedings, and all costs and expenses incurred in connection with any infringement of the use of the Third party's intellectual property in performance of the grant.

UKCES

**UK COMMISSION FOR
EMPLOYMENT AND SKILLS**

UK Futures Programme:
Guidance Documents

Contents

Types of project

The UK Futures Programme is focussed on addressing problems by adopting a testing and shared learning approach to better understand what does/doesn't work when addressing skills and workforce development issues. Different types of projects will attract different levels of public contribution, see 'Public and Private Contributions guidance for further information.

The types of innovative projects that we will invest in are the following:

Research

1. **Research – A research project will shine new light on the problem that we have identified, for example by explaining the wider context and identifying potential solutions.**

   Some examples of this could be:

   - Developing an explanation of how the problem came to exist
   - Informing solutions by detailing previous attempts to solve the problem
   - Elaborating on the wider impact of the problem beyond the immediate effects identified by UKCES

   Employers will be welcome to identify gaps in the evidence and the means to address them. However, research projects will not be invited for every competition.

Development

2. **Development – A development project turns understanding of a problem into a model for solving it.**

   Ideas for solving the problem need refining and developing into concrete, practical steps which employers can take. It is important to explain how taking these steps will solve the problem, and to explain through use of the logic chain any other consequences that implementing the solution might have. For information on how to do this consult the 'Potential for Impact' guidance section.
   Applicants are encouraged to offer multiple solutions and develop more than one model. Different models could represent different types of innovation:

   - Transformative innovation: involving the development of entirely new products or ways of doing things
   - Context-specific innovation: solving a problem by implementing existing practice in a new context

- Adaptive innovation: modifying existing practice so that it is better tailored to the specific problem, or adapting existing practice so that it has wider application.

For more information on the types of innovation, please consult the 'Innovation' guidance section.

3. Piloting – A pilot project involves implementing a modelled solution, identifying its long-term impact and demonstrating its suitability for wider application.

A pilot project would involve testing solutions in a 'real world' context. We would expect the intended outcome of the intervention to be clearly explained in advance by use of the logic chain (see "Potential for Impact" guidance section.) However, the UK Futures Programme is at heart a learning opportunity. As such, the most important feature of the 'piloting stage' is the ability to clearly evaluate the difference made by the intervention.

For more information, please consult the "Testing and Shared learning" guidance section.

Projects which seek to 'pilot' more than one model provide a strong basis for testing what works through providing a controlled environment. This allows us to establish the difference made by the overall intervention and the importance of particular features of the intervention. For example, a project could test two or more ways of engaging with hard to reach employers to see which is most effective, or test alternative models of refining job design in growing workplaces.

Piloting

4. Scaling – A scaling project takes solutions that we know work, and implements them in a different context.

This could involve taking a successful solution to a particular problem and adapting it to a new context, one that requires little new development or testing.

When scaling a solution, it is important to take account of the new circumstances and to ensure that these do not undermine the effectiveness of the solution.

Scaling

Potential for impact

This guidance supports consideration of how the solution addresses the original problem in order to maximise the potential for impact. Due to the deep roots of many of the problems targeted by the UK Futures Programme, it is unlikely that we will be able to measure tangible impact and determine the effectiveness of solutions within the available funding period. So it is critical that a pathway to impact is demonstrated in which the appropriate milestones are used to measure the effectiveness of the solution and guide modifications where necessary. We are concerned with testing the means to the end more than the end itself.

In assessing the potential for impact, we ask applicants to demonstrate the potential effectiveness of a solution by providing a clear understanding of the problem. We require that applicants provide a logic chain to support doing so, including the identification of factors that will require testing and the appropriate success measures of key milestones. This guidance document provides further detail on these areas.

Understanding the problem/challenge

Before developing a solution to an identified problem, it is important to comprehensively understand the impact of that problem upon a broad range of employers. Only skills solutions that are grounded in the demands of employers and their experiences of the market failure will add sufficient value to be self-sustaining in the longer term.

Shaping a solution to the demands of a wide range of employers requires an understanding of the factors that influence their skills requirements, e.g. the political, economic and social contexts of the businesses; the nature of those skill requirements and the reasons why skills requirements have gone unmet. These barriers may be both of supply (poor quality or low numbers of appropriately skilled people and provision) or demand (the way skills are used in the workplace).

With employers playing a lead role in any application, we expect there to be sufficient understanding of the problem demonstrated in the application and consideration of why the proposed solution will fit, subject to the 'development' or 'piloting' projects the Programme offers. It may be that there is inadequate information about the nature of the problem to begin proposing solutions. In those cases, UKCES will be happy to discuss potential new research to fill this gap.

Mapping the potential for impact

It helps to map out the proposed potential for impact from problem to solution to results which address the original problem. This is a requirement of the application process. We refer to this as a logic chain (although it can also be thought of as a cycle, as illustrated below). Essentially this explains the hypothesis that the project sets out to test and learn from.

What is a logic chain?

A logic chain presents a simple illustration, in schematic form, of the sequence of expected results for your solution, whether this is a single, distinct product/service or something on a larger scale. Using a logic chain can help clarify:

- the desired and expected results of a solution
- how these components are inter-related
- how they relate back to the original problem identified
- success measures that can be used along the way to thoroughly test the innovation

Components of a logic chain

Within the application form, you are asked to map out the project using a template logic chain which illustrates the 6 elements in the table below. Alternative models are acceptable, but the essential demonstration of potential for impact is required. It must be easy to read. Accompanying narrative is required within the application form to provide a richer understanding of the process.

UKCES can provide support (as part of our co-creation process) for further shaping and implementing the logic chain for successful applicants, including identification of success measures. However, the application form should demonstrate initial planning and consideration of the issues involved in delivering and testing the potential for impact.

Problem	Problem	UKCES will outline the challenge it is seeking to address in the competition brief. The applicant must articulate the problem they are looking to tackle and what this understanding is based upon, e.g. the sector being unable to meet a local need for a product or service due to a lack of skills.
Solution	Inputs	Any resources you anticipate requiring to deliver your activities, both your own contributions and those which you are expecting from UKCES.
	Activities	The specific processes required to produce outputs e.g. designing a new incentive structure for engaging hard-to-reach employers in a network; developing a new qualification framework; 'piloting' these ideas.
Results	Outputs	The quantifiable results signalling the completion of activity e.g. new employers engaged in a network; new qualification framework developed, tested and agreed.
	Outcomes	The intended short-to-medium term effects generated by the outputs e.g. improved collaboration in a sector/locality; enhanced skills.
	Impact	The intended longer term impact of the initiative/intervention which addresses the original problem, e.g. sector/locality able to take advantage of emerging international markets through having skilled employees and employers committed to on-going skills development.

Innovation

Testing new solutions and developing innovative solutions to workplace development issues is the cornerstone of the UK Futures Programme. But what do we mean by innovation? This guidance describes different types of innovation, based on learning from our previous investment programmes.

What is innovation?

By its very nature innovation is something which is live and changing. Broadly speaking, innovation is about the design and delivery of the new or different. This can include new ways of working, as well as the development of new products and tools. Ultimately a measure of innovation must be based on the extent to which it has a practical value and provides a service offering new benefits to employers or individuals. All of this is valid innovation and will be considered in-scope, when we assess applications. Different types of project will emphasise different types of innovation. For example, 'developing' or 'piloting' projects will be more likely to deliver transformative innovation, whilst 'scaling' projects may be adapting existing innovations. However, this is a broad generalisation. What is important is that the application clearly states the type of innovation, and why it appropriately addresses the problem you are looking to resolve.

What are the different types of innovation?

Communicating to others the way in which an intervention or approach is innovative can be challenging. It is helpful to try to describe the type of innovation and to use a common language to do this. In our research, we have used three categories to understand innovation:

- **Transformative innovation** is where an idea is fundamentally new and radical. Some ideas may be further along the spectrum to being transformative without being wholly 'radical'. For example, developing a new model that is challenging existing skills funding models and regulations or supporting employers to adopt practices which move their business up the value chain, to stimulate demand for skills.

- **Context-specific innovation** refers to the application of existing models to a sector or geographical area for the first time. For example, developing a professional institute for employees, group training networks, an online portal for tracking training progress, or developing career and skills pathways. The degree of risk is likely to depend on the similarities and differences between the existing context and the new.

- **Adaptive innovation** is typically where modifications are made to an existing product or process so that it appeals to a wider audience and / or is better suited to the needs of a specific audience. Adaptive innovation may also seek to produce greater value for employers at lower costs and higher benefits.

This is not a pure science. An idea / project may be at any point along the spectrum and may include elements of the different types of innovation. The type of innovation is not fixed and can change in type and scale during the implementation of the projects.

This is illustrated in the following diagram:

Discontinuous i.e. out of the box thinking, radically different solutions	⟵ **Innovation Spectrum** ⟶	**Continuous** i.e. incremental development of existing initiatives
Transformative Innovation Fundamentally different models, 'upside-down' thinking.	**Context-Specific Innovation** Borrowing practice from other contexts, and in doing so bringing new ideas to a particular sector or geographical area for the first time. This can occur along the spectrum, depending on the ease of transferability (e.g. group training networks, professional institutes, etc.)	**Adaptive Innovation** More incremental in nature, but with novel delivery processes or application, e.g. different ways of targeting certain types of employer and/ or smarter distance learning. *Source: SQW and UK Commission, borrowing from Handy (1999)*

How is innovation achieved?

There are many contributory factors and identifying the innovative 'idea' is often an organic process. The direct engagement of employers at an early stage has commonly been reported to trigger fresh ideas. The larger the pool from which fresh ideas are drawn the more likely it is that innovation is at the 'radically different' end of the spectrum. Other employers can also bring a 'real world check' to ensure innovation does not compromise practicability. Our Innovation Labs create the opportunity for successful projects to get together to share ideas and work collectively to stimulate innovative approaches to overcoming challenges.

How is innovation understood and communicated to the target market?

The real test of a solution and its innovation is whether employers are willing to pay for it. It therefore helps to consider the following questions:

- **Why** is the solution considered innovative? **How** and **why** is it different to what exists? **How** does it build upon the learning about what exists / what has been tried already?

- How will you explain **what is new** to other employers / the wider audience? Will the proposed audience **recognise** it as new? Will they recognise the benefits on offer?

- Does the solution provide a service or product with **new benefits**? Does it have a **practical value**? How can this be articulated? How can it be strengthened?

How/when does innovation need to be market tested?

It is often most practicable to work with 'warm' employers (existing relationships) to hone the innovation before promoting it to other employers. However, it is important to engage a broad cross-section of employers at the earliest possible stage. Robust market testing in the initial stages of a project minimises the chances of an innovation being poorly received.

How does the level of risk and potential impact differ by type of innovation?

A project introducing something completely new to a sector has the potential to be transformative, as employers have access to a wholly new service. These projects inherently carry a higher level of risk, as the approach is unlikely to have been previously tested in the market but could potentially transform employer behaviour. Safer and lower-risk investments (adaptive or context-specific) are more likely to have an incremental impact on skills investment and growth, having a greater chance of being sustained and influencing a wider reach of employers. In order to learn "what works" UKCES expects to contribute to projects which may not show immediate impact, as long as the potential impact and innovation is understood.

Engaging a wider range of employers

Through the UK Futures Programme, UKCES expects strong employer leadership of projects, as past investment programmes have shown this to be critical for success. This section considers the issue of widening collaboration amongst employers and enhancing the target market. The extent of employer engagement, and their resulting buy-in, affects how quickly a project can be implemented. In general, the stronger the engagement in the design and development of solutions the easier it is to galvanise involvement in the delivery. There is no "silver bullet" for employer engagement. The time and resources required cannot be underestimated, but engaging the market for the product or service you are developing is critical.

