

---

# SESSION NOTE FOR UKCES 2010 REVIEW CONSULTATION EVENT LONDON – 4TH NOVEMBER 2009

---

## 1. INTRODUCTION

This session note gives an account of the UKCES 2010 Review Consultation Event held in London, at the Southbank Centre on 4th November 09. The event was the first in a series of 5 that will be held throughout England, Scotland and Wales over November and December 09 to inform the planning phase of the 2010 Review Programme.

The events are designed to bring together a wide range of stakeholders from the employment and skills system to hold a rich and honest conversation that:

- explores integration and learns about what is already happening in each area;
- generates input to help develop a robust assessment framework for the Review process;
- gives ideas for how the Review could be done;
- stimulates interest in and support for the Review.

This London event was co-hosted by the London Skills and Employment Board (LSEB). A total of ~50 participants attended from different types of organisations (e.g. employers, colleges, higher education, skills providers/community based organisations, government agencies/departments, London authorities, Trades Union Congress, Sector Skills Councils) plus UKCES staff.

The main purpose of this note is to serve as a record of the day. It is structured as follows. The remainder of this introductory section includes the output from the first session of the day, which explored context, entitled “Our Changing World”. Section 2 maps out the key issues and themes emerging in terms of current progress on integration and the barriers and enablers to this progress. Sections 3 and 4 capture ideas in relation to the development of the Review – input on the ‘5As’ assessment framework (section 3) and on the design of the Review process (section 4). Section 5 gives acknowledgements and completes the write-up of the day. Finally, section 6 gives a summary of key lessons drawn from the session concerning progress towards integration.

The session note is being made available on the UKCES website. Session participants/other readers are invited to respond, give further thoughts/ideas or feedback, to contribute to the design of the Review process. These responses can be taken account of in a final report on the planning phase, which also signals the formal Review Launch, to be published February 2010.

The first session, “Our Changing World”, commenced with participants marking on a large wall-chart timeline, spanning from 1990 to 2020, 3