Where employer engagement has worked particularly well, what are the common factors?

Our research has shown that a number of factors exist which coincide with effective employer engagement. These include:

- a history of engagement and established mechanisms for doing so
- the sector has a culture of employer collaboration
- having a clear and convincing business case, often with tangible and quickly achieved benefits.

The UK Futures Programme, by supporting innovation, therefore affords an opportunity to bring likeminded employers together, particularly in our Innovation labs.

How can these factors be replicated or used to facilitate employer engagement?

Working with existing contacts and through informal networks is the natural starting point for employer engagement, but this can mean that ideas are often tested with a 'warm' audience only. Moving beyond the initial group of interested employers to reach a wider group of employers can take considerable planning and effort. It may be possible to use sector specialists and other key players to build trust and respect to engage new employers. It is important to understand the characteristics of different groups of employers and identify key 'selling points' that appeal to and benefit different employers. Fora provide one way to stimulate thinking on behalf of sectors or geographical groups of employers by focussing on common issues.

What methods of employer engagement have been found to be effective?

The way in which employers engage, and when, changes from project to project. Examples of effective engagement include:

- employer 'champions', peers and supply chains to 'sell' project concepts credibly to others
- individual personnel who advocate for and embed the messages and practices within their firm

- engaging employers in decision-making is most commonly achieved through project steering groups and employers' executive boards. This provides the opportunity to monitor the implementation of the project but without dealing with the day-to-day management of the project

Are there any methods that are particularly effective in helping to engage with hard to reach employers?

All markets have "hard-to-reach" areas. These may be small but they can be significant in terms of changing established standards and practice or influencing reform amongst a wider group. Small and medium sized employers are often categorised as hard to reach; their time is more precious and they typically engage less. But these stereotypes may not be helpful for your target market, as there may be other hard to reach employers that are important to your success. The list below suggests means of widening engagement to include those who may be crucial to achieving significant and lasting change:

- having representatives on a steering group – this can include rotating which employers sit on the group to minimise the burden
- engaging with clusters and other organisations where there may be groups of employers (although this may involve going through a third party)
- working through supply chains, in particular if significant organisations within the supply chain can be engaged effectively, before then spreading the message to others
- encouraging and facilitating peer-to-peer engagement through informal networks
- utilising existing forum and workshops that hard-to-reach employers already attend

How can the burden on employers be minimised?

Effective methods have included meeting at employers' own premises, and using a mix of face-to-face meetings, web briefings and telephone calls. Planning the method of communication and points for consultation around the requirements and priorities of employers can help to ensure that they do not feel over-burdened. It is important to ensure any contribution is used to best-effect. Providing employers with the opportunity to contribute to strategic direction is a critical part of the design of the projects, as well as shaping the development of new tools and approaches. Testing provides the opportunity to explore whether assumptions on employer demand were realistic and achievable. The effectiveness of this testing is a crucial dimension to developing employer 'buy in' to support the future of the proposed solution.

Public and private contributions

The UK Futures Programme provides employers with the opportunity to receive public financial contribution for the solutions they design to workforce development problems and to encourage innovation and mitigate risk.

The four types of project in which UKCES is willing to invest will attract different levels of public support. In broad terms, projects that are more highly innovative may attract greater risk, or may take longer before employers receive the benefits of the innovation. In cases such as this, UKCES' contribution will be higher. In contrast, those projects that are closer to the market, or involve less significant innovation, may be likely to receive a lower level of contribution.

For more information, consult the **"Types of Project"** and **"Innovation"** guidance sections.

The role of UKCES in every competition is to support employers to develop their own solutions, and to ensure that whatever lessons are learned inform businesses and policy makers in future. Further detail on the level of UKCES support will be provided in each of the individual competition briefs.

Different indicative levels of investment will be available from UKCES for each of the different types of projects we are looking to support - see below table.

Type of project		Indicative levels of UKCES Investment
Research	Increasing collective understanding of a problem and identifying the potential solutions.	Research will be generated as a social good and will therefore attract a UKCES contribution close to the full cost of the project.
Development	Progressing and refining existing ideas into products and services.	Employers will have an active interest in shaping the product/service being developed and will see the potential long term benefit of supporting the project. Public investment mitigates risk, which supports innovation and wider learning by enabling certain projects to go ahead. UKCES is likely to provide the majority contribution.
Piloting	Piloting products on a small scale in the "real world" and evaluating their outcome and the feasibility of scaling up.	Piloting identifies if the product/service works and is of benefit to the intended user. We expect employer contributions to be higher than the development stage reflecting proximity to market. Risks are present but less than in the development stage. UKCES contributions aim to mitigate risks and support the emphasis on wider learning about what works. Although the public contribution is expected to be less than the development stage it may still provide the majority investment.

	The growing and spreading of a product/practice/idea.	The implementation or scaling up of a product or service may be more costly, but if there is greater chance of success and the benefits this creates, private contributions are expected to cover the majority of the project costs. The public contribution will again facilitate wider learning, mitigate risk and will continue to be backed with non-financial support through our co-creation approach to developing projects.
Scaling		

Purpose of co-investment

Co-investment combines public and private investment so the two work together to increase the potential for successful innovation and longer term sustainability. Public contributions and support can be effective at encouraging employers to take the lead in developing more effective solutions to skills and employment challenges.

The right balance of cash and in-kind
UKCES will accept in-kind contributions alongside cash contributions. All private contributions should seek to add value beyond its monetary worth by applying resources to their best effect. There is no science in getting the balance right as long as it addresses the problem, has a sound rationale, is realistic and achievable and considers longer term sustainability. This is reliant upon a good understanding of what/how the solution can be achieved and gives due consideration to the nature, quality and the timing of the contributions.

For both cash and in-kind contributions, it is important that the contribution is both quantifiable and well evidenced. It is also necessary that the contributions occur within the timespan of the competition we are funding.

What type of 'cash' is acceptable?
Employer cash contributions are vital to the success of a project, but the level of engagement and involvement will depend on the approach and the means by which the contribution is made. The biggest challenge for employers will be ensuring that their partners do not make cash contributions in exchange for a product or a service, but rather play an active role in the creation of the solution. We will be particularly interested to see how you will meet this challenge.

Cash contributions toward the set-up, design, testing and development have an important role in demonstrating commitment and engagement to the project and therefore the level of employer buy-in. The following can be counted as cash investment:

- Direct cash contribution from an individual or collaboration of employers
- Reserves from the lead employer or body
- Assigned membership fees or levy fees that are not funded from other public sources

Quality in-kind investment
In a co-investment model, the ***in-kind contribution***, whilst it has a monetary value, is more about the added-value. In-kind contributions can support the project in many different ways; but, some have more power to influence the success of a project than others. We want the nature and purpose of the employer contribution to be clearly defined.

Where employers take a driving or active role in a project (through their investment of time, expertise and resource) by shaping the solution, testing it and championing it, the likelihood of success is greater. Where the contribution positions employers in a passive and/or distant role from the project this will not be considered sufficient to ensure the viability of the approach in question.

Further information about contributions is provided in the financial spreadsheet which is part of the application form.

What do we mean by testing and shared learning?

The UK Futures Programme has been set up to advance our knowledge of what works in tackling persistent or emerging skills issues. This will be achieved by co-investing in the development of new ideas, piloting prototypes in new markets or scaling successful ideas in new areas. Integral to this approach is an ethos of testing, which will require projects to have methods in place to enable continuous learning. As projects develop, insights will need to be fed back to improve ongoing development and delivery, and shared with others to maximise the benefits of the learning.

In this section we outline:

- **What is expected of applicants in the UK Futures Programme in terms of testing, learning and sharing lessons**
- **The support that will be available from UKCES to help with this**

What should I test?

What is tested will be specific to each project. We expect the emphasis to be on what is new or being applied in a different way or context – the innovation. Put simply, testing is about understanding the innovative elements of the project, working out what makes a difference and what to refine, and learning what works and why. It is important to find out whether the end product / output does what was intended and addresses the problem it set out to tackle. But, it is also important to test the tools and / or approaches that you use to get to that end result. The things you refine along the way can make all the difference.

Testing applies to:

- The end product(s)
- The methods, tools and approaches that you adopt along the way
- The hypothesis about the 'theory of change' from problem > activity / solution > results

Most projects are likely to be testing all of these factors to some degree, though the emphasis may vary depending on the project. For example, some may be more focussed on ways of engaging hard-to-reach employers, others more focussed on learning modules. All should test the 'theory of change' as part of these tests, i.e. whether the product or method is actually tackling the original problem.

Clearly, what you test also relates to the type or stage of project and this will also inform the testing method.

This is illustrated in the table on the following page.

Project type	Broad Question	Methodological considerations	Testing could include, for example:
Development	What product will best address the problem we are seeking to address?	Test with core group of active employers initially before widening out to a broader cross-section	• How to engage a cross-section of employers • How to explore and understand recognition and experience of the problem by a cross-section of employers • How to actively involve them in shaping a response to the problem • How to manage and respond to diverse needs • How to identify success measures, monitor and manage them
Piloting	Does this product work in a real world setting?	Ensure product is piloted with a cross-section of the target audience	**See above, and:** • How to engage a cross-section of employers in piloting • How to minimise the barriers / respond to challenges • How to strengthen the value/benefits • How to evidence the benefits and know if it they would have occurred anyway • How to communicate the offer, innovation, benefits / risk of inaction • How to create a flexible pricing model
Scaling	Does this product work effectively when scaled up to wider delivery?	Test implications with the target audience.	**See above, and:** • How to engage employers in championing the skills solution • How to translate what works for a wider audience / to a difference context • How to ensure the components of what works can be replicated • How to ensure there is flexibility to respond to changes in demand, policy context, etc.

In addition, all projects will need to identify good indicators of progress towards a 'successful' result and how to actively manage and monitor them

When you have identified the key things you want to test and are able to refine or repeat in future, the key questions to explore are:

What works/doesn't?	**When?**	**How?**	**Where?**
What results?	**Who with?**	**Why?**	**So what?**

What UKCES is looking for:

Project teams with:

- An openness to share their ideas, discuss their challenges and learn from others
- Continuous reflection: how is it going? What could be better? How can we improve?
- A willingness to learn more about testing and implement and share the learning throughout the project

This will be assessed as part of the application process and interview. You will need to:

- Present a clear idea of what you want to test, linked to the project type or stage, your innovation and logic chain, and some initial thinking about how this will be built into the project
- Consider the components of your approach and the methods you'll use.

- Show initial thinking about how to build in the flexibility so the project can be refined as a result of the learning process

During the project you will be expected to:

- Refine key success measures
- Collect performance and monitoring data from the outset, and use this over time to plot progress/review success measures
- Develop and deliver a testing and shared learning plan
- Make use of the portfolio of testing tools that UKCES will make available
- Update on what you have tested and the results of those tests in the End Stage Reports
- Arrange visits to your site so that UKCES and other co-creation partners can see what you're doing and offer support to the project as a critical friend
- Prepare fully for, attend and participate at a series of Innovation Lab workshops approximately quarterly throughout the life of the project. These will be attended by project teams from all the projects within a competition and other stakeholders. These will be designed to collectively discuss issues and challenges faced by projects and identify solutions to overcome them, as well as sharing the learning
- Use discussions at the Innovation Labs to reassess your project's progress, identify learning points and reshape success measures if required
- Produce output(s) that capture what was tested, how it was tested, what was learnt and the implications for the project, and wider. The report will give an evaluation of the project, measured against its success criteria, following a framework and structure agreed with UKCES

What support will be available from UKCES?

We realise that the level and type of support needed by individual projects, available as part of UKCES' co-creation offer, will vary, depending on previous experience and the nature of the project. Support and resources available include a template to help you identify monitoring data for collection; a range of tools, including questionnaires and interview outlines to reflect on your progress; and the experience and expertise of UKCES staff.

This guidance document relates to the UK Futures Programme. The guidance document and all further information about the UK Futures Programme can be found on the following website:
www.gov.uk/government/collections/ukces-futures-programme-overview.

UKCES
**UK COMMISSION FOR
EMPLOYMENT AND SKILLS**

6   Example Application Form (PC 6 example)

INTRODUCTION

This application form should be completed by applicants who are seeking to apply to the UK Futures Programme, Gender Inequality Competition.

Prior to completing your application form, it is important that applicants read the following key documents and guidance documents below:

1. The Competition Brief
2. The UK Futures Programme - An Introduction
3. The Challenge Guidance Document which includes guidance on the following topics:

- Types of projects
- Potential for impact
- Innovation
- Engaging a wide range of employers
- Private and public contributions
- Testing and shared learning

Please note: If your application is short-listed, you may be invited to an interview where there will be the opportunity to further expand on the information in the application form. The interview dates are currently scheduled for **22 and 23 September 2015**. If you are invited to attend an interview, you may be asked to provide additional information ahead of the interviews.

ABOUT THIS APPLICATION FORM (Terms and Conditions)

Important: This application form will only be saved for a maximum of 30 days from the date of commencement. After this date the form will no longer be saved and the form including its contents will be deleted. Note: The 30 days will commence once you have completed any part of the application form and saved your progress.

No extensions to the 30 days can be provided therefore it is recommended that you do not start your application form until you are in a position to complete the relevant sections. This will enable you to give yourself the maximum time to complete and submit the application form.

The application form MUST be submitted within 30 days from the date of first commencing or prior to midday on 13 July 2015, whichever is soonest.

If for any reasons there is a delay in completing your application form and you wish to start a new application form in order to secure a further 30 days to submission window: you can do this by registering for a new application form here you will then be sent by email a link to your new application form.

To save this application form please ensure you press the save button at the bottom of the page. You will then be directed to a page containing a new link to re-access your saved application form. You can also input your details and request that this link be sent to you by email.

Whilst completing this form you are able to copy and paste text from other documents/ sources into the response fields within this application form. Please note: Response fields within this application form do not support the copying and pasting of image formats. Where it is anticipated that you will need to provide a response in an alternative format provision has been made for you to upload these documents.

Fields marked with a red * are mandatory and you will not be able to submit the application form unless you have completed all mandatory sections.

Text boxes have been provided underneath each question providing you with guidance on what information we require for that question.

In order to submit your application form you must press the submit button at the end of the application form. Once you have successfully submitted your application form you will receive an e-mail notification (which will detail your entries within your submitted application form) to confirm that we have successfully received your application form. It is your responsibility to ensure that you receive this confirmation. Please note e-mail notifications will be sent to the e-mail address that is provided for notification purposes below.

If at any time during completion of your application form and prior to submission you wish to print a copy of the form you can do this by either clicking on <file> and the <print> in the top left hand side of the web browser window, or by pressing the ctrl + P buttons on your keyboard at the same time.

If during the application process you are having any difficulties that you are unable to resolve please e-mail enquiries.futuresprogramme@ukces.org.uk all e-mails will be dealt with within 48 hours.

Tick the box to confirm that you have read and agree to the terms of this application as described above*****

[ ] Yes, I confirm that I have read and agree to the terms and conditions of this application

Email Address*****

1. APPLICANT DETAILS

Lead Organisation Name*****

Contact Name*****

Position within Organisation*****

Address*****

Telephone Number*****

Mobile Number

2. PROJECT DETAILS

Project Name*****

Start Date*****

End Date*****

Project Type(s) *
[ ] Development
[ ] Piloting
[ ] Scaling

Sector *
( ) Adult Social Care
( ) Cleaning
( ) Commercial Catering

Project Summary & Objectives *

In no more than 300 words (2,100 Characters) provide a short description of the project and its main objectives. Note: This response will not be scored during the assessment process. Please refer to the challenges identified in the Competition Brief.

Geographical Impact *
[ ] UK Wide
[ ] England
[ ] Northern Ireland
[ ] Scotland
[ ] Wales

3. GATEWAY QUESTION

All applications must align with the invitation as described in the Competition Brief. If the majority of assessors consider that the answer does not align to the invitation, then the application will not be approved for funding.

Describe how your application specifically responds to the invitation for this competition? *

In no more than 500 words (3,500 Characters) demonstrate the relevance of your application to the competition, you need to show that a clear majority of the project's objectives respond to the identified challenges of the competition and that the results of the project will potentially address these challenges. It is therefore important for you to fully understand the background, challenges and expectations of the competition as described in the competition brief. Please note this is a pass/ fail criteria and the response to this question will not be scored as part of the assessment criteria.

4. POTENTIAL FOR IMPACT

Refer to the Potential for Impact Guidance document to guide you in your response to this question. It is vital that all proposals demonstrate the direct links between innovations to working patterns and practices and the potential benefits to employers. This might mean, for example, that changes widen the pool of good quality applicants to advertised posts, or that staff morale improves with impacts on business productivity.

a. How does this project demonstrate that the solution will seek to address the problem? *

In no more than 1,000 words (7,000 Characters) describe how this project demonstrates that the solution will seek to address the problem. Proposals should illustrate a clear understanding of the issues faced, and a strong rationale as to why the solution they are proposing will address the problems. Successful projects will show how the innovative solution will seek to address the problem (or capitalise on the opportunity) through clear pathways or cycle from problem to solution to potential impact. You will need to map out the project using a basic schematic representation of a logical sequence which illustrates the six elements in the table provided in the Potential for Impact guidance document. A template has been provided for you to use. You can provide an alternative model as a separate annex, but the essential demonstration of potential for impact is required. It must be easy to read. You will also need to provide an accompanying narrative within your response to this question to provide a richer understanding of the process. This should set out: 1. Your understanding of the PROBLEM you are aiming to tackle and what this understanding is based on. 2. What needs to change and why. 3. How this relates to the skills challenges as described in the competition brief, which are relevant to your application. 4. Any resources (INPUTS) you anticipate requiring to deliver your activities, both your own contributions and the requested public contributions. 5. How you have shaped the proposed solution and ACTIVITIES. 6. How the solution will address the problem. 7. The OUTPUTS which would be expected to indicate whether the activity has the potential for longer term impact, and how this further addresses the original problem. 8. The

intended short-to-medium term OUTCOMES generated by the outputs. 9. The identification of good indicators of progress towards a 'successful' result and how to actively manage and monitor them. 10. The intended longer term IMPACT of the initiative/intervention which addresses the original problem. 11 Provide an indication of the expected timing of the activities, outputs, outcomes and impact. Please note both the logic chain and supporting narrative will be assessed and scored as part of the assessment process.

b. In addition to your response above please upload a 'logic chain' to support your answer. We have provided a logic chain template which can be downloaded and completed in response to this question. If you do not upload a logic chain document, your application will be classed as 'incomplete' and may not progress to assessment phase, which will result in it being unsuccessful for funding.

Document upload

When saving and resuming this application document uploads will not be saved. The document upload sections will only be saved once you submit your application form. We recommend you upload this document once you have completed the rest of your application to avoid uploading multiple times.

The link to the Logic Chain template can be found [here](#)

5. INNOVATION

Refer to the [Innovation Guidance](#) document to guide you in your response to this question

What is innovative about the project?*

In no more than 1,000 words (7,000 Characters) describe what is innovative about the proposed project. Innovation in this context is about the proposed solution itself i.e. what is new about the solution? What are you proposing to do differently? Please ensure you refer to the Innovation guidance document to guide you in your response to this question. This document also outlines the different types of innovation. Applications should highlight how the proposal is innovative and how it moves beyond what has been tried before. Your response should set out: 1. The type of the innovation you are proposing – i.e. transformative, context-specific or adaptive. 2. Whether innovation applies to the whole solution or to component elements. 3. Why existing options are not appropriate and how the innovation remedies this. 4. If and how the project builds upon existing learning and good practice. The response given to this question will be assessed and scored as part of the assessment process.

6. EMPLOYER LEADERSHIP AND ENGAGEMENT

Refer to the [Engaging Employers Guidance](#) document to guide you in your response to this question.

The link to the Key Employers and Partners template can also be found [here](#).

a. Please outline the governance arrangements and project leadership for the project*

In no more than 750 words (5,250 Characters) outline the governance arrangements and project leadership. Projects need to be led or co-led by a committed employer with a genuine interest in piloting innovation and learning from it. All successful teams will have strong employer leadership and strong foundations for growing wider collaboration with employers and other partners. Your response should: 1. Outline the governance arrangements for the project - if these are new, explain how you will ensure that the arrangements can successfully govern the project; if these are existing, and provide the successful track record of these. 2. Provide a brief description of the project leadership - if this is new, explain how you will ensure that the arrangements can successfully govern the project; if this is existing, provide the successful track record of these. 3. Outline how employers will be involved in both the governance arrangements and the project leadership. The response to this question will be assessed and scored as part of the assessment process.

b. Where appropriate you may use this section to upload an organogram to support your response to question 6a. Note: This question is not mandatory

Document upload

When saving and resuming this application document uploads will not be saved. The document upload sections will only be saved once you submit your application form. We recommend you upload this document once you have completed the rest of your application to avoid uploading multiple times.

c. You will also need to provide a list of the key employers and partners involved in the project. The project key employers and partners table can be downloaded here. If you do not upload key employers and partners document, your application will be classed as 'incomplete' and may not progress to assessment phase, which will result in it being unsuccessful for funding. Please upload the completed document below

Document upload

When saving and resuming this application document uploads will not be saved. The document upload sections will only be saved once you submit your application form. We recommend you upload this document once you have completed the rest of your application to avoid uploading multiple times.

d. How will you ensure that a range of employers are engaged in the project? Refer to the Engaging a wide range of employers guidance document to guide you in your response to this question*

> In no more than 750 words (5,250 Characters) describe how you will ensure that a wide range of employers are engaged in the project. The extent of employer engagement, and the resulting buy-in, affects how quickly a project can be implemented. In general, the stronger the engagement in the design and development the easier it is to galvanise involvement in the delivery. There is no 'silver bullet' for employer engagement; the time and resources required cannot be underestimated, but engaging the market for the product or service you are developing is critical. Your response should set out: 1. Your overall approach for engaging a wide range of employers in the project and when you will do that. 2. Whether this is an existing collaboration of employers or a new collaboration. 3. How employers will be engaged in shaping and testing throughout the project. 4. Consideration of the resources required to engage a wide range of employers. The response to this question will be assessed and scored as part of the assessment process.

7. PUBLIC & PRIVATE CONTRIBUTION

To complete this section of the application form you will need to download and complete the form: [Finance Spread sheet](#). If you do not upload the spread sheet, your application will be classed as 'incomplete' and it may not progress to assessment phase, which will result in it being unsuccessful for funding.

Public contribution refers to the funding you are requesting from UKCES. Private contributions are those from the employers and partners involved in the proposed project/solution.

a. Upload your form: Finance Spreadsheet Annex here:

Document upload

When saving and resuming this application document uploads will not be saved. The document upload sections will only be saved once you submit your application form. We recommend you upload this document once you have completed the rest of your application to avoid uploading multiple times.

b. Please provide a supporting narrative as to how public contribution will add value to this project? Refer to the Private and public contributions guidance document to guide you in your response to this question.*

In no more than 750 words (5,250 Characters) provide a narrative to support your financial investment spreadsheet as to how public contribution will add value to this project. You will need to provide a brief description of how public co-investment will add value to the project. This should set out: 1. How public contribution from UKCES will add value to the project. This could include enabling you to: > Deliver a larger scale project or better quality project. > Deliver the project in innovative ways. > Develop or pilot solutions. > Support the identification and sharing of 'what works'. 2. Confirmation that the public contribution would not replace or duplicate existing or planned investment. The response to this question will be assessed and scored as part of the assessment process.

c. Financial overview: Please insert the total investment figures as supplied on your finance spreadsheet. Please ensure that the figures you state below match those from your finance spreadsheet. Failure to ensure that the figures match mean that your application may be classed as 'incomplete' which will result in it being unsuccessful for funding.

Employer cash contribution 2015/16* £
Employer cash contribution 2016/17* £
Employer in-kind contribution 2015/16* £
Employer in-kind contribution 2016/17* £
Other (non UKCES) funding 2015/16* £
Other (non UKCES) funding 2016/17* £
UKCES contribution requested 2015/16* £
UKCES contribution requested 2016/17* £

8. TESTING AND SHARED LEARNING

Refer to the [Testing and Shared Learning Guidance](#) document to guide you in your response to this question

Please outline your approach to testing, including what you will test, how you will test, and how you will adapt your project to your findings. Please also indicate how you will share the learning more broadly.*

In no more than 750 words (5,250 Characters) outline your approach to testing methods and approaches to sharing learning. Proposals must illustrate how they will test their innovation, how the learning might be reflected back into the project to adjust and amend, and how it will be shared for the wider benefit. Proposals which seek to robustly trial alternative solutions or test new products, are ideal. Your response to this question should include: 1. Your overall approach to testing and sharing learning including how employers will be engaged. 2. A clear idea of what you want to test. 3. Consideration of the methods you plan to use. 4. Initial thinking about how to build in the flexibility so the project can be refined as a result of the learning process. 5. Confirmation that you have allowed resources (which can be included in your project costs) to fully test each stage of your project in the ways outlined in the guidance. 6. What you expect to learn from the project and how. Please note that our expectations around your response to this question will depend on the stage of your project as outlined in the guidance. This question will be assessed and scored as part of the assessment process.

9. ADDITIONAL INFORMATION

STATE AID

It is important that you consider whether or not your proposal is likely to breach EU State aid regulations. For further advice and guidance on state aid please see click here

a. Is there any reasonable potential for another entity who is delivering a similar product or service (on a non-publicly funded basis) to challenge that the provision of investment would give your organisation a competitive advantage in respect of the provision of your product or service compared to their product or service?*
( ) Yes
( ) No

I undertake to inform the UK Commission without delay of any change relating to conflicts of interest within the context of this application, after the date of submission.*
[ ] Yes

Name*

Job Title*

Signature*

Please type in your signature

Date*

7   Logic Chain Template

Logic chain to aid project planning and articulation of the potential for impact

Guidance:

The example logic chain below sets out the types of information you need to outline within each section of your proposed projects logic chain. This approach demonstrates the clear links between the problem, the required inputs and the activities, outputs, outcomes as well as the potential for longer term impacts. You need to provide an indication of the expected **timing** of the activities, outputs, outcomes and impacts.

Problem to address	Inputs	Activities	Outputs	Outcomes	Impacts
Articulation of the problem the project is seeking to address	*Any resources you anticipate requiring to deliver your activities (e.g. financial, human, technology resources)*	*Specific processes required to produce outputs e.g. designing a new incentive structure for engaging hard-to-reach employers in a network; developing a new qualification framework and piloting these ideas.*	*The quantifiable results signalling the completion of an activity e.g. new employers engaged in a network; new qualification framework developed, tested and agreed.*	*The intended short-to-medium term effects generated by the outputs e.g. improved collaboration in a sector/locality; enhanced skills.*	*The intended longer term impact of the initiative/intervention which addresses the original problem (col 1), e.g. sector/locality able to take advantage of emerging international markets through having skilled employees and employers committed to on-going skills development.*

The Impacts should link back to and address the problem

Template:

Please note it is not mandatory to use this template to articulate the potential impact of your project. Complete this template referring to the guidance above, save and upload to your application form under section 4b of the application form. Where you are supplying this information in an alternative format please also upload your document under section 4b of the application form.

Problem to address	Inputs	Activities	Outputs	Outcomes	Impacts

8   Example UKFP Finance Spreadsheet

Futures Programme: Instructions for populating this spreadsheet

Colour Key	
	Cells highlighted in grey are headings or questions
	Cells highlighted in pink are to be populated by you
	Cells highlighted in blue are automatically populated

This spreadsheet must be populated and submitted along with your application form
Failure to upload this spreadsheet will result in your application being discarded

<u>**Spreadsheet Contents:**</u>
Instructions' should be read before populating your submission.
Example Activities & Costs' has been provided to show you what information we expect to see in your submission.
Activities & Costs' must be populated before you submit your proposal.
Organisation Assessment' must be populated before you submit your proposal.

Example - Futures Programme: Project Activities and Costs

Activities: What are you doing as part of the project. This should be split down into step by step activities that will achieve the	Activity Resources: Who will support this activity in its entirety, what staffing will be used. What will you need for the activity to be completed, i.e.	UKCES Grant Funding £: What funding will you require from			Employer In Kind Contrib What In Kind contributio	
		15/16	16/17	Total	15/16	16/17
Design and distribute staff and employer surveys to collect baseline data	Staffing: 1 project manager, 1 communications support, and 1 research assistant. Facilities to host 2 steering group meetings. Travel to local branches to communicate and launch the surveys. Communications work to aid response rates.	£2,000	£0	£2,000	£1,500	£0
Collate and analyse baseline data	Staffing: 1 project manager and 1 research assistant. Analysis of responses, conduct follow up telephone calls, travel to local offices, and meeting with branches to communicate responses and findings.	£3,500	£0	£3,500	£2,000	£0
Review the findings of the baseline data and agree workplace interventions with the steering group	Staffing: 1 project manager, and 1 research assistant. Facilities to host Steering group meetings.	£1,500	£1,000	£2,500	£0	£500
Develop, test and deliver the workplace interventions	Staffing: 1 project manager, 1 admin support, and the recruitment of a sub contracted career coach. Facilities to host testing amongst focus groups, and to roll out training via the career coach to 50 employees.	£0	£25,000	£25,000	£0	£5,000
Evaluation of workplace interventions against the baseline data	Staffing: 1 project manager, and 1 research assistant. Telephone costs for follow up calls, travel costs to local offices, and branches.	£0	£12,000	£12,000	£0	£2,000
Agree workplace strategy with Steering Group for upscaling the worked interventions to all staff.	Staffing: 1 project manager, 1 communications support, and 1 career coach. Facilities to host steering group meetings.	£0	£0	£0	£0	£1,500
Totals		£7,000	£38,000	£45,000	£3,500	£9,000

...bution £: ...n will be	Employer Cash Funding £: What employer cash contribution			Other Funding £: This include cash injections from any			Total Year 1	Total Year 2	Activity Total
Total	15/16	16/17	Total	15/16	16/17	Total	15/16	16/17	
£1,500	£0	£0	£0	£0	£0	£0	£3,500	£0	£3,500
£2,000	£0	£0	£0	£0	£0	£0	£5,500	£0	£5,500
£500	£0	£0	£0	£0	£0	£0	£1,500	£1,500	£3,000
£5,000	£0	£2,000	£2,000	£0	£0	£0	£0	£32,000	£32,000
£2,000	£0	£0	£0	£0	£0	£0	£0	£14,000	£14,000
£1,500	£0	£5,000	£5,000	£0	£0	£0	£0	£6,500	£6,500
£12,500	£0	£7,000	£7,000	£0	£0	£0	£10,500	£54,000	£64,500

8.1 Example UKFP organisation assessment of contracting company

UK Futures Programme

Organisation financial assessment of contracting company

Name of company that is intended to hold the contract and receive funds	
Name of the Project	
If the company to be contracted with already exists then a Companies House / Dunn and Bradstreet check will be carried out and further questions may follow.	
Companies House company number	

If the company has not yet been set up or the annual accounts have not yet been filed with companies house then please

Financial year	2014/15	2015/16	2016/17
£000's			
Turnover			
Costs			
Net profit before tax, interest & depreciation			

Any additional explanation/ comments:

9   Template Testing and Learning Plan

The template can be used to develop a basic testing plan for projects within the UK Futures Programme. It should be used alongside the Testing and Shared Learning Guidance. You will have developed initial ideas and costed your approach in your application form; the purpose of this is to extend that a little further to log the intended testing points throughout your project. Your Relationship Manager, or another representative of UKCES, can support you to complete the Plan and to deliver the testing.

Why does testing matter?
UKCES experience with earlier investment projects showed that those projects that had sustained success had tested their ideas or their products with a cross-section of the market, early enough in the process to allow change and adaptation. They had moved beyond just speaking to the 'usual suspects' by engaging a representative group and adapting ideas or products to their feedback. This is a fundamental principle of R&D for any new product or service and any new *skills* product or service should be no different. Your project will stand a better chance of success if you test it properly, at the right time, and with the right people. The template is designed to help you do that. We are not looking for complex testing approaches, but enough to give you the confidence that your innovation will change the problem you identified and give us the confidence to share the learning on 'what works'.

4 key question areas should be asked in developing the plan:
- What are you testing – what is innovative about what you are doing? What has the biggest potential for change and you want to absolutely ensure you have right?
- Who will you test it with? Who is your target audience for the product or service you are developing?
- How should you test it? What questions do you need to ask? And what methods will you use to test? And when is it best to do the testing?
- What will you do with the information received? How will you feed it back into your project?

The guidance provides more information on what to test and questions that might be asked for different types of project. The tables below should help you to formulate a strategy for putting testing into practice. It is split into three areas; the theory of change, the product(s) and the method, and while most projects are likely to test aspects of each of these, the emphasis on the last two will vary depending on the project.

This will also help you complete the section of your Stage Completion Reports on testing and the final Stage Completion Report should also include an overall assessment of whether or not the 'logic chain' in your application has proven to be real, as far as is possible.

What is the skills innovation aspect(s) of this project? Testing what is innovative should be at the heart of your testing plan
[INSERT HERE]
Example: the use of a virtual learning environment to deliver training

1. **THEORY OF CHANGE**

What is your theory of change?
[INSERT HERE]
Example: that a series of training sessions delivered to the supply chain via a virtual learning environment can reduce firm-level skills gaps when marketing offsite solutions

What you *will actually* test (focus on what is innovative)	Who will you need to test it with?	How and when you're testing it
Example: Did we successfully deliver a series of training sessions? Why/why not?	*Example: Project team*	*Example: Testing on an ongoing basis via regular project progress reports by project manager to steering committee. If we find that we are not delivering, additional testing will be done to find out why.*
Example: What was the impact of the training sessions on firm-level skills gaps? Why?	*Example: Lead employer organisations, supply chain organisations, other businesses outside of immediate project group*	*Example: Testing after completion of initial pilot with pilot organisations and again at end of project with all who have engaged in training via surveys of employers with participating employees. We will also ask for data on skills gaps before and after training, but the 'after' figures are likely to be available only after the end of the funded project.*
How will testing data be fed back into and shape the project?		
Example: 1. Regular project updates will allow us to check that the project is on track and take steps to rectify if not. If the project is not on track, we will test further if necessary to find out why		

2. Surveys of employers who have engaged in the training will give an indication of whether we have achieved what we set out to achieve, and if not why not. This, and monitoring employer data on skills gaps, will feed into where we go at the end of the UKCES funded project, and will also provide wider learning on what works

2. PRODUCT

What are your product(s) (the tangible outputs of your project)?
[INSERT HERE]
Example: a series of training sessions delivered via a virtual learning environment

What you *will actually* test (focus on what is innovative)	Who will you need to test it with?	How and when you're testing it
Example: How easy is the training to access?	*Example: A cross-section of relevant employee groups at a range of different employers;* *Employers themselves to ensure they can understand the content and would sign their employees up*	*Example: Focus groups with small groups of employees and employers at development stage, an initial pilot with feedback forms and continuing to collect feedback from employees in this way after training sessions have been completed. Employer input via steering group and feedback on employee progress following pilot*
Example: Does the training work for all relevant employee groups?	*Example: A cross-section of relevant employee groups at a range of different employers;* *Employers themselves to ensure that the content meets their needs and will be used in the workplace*	*We are using the Kirkpatrick method to test our training. At level 1, we will test employee reaction via questionnaires with employees following on from the training. At level 2, we will ask employers to check if employees learnt from the training, by asking them to perform a task they couldn't have before when they return to work. At level 3, we will survey employers 3 months after training their employees to check they are using the skills they acquired, and at level 4, we will test the business benefits via analysis of skills gaps, as described above.*

How will testing data be fed back into and shape the project? *Example: Focus groups will allow us to ensure content being developed is accessible and relevant for employers and employees as it is being developed. If it is not, we will change it. This will be an ongoing process coming out of feedback forms as we progress to piloting and scaling. Using the Kirkpatrick model will allow us to pinpoint any barriers at the relevant stage, and make changes to the training where necessary.*		

3. **METHOD**

What is your method (how are you going to do what you want to do)?
[INSERT HERE]
Example: the use of a virtual learning environment; identifying participants from within lead employer's supply chain

What you *will actually* test	Who will you need to test it with?	How and when you're testing it
Example: How suitable is the VLE for delivering the training?	*Example: A cross section of employees and employers*	*Example: As for products above*
Example: Do different users have different experiences of the VLE?	Example: *A cross-section of relevant employee groups at a range of different employers*	*Example: As for products above*
How will testing data be fed back into and shape the project? *Example: There will be a particular focus in the feedback from employees on the use of the VLE. It will be adapted/modified if feedback indicates that this is necessary.*		

10   UKFP Stage End Report

STAGE COMPLETION REPORT & CLAIM

INSTRUCTIONS

This stage report covers delivery of outputs expected in this stage and requires your reflection on topics covered in your application form. A series of prompts are provided to aid completion. You do not need to provide an answer against every prompt but need to cover the relevant prompt areas within your responses. We also ask for your reflections on your experiences and learning (4f) and in particular aspects of interest for broader learning.

This stage completion report and financial statement should be completed in accordance with schedule 1 of the grant funding agreement. Your final stage completion report and financial statement should be available on the UKFP Extranet no later than 10 working days after each of the end stage dates specified within schedule 1 of the grant funding agreement.

If during the process of completing or uploading your stage completion report or financial statement you encounter any issues or have any queries please ensure you contact your UKCES Relationship Manager.

Once saved onto the UKCES extranet please notify your Relationship Manager by email that the Stage Completion Report and Financial Statement are available to review. Within 10 working days of receipt of this email your Relationship Manager will review the submission and provide feedback, and once approved, payment will be processed.

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1.   Project Manager Details

Project Manager	
e-mail	
Telephone	

2.   Project Details

Project Title	
Lead Organisation	
Project Start Date	
Project End Date	
Project Delivery Stage	
Delivery Stage Start Date	
Delivery Stage End Date	
Delivery Stage Grant Value £	

3.   Delivery Stage Activities

3a Planned Activities

What are the planned Activities
These are the activities as specified within schedule 1 of the grant funding agreement.
This section will be pre populated from the contract
•

3b Planned Output(s)

What are the planned Outputs
These are the outputs as specified within schedule 1 of the grant funding agreement.
This section will be pre populated from the contract

3c Actual Output(s)

What are the actual Outputs delivered in this stage
Please provide your response here

3d Comments:

Use this section to explain any variations between the planned outputs and the actual outputs including delayed start/ completion of activities/ outputs and any deviation from the project plan.
Please provide your response here

4.   Project Update

4a Overall Project Update

Use this section to provide an overall summary of the progress of the project. Please refer back to your application form (Section 2) to remind yourself of your 'Project Summary & Objectives' and how are you progressing against these or refer back to the progress report provided in your previous Stage completion report.

Please consider the following:
- *What activities have been undertaken? How is the project progressing against its agreed objectives?*
- *What problems have been encountered? How have these been resolved?*
- *Have you made any fundamental changes to the approach or delivery as a result? If so, provide the reasons.*
- *Given the progress during this stage, do you foresee any difficulty achieving the activities in future stages?*
- *What risk management processes have you implemented to minimise these difficulties?*
- *Are there any new risks to the project or any risks that need to be escalated to UKCES?*
- *Looking forward, what are the key activities/expected achievements in the next stage of the project/or beyond project funding If final stage?*

Please provide your response here

4b Potential for Impact

Use this section to provide an update on how the project is demonstrating that the solution is addressing the problem. Please refer back to your application form (Section 4) to remind yourself of your proposed 'Potential for Impact' and how your solution is addressing the problem or refer back to the progress report provided in your previous Stage completion report.

Please consider the following:
- *Is your solution addressing / impacting upon the identified problem?*
- *Has anything happened in this stage that raises questions about the connections identified in the logic chain?*
- *Reference should be made back to the logic chain submitted with the original application.*
- *We are looking for an ongoing assessment of whether the project will produce the desired long term impacts.*

Please provide your response here

4c Innovation

Use this section to provide an update on the progress of the innovative elements of the project. Please refer back to your application form (Section 5) to remind yourself of how you proposed to deliver and build innovation into your project or refer back to the progress report provided in your previous Stage completion report.

Please consider the following:
- *How successful have you been at implementing the innovative activities outlined in your proposal?*
- *What barriers to innovation have you identified?*
- *Has the innovation remained of the same type (context specific, adaptive, transformative) as was identified in the application?*
- *Have opportunities for further innovation been identified during this stage? Could changes be made to create these opportunities for future stages?*

Please provide your response here

4d Employer Leadership & Engagement

Use this section to provide an update on the leadership and engagement activity of employers within this stage. Please refer back to your application form (Section 6) to remind yourself how you proposed to engage employers with your

project or refer back to the progress report provided in your previous Stage completion report.

As part of your response to this area, please complete the 'Employer Engagement Register' tab within the Financial Statement/Claim spreadsheet.

Please consider the following:
- *Expand upon the nature of the engagement of the employers outlined in the Employer Engagement Register*
- *Have new employers become engaged? If so, how did this come about?*
- *Could more be done to engage more employers in future stages?*
- *Have any previously engaged employers disengaged? If so, why? What could be done to prevent this occurring in future?*
- *What processes have you put in place to ensure that a wide range of employers are driving the project and are as engaged as possible?*

In addition, please outline the nature of the engagement of other stakeholders beyond employers. For example, Trade Unions, SSCs, LEPs, local government, intermediary bodies etc.

Please provide your response here

Please also refer to the: 'Employer Engagement Register' tab within the Financial Statement/ Claim spreadsheet.

Use this section of the spreadsheet to provide evidence of employers that you have engaged with and the nature of this engagement as part of your project activity.

An engaged employer is defined as an employer who has been involved in the steer, design, shaping, testing, and delivery and/or championing of products and services including cash or in-kind contributions with broad or indirect benefits for their business.

NOTE: When submitting this data for stage 2 and beyond please ensure that you only list employers who have additionally been engaged with since stage 1. The same employers should only be listed in subsequent stages where the nature of the engagement has changed.

4e Testing & Shared Learning

Use this section to provide an update on what has been tested in this project stage and the approach used. Please refer back to your Testing and Learning Plan.

Please consider the following:
- *Have you progressed as described in your Testing and Learning Plan or have you needed to change your approach?*
- *What did you test and with who?*
- *What lessons have been learned? What has worked particularly well, and what were the largest difficulties you have encountered?*
- *Has the project been adapted in response to these lessons? If so, what were the changes and what was the rationale?*
- *Has your intended testing method and approach been as effective as hoped?*
- *Have you adapted your testing method and approach in any way?*

Please detail any involvement the project has had with the UKCES Innovation Labs, as well as any other lessons learned during this stage.

Please provide your response here
We may ask specific questions in this section to hone in our interest in your testing and learning

4f Reflections:

<table>
<tr><td>

Use this section to reflect on any wider learning on this stage of the project. [This can be anything not just specific to the contracted activities and outcomes]

Please consider the following:
- *Is there anything that has struck you as particularly interesting about this stage of the project?*
- *Is there anything that you would have done differently? How?*
- *Have you learned anything that you think other people working on similar projects/in a similar field should know?*

</td></tr>
<tr><td>

Please provide your response here

We may ask specific questions in this section to hone in our interest in your reflections of the project

</td></tr>
</table>

4g Financial Statement / Claim and Employer Engagement:

Please refer to the 'Financial Statement Claim' tab within the Financial Statement Claim spreadsheet. This document is available within the extranet document store.

Once both tabs of the spreadsheet have been completed (see also section 4d above: Employer Engagement) the Financial Statement Claim spreadsheet should be saved to the UKCES extranet.

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5. Declaration

I can confirm that the activities and outputs reported in the Stage Completion Report submitted with this statement have been delivered and I certify that the amounts reported have been expended wholly and necessarily on the activities in accordance with the Grant Funding Agreement. We have paid due regard to the economy, efficiency and effectiveness in which the costs have been incurred and can confirm that this claim does not include any costs being claimed from any other body or individual.

Signed	
Name Position	
Date	

6. RELATIONSHIP MANAGER SUMMARY

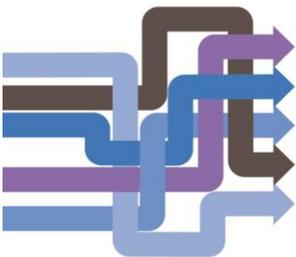**Relationship Manager Email**

Summary

The relationship management section should be used by the Relationship Manager to summarise progress against each of the criteria and also provide an opinion based on working with the projects. Please include the following:- *•   Comment on accuracy of project's own reporting, take into account what has been reported in considering own comments* *•   Comments about delivering what was expected and explanation for any variation including greater achievement* *•   An opinion of overall project progress/will they deliver within contracted timescales* *•   Any indication of potential for impact* *•   Levels of employer engagement/leadership/ownership/buy in* *•   What has the innovation achieved, that is new, examples of real success stories* *•   A key element of the summary should be focused on what the learning is from the projects* *•   Comment on the working relationship between the organisation and UKCES* *•   Summarise the financials, did the expected investment come in, have the outputs we were expecting been delivered, are we happy to pay the full amount being claimed* *•   Any areas of concern should be noted about anticipated delivery challenges*

Signed Off & Authorised For Payment By:

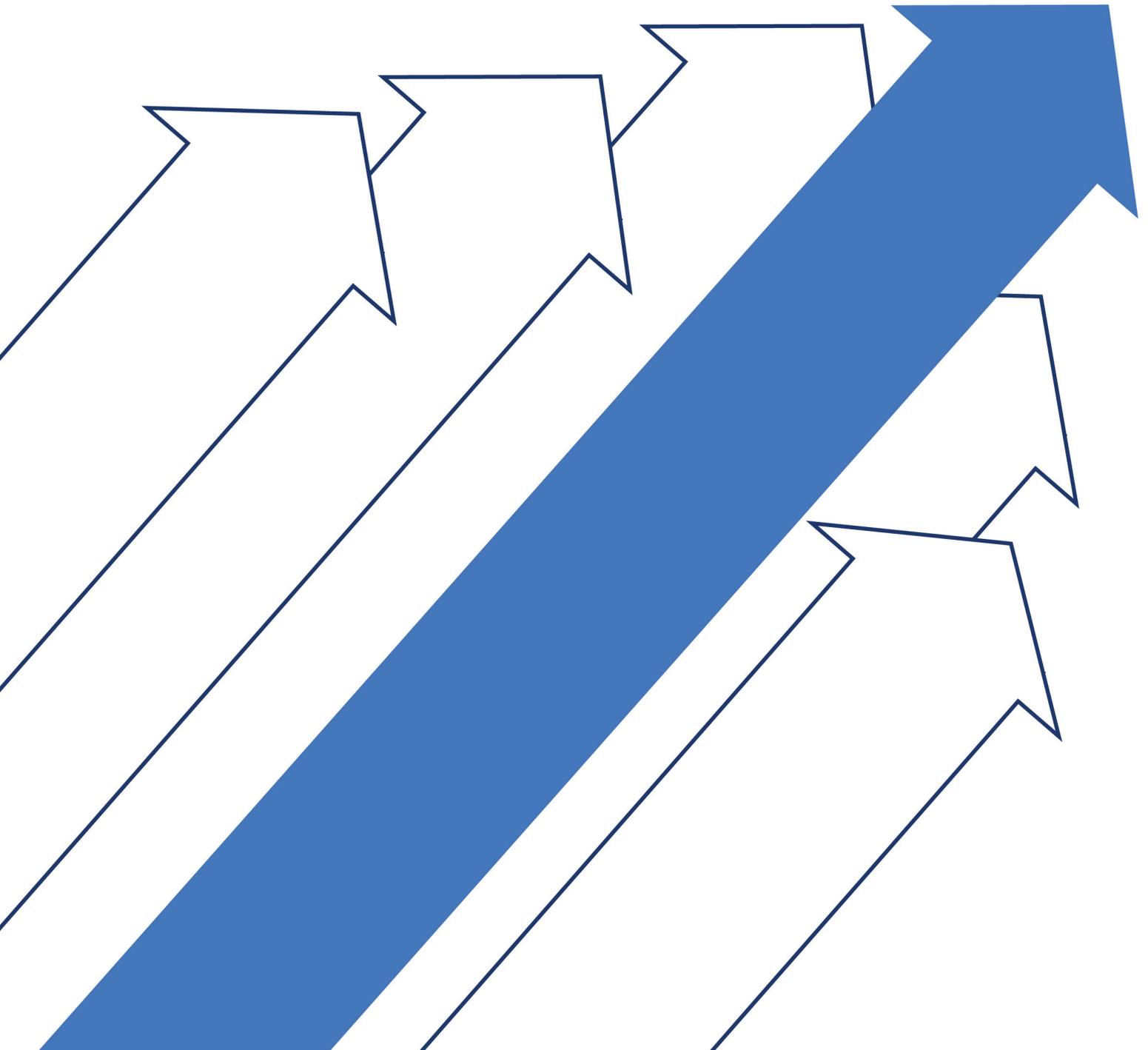|	
Name	
Role	
Date	

Form to be uploaded to the Competition extranet page by UKCES Relationship Manager ONLY

UK Futures Programme – Guidance Document:

What do we mean by testing and shared learning?

What do we mean by testing and shared learning?

The UK Futures Programme has been set up to advance our knowledge of what works in tackling persistent or emerging skills issues. This will be achieved by co-investing in the development of new ideas, piloting prototypes in new markets or scaling successful ideas in new areas. Integral to this approach is an ethos of testing, which will require projects to have methods in place to enable continuous learning. As projects develop, insights will need to be fed back to improve ongoing development and delivery, and shared with others to maximise the benefits of the learning.

In this section we outline:

- What is expected of applicants in the UK Futures Programme in terms of testing, learning and sharing lessons
- The support that will be available from UKCES to help with this

What should I test?

What is tested will be specific to each project. We expect the emphasis to be on what is new or being applied in a different way or context – the innovation. Put simply, testing is about understanding the innovative elements of the project, working out what makes a difference and what to refine, and learning what works and why. It is important to find out whether the end product / output does what was intended and addresses the problem it set out to tackle. But, it is also important to test the tools and / or approaches that you use to get to that end result. The things you refine along the way can make all the difference.

Testing applies to:

- The end product(s)
- The methods, tools and approaches that you adopt along the way
- The hypothesis about the 'theory of change' from problem > activity / solution > results

Most projects are likely to be testing all of these factors to some degree, though the emphasis may vary depending on the project. For example, some may be more focussed on ways of engaging hard-to-reach employers, others more focussed on learning modules. All should test the 'theory of change' as part of these tests, i.e. whether the product or method is actually tackling the original problem.

Clearly, what you test also relates to the type or stage of project and this will also inform the testing method.

This is illustrated in the table on the following page.

Project type	Broad Question	Methodological considerations	Testing could include, for example:
Development	What product will best address the problem we are seeking to address?	Test with core group of active employers initially before widening out to a broader cross-section	• How to engage a cross-section of employers • How to explore and understand recognition and experience of the problem by a cross-section of employers • How to actively involve them in shaping a response to the problem • How to manage and respond to diverse needs • How to identify success measures, monitor and manage them
Piloting	Does this product work in a real world setting?	Ensure product is piloted with a cross-section of the target audience	**See above, and:** • How to engage a cross-section of employers in piloting • How to minimise the barriers / respond to challenges • How to strengthen the value/benefits • How to evidence the benefits and know if it they would have occurred anyway • How to communicate the offer, innovation, benefits / risk of inaction • How to create a flexible pricing model
Scaling	Does this product work effectively when scaled up to wider delivery?	Test implications with the target audience.	**See above, and:** • How to engage employers in championing the skills solution • How to translate what works for a wider audience / to a difference context • How to ensure the components of what works can be replicated • How to ensure there is flexibility to respond to changes in demand, policy context, etc.

In addition, all projects will need to identify good indicators of progress towards a 'successful' result and how to actively manage and monitor them

When you have identified the key things you want to test and are able to refine or repeat in future, the key questions to explore are:

What works/doesn't?	**When?**	**How?**	**Where?**
What results?	**Who with?**	**Why?**	**So what?**

What UKCES is looking for:

Project teams with:

- An openness to share their ideas, discuss their challenges and learn from others
- Continuous reflection: how is it going? What could be better? How can we improve?
- A willingness to learn more about testing and implement and share the learning throughout the project

This will be assessed as part of the application process and interview. You will need to:

- Present a clear idea of what you want to test, linked to the project type or stage, your innovation and logic chain, and some initial thinking about how this will be built into the project
- Consider the components of your approach and the methods you'll use.

- Show initial thinking about how to build in the flexibility so the project can be refined as a result of the learning process

During the project you will be expected to:

- Refine key success measures

- Collect performance and monitoring data from the outset, and use this over time to plot progress/review success measures

- Develop and deliver a testing and shared learning plan

- Make use of the portfolio of testing tools that UKCES will make available

- Update on what you have tested and the results of those tests in the End Stage Reports

- Arrange visits to your site so that UKCES and other co-creation partners can see what you're doing and offer support to the project as a critical friend

- Prepare fully for, attend and participate at a series of Innovation Lab workshops approximately quarterly throughout the life of the project. These will be attended by project teams from all the projects within a competition and other stakeholders. These will be designed to collectively discuss issues and challenges faced by projects and identify solutions to overcome them, as well as sharing the learning

- Use discussions at the Innovation Labs to reassess your project's progress, identify learning points and reshape success measures if required

- Produce output(s) that capture what was tested, how it was tested, what was learnt and the implications for the project, and wider. The report will give an evaluation of the project, measured against its success criteria, following a framework and structure agreed with UKCES

What support will be available from UKCES?

We realise that the level and type of support needed by individual projects, available as part of UKCES' co-creation offer, will vary, depending on previous experience and the nature of the project. Support and resources available include a template to help you identify monitoring data for collection; a range of tools, including questionnaires and interview outlines to reflect on your progress; and the experience and expertise of UKCES staff.

Any enquiries regarding this publication should be sent to:

UK Commission for Employment and Skills
Renaissance House
Adwick Park
Golden Smithies Lane
Wath-upon-Dearne
South Yorkshire S63 5NB

Tel: 01709 774800

If you require this publication in an alternative format, e-mail **enquiries.futuresprogramme@ukces.org.uk,** or call 01709 774800

This guidance document is 1 of 6 relating to the UK Futures Programme. The guidance documents and all further information about the UK Futures Programme can be found on the following website - **www.gov.uk/government/collections/ukces-futures-programme-overview.**

UKCES
UK COMMISSION FOR EMPLOYMENT AND SKILLS

UK Futures Programme – Guidance Document:

How do we test a training solution?

A five step approach to testing training modules

How do we test a training solution?

The UK Futures Programme has been established to increase our understanding of what works in tackling deep-rooted skills problems. An essential part of this process of searching out viable solutions is an ethos of testing. This requires projects to design methods to enable continuous learning, so the project is made more robust and is more likely to achieve optimum results. Many projects within the programme will include new training solutions within their project design. The continual testing philosophy requires evaluation of such training solutions because they are likely to represent a critical activity along the project logic chain. We need to know what works and what doesn't, particularly with innovative training modules.

In this paper we outline:
- **A five step model to testing and evaluating training**
- **Advice on how to apply the model in a simple, practical way**
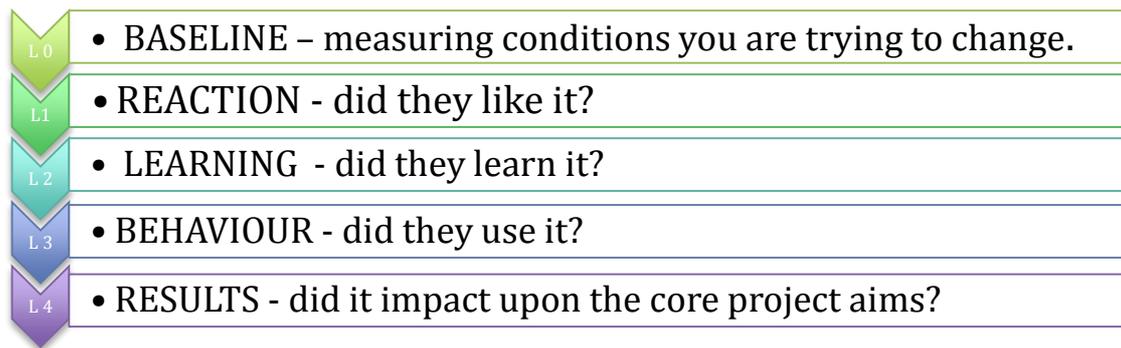
How do I make a start?

Testing and evaluation begins up-front. If you wait until you have delivered training modules before you start to think about testing, it is too late. Testing is a continuous process across time, so you need to have a model that helps answer the following questions:

- What do I want to find out?
- Why do I want to find these things out?
- Which testing methods are best?
- How do I test the effects of training across time?

This paper explains a five-step model that helps answer these questions so you can design a simple testing approach for your own project. Donald Kirkpatrick is regarded as the founding father of training evaluation. For the purpose of relatively short to medium timescales in UK Futures Programme projects, we suggest Kirkpatrick's model is the simplest to work with that does the job. It will enable you to test your training solutions, in short to medium timescales and in a relatively low cost way. The classic Kirkpatrick model is based on four stages to measure the effectiveness of training in an objective way. For the purposes of the UK Futures Programme, we have added a pre-stage to this –

collecting information at the outset on the factors you want to change (baseline data), which can then be re-measured at the final stage. The factors you want to change reflects back to what you proposed to do in your Application logic chain (though this may have been at a broader level and what the Kirkpatrick model tests is impact at the level of the firm and individual). Further guidance on identifying the right baselines and how to measure them is available separately. We have also suggested some additional 'attitudinal' data could be collected at Level 3.

The Kirkpatrick model - (adapted)

L 0	• BASELINE – measuring conditions you are trying to change.
L1	• REACTION - did they like it?
L 2	• LEARNING - did they learn it?
L 3	• BEHAVIOUR - did they use it?
L 4	• RESULTS - did it impact upon the core project aims?

The idea of the five-step model is that the effects of training and upskilling tend to occur over time. Training is an input and its output does not stimulate an outcome immediately i.e. someone who undertakes a training activity and successfully completes it, then has to implement the learning from the training into their working role. This takes time. An outcome occurs from level 3 and then ultimately, results occur at Level 4, (ideally the results you identified up front that you wanted to achieve and can observe any change from your baseline collected at Level 0). You need to ensure you are tracking progress continually from a good reaction to training input (Level 1) through to results for the individual, work group or organisation (Level 4).

Testing your product at each stage also allows you to make modifications to the delivery along the way – for later workshops or cohorts - so you can make improvements during the project.

Another reason to test at every stage is the relatively short timescale of UK Futures Programme projects, which means that any impact at Level 4 may be difficult to measure. As such UKCES invests in projects that have demonstrated how they intend to create the potential for impact. Through intelligent testing at levels 1, 2 and 3 in sequence, you can confidently evaluate 'progress towards' the desired result. If a project is delivering results along its logic chain, at output and outcome level, we can have some confidence the learning is leading to the desired impact and will be a significant cause of that impact.

Testing at each of the levels illustrated above also allows the identification of potential obstacles to progression from one level to the next and whether these have caused the project to stall. For example, an individual may experience a **blockage to implementation** (e.g. they are moved to a different role which prevents them from applying new learning). They could also experience **training relapse**, which occurs when, by the time they come to apply the learning, much of the new knowledge has been forgotten.

Level 0 illustrates why it is so important to consider this upfront. Your project logic chain which you completed as part of the application process should help identify the problem you are trying to solve and therefore the factors you want to change for the individual or firm. From here you can identify what to measure and collect data on at the outset to re-measure at Level 4. Additional guidance is available on this (*to follow)*.

Another factor to consider at Level 0 is a **lack of awareness and acceptance among learners.** This can be an obstacle to progression through the levels can manifest prior to administering the training solution. This should be ideally tested for before training is administered, with learners asked about whether they are aware that they need the training and how it can help them to enhance their individual performance and that of their team. In the context of the UK Futures Programme (where projects may be piloting new solutions), a question can be asked at Level 1 about whether the learner agreed a need for the training beforehand.

The following table explains in more detail, by level, how to set about testing at each stage. The columns in the table clarify, from left to right:

• What am I measuring? (what essentially will I find out)

• Why should I measure this (what does it tell me)

• Which testing methods are best (2/3 simple tools suggested)

• How does this testing help over time? (understand progress towards the end result)

Level	What am I measuring?	Why would I measure this?	Which testing methods are best?	How does this testing help test over time?
0. Baseline	The factors you want to change for firms and/or individuals	To understand the baseline conditions To measure change at the end (Level 4)	Management information on existing business indicators; Surveys to collect special measures	Provides vital baseline against which to track change.

1 Reaction	Whether delegates thought there was a need for training beforehand. How delegates felt about the training and learning experience	Do delegates think • it is relevant • it is of adequate quality • it helps them in some way	• verbal feedback • post training survey	Quick; easy; practical; immediate. Only checks participants' opinions of a module, not tangible benefits
2 Learning	Measure increase in knowledge before and after	To test whether there is new learning	• pre/post skills & knowledge test • interview (pre/post)	Confirms a tangible gain. Knowledge gain needed to change behaviour
3 Behaviour	3.1 Whether learning has been applied (e.g. on the job within a specific training project)	To be more effective individuals and teams need to change (enhance) what they do	• observation • manager/peer interview • delegate interviews over time	The first level of benefit - change is occurring. If others agree (e.g. the manager) this is evidence of progress
	3.2 Whether wider attitudes to training have changed	To measure long term effects from an initial project: - will employers invest further in training in the future? - will they pay (invest) for training in the future?	• senior manager interviews (esp. SMEs) • participant interviews • key training indicators	The second level of change - transforming attitudes to the value of training Identifies if individuals are more willing to invest in training e.g. their time
4 Results	The effect on team and/or project results	The rationale for training: we must measure the benefits we said we wanted to achieve in the first place	• existing business indicators: value, volumes, sales, quality, staff turnover, waste, cust. satisfaction • 'Special' measures: set up to test project specific aims	Ultimate test if training has worked. Downside - can be a long elapsed time before we can measure

If you are not experienced in using training testing tools, it will pay to talk to a colleague or specialist who has such experience. A UKCES colleague is also assigned as 'testing and shared learning support' for each competition, and can provide help and advice where

needed. The design principles of such tools are relatively simple, but there are many types of testing tools and experience teaches you how to apply them and how to frame questions. The CIPD, the professional body for HR and people development, is a good online source of advice and examples:

www.cipd.co.uk > HR Topics > Training evaluation

The following table summarises some practical questions that may be asked at each of the four levels in the Kirkpatrick model, and the tools you might use to do so. Additional guidance is available for Level 0 (to follow).

Level	Typical questions you might ask	What tool might you use?
1 Reaction	Did you believe you had a training need beforehand? Do you consider this training relevant? Was it a good use of your time? Did you enjoy the training? Did you like the venue, timing, domestic arrangements? Was there an appropriate level of participation from the group? Did you respond well to the trainer's style of delivery? Was this training practical with potential for applying the learning in your job?	A written questionnaire administered at the end of a module or key workshop. Can ask open-ended questions at this stage. Or use a simple 4 point scale (e.g. 'very good' to 'very poor') - use an even number of points on any such scale so respondents do not choose a safe middle option. These questions can also be asked verbally (if the group is confident in expressing opinions openly)
2 Learning	Testing questions will be determined by the subject of the training. You could also ask learners: How well did you understand the content of the session? What new knowledge have you gained? What new skills have you gained? How can you apply new learning in your job? Are there any areas of content that require re-visiting or reinforcement?	Pre/post tests are good for assessing the 'gain in learning'. You can also ask via surveys or interviews what individuals know and/or what they can do (on a scale) beforehand and afterwards.

3 Behaviour	3.1 Whether learning has been applied e.g. on the job (in brackets, who is asked each question) Did the learner put the learning into effect when back on the job? (delegate) Was there noticeable and measurable change in the learner's performance when back in their role? (employer) Were there any barriers to the learner applying new knowledge or skill in their job? (delegate and employer) Has the new level of knowledge and skill been sustained? (delegate and employer) Would the learner be able to transfer their learning to another person? (delegate) Is the learner the best in their workgroup at this task? If no, what would they need to know or be able to do to be comparable to the best worker? (employer)	Learners' perceptions of their own performance and improvement (if any) are vital here. Learners' managers are also well placed to observe changes in behaviour. This can be identified in interviews or observation of learners performing their role. Internal customers can also have valid views e.g. where they are recipients of work outputs from learners: use interviews. Best/average worker comparisons can be useful in very practical jobs - identify who is best at a task in a workgroup, understand what they do and why - and transfer/reinforce the learning.
	3.2 <u>Employers:</u> Whether the organisation's wider attitudes to training have changed and their propensity to provide training (including funding for training) Is the employer more likely to provide training to staff (generally and for the specific type of training provided through the project)?	Interviews are usually the best tool for these questions, often best asked towards the end of The UK Futures project. Encourage a dialogue, not just tickbox answers, you will learn more about why respondents

	Is the employer more likely to pay for this type of training? Have they identified any tangible benefit which would outweigh any cost? Is the employer now more likely to use external support and expertise for training in the future? Will the employer undertake more innovative training e.g. in new areas, involving new staff, tackling new problems, finding new solutions? Any other attitudinal or behavior change that might have been expected due to the training? E.g. greater collaboration with other employers or other partners?	hold the views that they do. You can also consider asking these questions towards the beginning of the project. This can set a baseline to identify change prompted by the project (pre/post testing).
	Staff/delegates: Has your experience (in the UK Futures project) made you more likely to undertake training in the future? Where are the priorities for your training and development in the future? Would you undertake future training in your own time if it was sufficiently valuable?	As with employers, dialogue based interviews are the best tool for such questions. Questions can be asked on a scale of possible responses, rather than just yes/no responses.
4 Results	Measures will typically be existing organisational key performance indicators (KPIs), such as: Value, volumes, sales, quality, profit, customer satisfaction, complaints, staff turnover, wastage, yield, failure rates, on time delivery. In a project environment, there may be project specific measures that need to be created relating to: on time, on budget, to quality standards.	Data gathering is typically used - a valid baseline of performance needs to be established against which progress can be assessed. Such measures often already exist - it is the creation of the baseline that can be challenging e.g. is the business seasonal; or do KPIs fluctuate due to several factors.

Any enquiries regarding this publication
should be sent to:
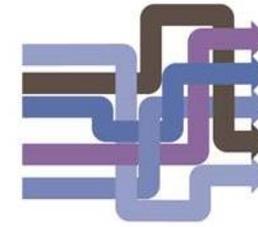
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or call 01709 774800

UKCES

UK COMMISSION FOR
EMPLOYMENT AND SKILLS

12 Co-Creation plan (PC 1 example)

CO-CREATION PLAN – UK Futures programme – Comp 1: Offsite Construction

Name of campaign / project	Addressing skills deficiencies in the Off-site construction sector

Version control number and date	V2 KHY 161210

Outline of Co-Creation

1. Historically, our involvement in the investments was focussed primarily on financial co-investment and active contract management. We now want to play a much more substantial 'co-creation' role, where we offer on-going support to those projects in which we invest, which goes above and beyond monetary investment

   We are not simply seeking to jointly fund activities but to play a supporting role in the delivery of the individual projects and in seeking to tackle the bigger problem posed by each competition, by working with all of the projects.

   Thus, we offer not just money, but our expertise and connections. We seek to support projects through:
   - Dedicated Relationship Managers, who offer support along the way
   - Access to our Commissioners, who can support and direct the shape of projects and help find solutions to barriers, as well as utilise their networks and expertise;
   - Use of our research and evidence base and our experience and connections in the world of skills and employment.
   - Our Innovation Labs will bring projects together to solve problems collectively
   - Bring our experience of working with business to tackle skills problems – use our experience to anticipate many potential problems and how to resolve them
   - Develop a shared learning platform across projects in the form of the extranet

- Use of our networks to engage specialists and experts to help direct projects
- Helping to transfer knowledge to other organisations and share best practice that emerges

Value of Co-Creation

2. Co-creation is a fundamental and hugely valuable component of the UK Futures Programme as it enables us to:
   - Get the best out of the projects
   - Test the solutions as fully as possible (due to access to experience, networks and experts)
   - Gain a first-hand understanding of 'what does/doesn't work'
   - Develop new partners in the skills arena and new collaborations
   - Extract learning for wider business practice and for policy formulation outside of the specific projects.

Competition 1 Problem

3. The competition emerged from a UKCES research project which identified OSC as a-sector with potential for growth but which faces skill based challenges to realising that growth. Weak demand in the UK has suppressed the market for off-site, with industry reluctant to adopt innovative technologies, and financiers and insurers unwilling to invest in what are seen as new, untested technologies. Through the process of market making and assessment, we have identified evidence of changing attitudes among clients and the sector. The sector's potential is, perhaps, close to being released making it imperative to address its skills issues. These include a need for skills in the following areas:
   - Greater collaboration between professions in off-site construction;
   - Project management
   - Design and IT skills
   - Marketing and business development

The market-making and assessment processes confirmed our understanding gained from the research but also developed it further with more nuanced knowledge of:
   - The need to educate consumers, new entrants to OSC, supply chain operatives, architects and designers;
   - The need to educate traditional builders into modern methods of construction (MMC) was identified as a concern, which is as much of a cultural issue as one necessarily to do with skills;
   - The importance of developing and improving Quality Assurance processes;

- The need to enhance the sector's attractiveness as a destination of choice for school leavers;
- Colleges' willingness to work with OSC employers but reluctance to provide for small numbers;
- The need to clarify the role of CITB and how they can support the projects.

Co-Creation Asks

4. There are many general co-creation asks for this competition that we are seeking to fulfil:

   ❖ We can help to address the disconnect to the skills agenda by:
   - Facilitating greater awareness and understanding of tools such as NOS;
   - Undertaking skill needs assessments which can inform the development of NOS or VQs, training materials etc.;
   - Enabling collaboration with curriculum developers in Universities and Colleges;
   - Building links between the sector and schools;
   - Measuring the impact of skills interventions on business performance (linking to Valuing Your Talent).

   ❖ We can support them in improving the education of designers, architects and potential clients as to the benefits of OSC and the different production processes required, by bringing the projects together so they can discuss and address the issues.

   ❖ We should support the testing of whether or not a skills innovation is working or not as it is a new process to most applicants.

   ❖ As mentioned above, the relationship to CITB is unclear. The Commission can use existing contacts to facilitate better linkages for the advancement of these projects.

Co-Creation in Comp 1: UKCES input

5.
   ❖ **From UKCES staff**
   - Relationship Manager – joins all project steering groups
   - Innovation lab support and arrangements

- Research colleagues assisting in testing and learning plans
- Providing information and guidance on NOS and Standards

❖ **From UKCES commissioners**
- Support and professional advice at the Innovation labs
- Commissioner insight
- Attendance at Project launch events requested
- Kay note presentations at Innovation labs

❖ **From external sources fostered by UKCES**
- Links to CITB expertise in existing standards and NOS
- CITB presentation at Innovation labs
- Connection to BIS sector team and wider BIS team to try and support longer term sustainability
- External Associate consultants to support projects on specific subject areas, for example testing and learning plans, and identifying who the end user is

Co-Creation in Comp 1: Links between projects facilitated by UKCES

6. From Day 1, the projects have been eager to support each other for the greater good of the off-site sector, and the UKCES team have supported, fostered and encouraged this.

It has been an area of outstanding success - enabling the projects to co-create with each other.
Each of the projects have arranged and attended a significant number of meetings with each other to develop the collaboration, and are actively supporting each other.

The value of collaboration and networking between these projects should not be underestimated.

Our role:

- Organising the Inception Launch for projects to meet and network.
- Liaising between projects and supporting the fostering of relationships and how the projects can help each other.
- Holding an additional innovation lab to support the ongoing project co-creation activity.

As a result of this, there are a number of examples of the projects own co-creation, for example:

- Skanska has engaged with all projects with interest, they have also been asked to support Liang O'Rourke in developing learning materials, Build offsite with data for the comparator, and CECA who is in competition two with research and SCI with VLE expertise
- Build offsite have requested support from all projects to collect valuable and specific data for the comparator tool
- Napier have sought support from Skanska with VLE expertise, and to explore their approach to learning materials; SCI for their approach to skills identification; build off-site for information on how the comparator might support their project long term; Liang O'Rourke as their project live learning is in Glasgow.
- Liang O'Rourke have sought help from Skanska in developing learning materials based on their experience. They have also supported Build offsite with data for the comparator. Liang O'Rourke have also with the assistance of their CITB project officer developed a mapping document for all projects to show the exisiting NOS and Standards to help inform each of the projects.
- SCI have sought help from Skanska with their VLE expertise and working with the other projects developed a new approach to reach the site managers with their research and testing arrangements.

Individual Co-Creation plans

This table outlines the co-creation asks of each of the projects, and the action undertaken to address these.

Project	Co-creation activity	By Whom	Action	Review
Edinburgh Napier	• Relationship manager part of steering group	Relationship Manager	Attended meetings where appropriate, identify opportunities to provide ongoing and wider support	To be reviewed at the stage end reporting timelines
	• Assist with testing plan and identifying the end user	Associate consultant	Allocate associate and ensure support is provided	Completed: Testing and learning plan completed with the support of an associate. Also support provided on identifying the end user
	• Links to accredited learning via CITB or other sources	Relationship Manager CITB Project manager Innovation lab UKCES NOS expert	Arrange CITB presentation at innovation lab supported by UKCES NOS expert, provide additional materials and mapping to existing NOS	Completed: Presentation delivered at Innovation lab, mapping document presented to all projects showing existing NOS and Standards
	• Learning lab activity	UKCES team UKCES Commissioner Relationship Manager Research colleagues Associate consultants	Plan and deliver the Innovation Learning lab, ensuring appropriate attendance.	First innovation learning lab held, lessons learnt for future labs but much learning took place including projects supporting each other. Commissioner support provided, NOS specialist support presented and projects co-creating.
	• Support links to Skanska on line tool expertise	UKCES Staff Relationship Manager Project team leader Skanska	Co-ordinate links between projects	Direct contact between projects leads encouraged and supported

SCI	• Relationship manager part of steering group	Relationship Manager	Attended meetings where appropriate, identify opportunities to provide ongoing and wider support	To be reviewed at the stage end reporting timelines
	• Assist with testing and learning plan	Research Colleague	Allocate a Research colleague to help develop the testing and learning plan	Completed: Testing and learning plan completed with the support of a Research colleague
	• Assist with links to NOS, senior manager from the NOS team attended and also included in learning lab.	UKCES NOS expert CITB Officer Relationship Manager	Additional visit to SCI with NOS expert Presentation at Innovation Lab CITB led OS and Standards Matrix produced and shared	Completed: The relationship Manager explored at a steering group meeting the links between the best practice guides being developed and NOS in the sector. This identified a knowledge gap for the project and an additional visit with the UKCES NOS specialist to explore with the project, this was followed by a presentation at the innovation Lab. The CITB officer supporting the Liang O'Rourke project produced a NOS and standards Matrix to share and support all projects.
	• Learning lab activity	UKCES team UKCES Commissioner Relationship Manager Research colleagues Associate consultants	Plan and deliver the Innovation Learning lab, ensuring appropriate attendance.	First innovation learning lab held, lessons learnt for future labs but much learning took place including projects supporting each other. Commissioner support provided, NOS specialist support presented and projects co-creating.
	• Support links to Skanska on line tool expertise	Associate Consultant Relationship Manager	Tender for specialist VLE consultant Foster links between SCI and Skanska who have some expertise	Associate tendered for but no-one suitable found. Links to Skanska facilitated and this is now underway, arrangements in place to meet with Skanska.

Skanska	• Relationship manager part of steering group	Relationship Manager	Attended meetings where appropriate, identify opportunities to provide ongoing and wider support	To be reviewed at the stage end reporting timelines
	• Assisted with testing and learning plan	Research Colleague	Allocate a Research colleague to help develop the testing and learning plan	Completed: Testing and learning plan completed with the support of a Research colleague
	• Learning lab activity	UKCES team UKCES Commissioner Relationship Manager Research colleagues Associate consultants	Plan and deliver the Innovation Learning lab, ensuring appropriate attendance.	First innovation learning lab held, lessons learnt for future labs but much learning took place including projects supporting each other. Commissioner support provided, NOS specialist support presented and projects co-creating.
	• Support links to other projects who they wanted to work with closely to improve their outputs	Relationship Manager Innovation Lab	Introduce projects to each other at Inception meeting and through Innovation labs. Direct links also made on an individual basis	Project linked up at the Inception meeting and Skanska from day one were keen to work with and support other projects. The links were made at the inception meeting and strengthened at the Innovation lab. Several meetings have occurred between Skanska and other projects
	• Links to NOS and qualifications and accreditation routes	UKCES NOS expert CITB Officer Relationship Manager	UKCES NOS expert and CITB project officer to present at the first Innovation lab CITB project officer to develop NOS and Standards Matrix to share with all projects	Completed: Presentation delivered and matrix shared. Links to accreditation options expected in stage 2
The Comparator Tool	• Relationship manager part of steering group	Relationship Manager	Attended meetings where appropriate, identify opportunities to provide ongoing and wider support	To be reviewed at the stage end reporting timelines

	• Assist with testing plan, allocated associate	Associate consultant	Allocate associate and ensure support is provided	Completed: Testing and learning plan completed with the support of an associate.
	• Links to other projects to collect additional data	Relationship Manager Inception meeting Innovation lab	Support and foster joint working with other projects to help collect valuable data for the comparator tool	Introductions made at the inception meeting and strengthened at the innovation lab. Build offsite have now had a number of meetings with various other projects and collected some much needed rich data. One of the Napier employers has agreed to share data and host a meeting to support the Build offsite project
	• Learning lab activity	UKCES team UKCES Commissioner Relationship Manager Research colleagues Associate consultants	Plan and deliver the Innovation Learning lab, ensuring appropriate attendance.	First innovation learning lab held, lessons learnt for future labs but much learning took place including projects supporting each other. Commissioner support provided, NOS specialist support presented and projects co-creating.
Laing O'Rourke	• Relationship manager part of steering group	Relationship Manager	Attended meetings where appropriate, identify opportunities to provide ongoing and wider support	To be reviewed at the stage end reporting timelines
	• Assisted with testing and learning plan, via an associate	Associate consultant	Allocate associate and ensure support is provided	Support provided, still awaiting the final testing plan to be shared. This will be reviewed at the stage end report review meeting.
	• Learning lab activity	UKCES team UKCES Commissioner Relationship Manager Research colleagues Associate consultants	Plan and deliver the Innovation Learning lab, ensuring appropriate attendance.	First innovation learning lab held, lessons learnt for future labs but much learning took place including projects supporting each other. Commissioner support provided, NOS specialist

				support presented and projects co-creating.
	• Support links to other projects who they wanted to work with and explore findings with, also want to work with the comparator project	Relationship Manager Inception meeting Innovation lab	Make introductions to other projects through reviews, inception meeting and innovation lab.	Introductions made at the inception meeting and strengthened at the innovation lab. Real strong connection now made with Skanska and it is likely that they will commission Skanska to develop the planned learning materials for Liang projects
	• Links to NOS and qualifications and accreditation routes via CITB	UKCES NOS expert CITB Officer Relationship Manager	CITB project officer to present at the first Innovation lab CITB project officer to develop NOS and Standards Matrix to share with all projects	Completed: Presentation delivered and matrix shared. Links to accreditation options expected in stage 2

These co-creation actions will be reviewed at the end of every stage, and upon additional co-creation requests

Summary of UKCES overall co-creation offer

Author:	Date: Click here to enter a date.
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Evidence Reports present detailed findings of
the research produced by the UK Commission for
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evidence or through primary research.

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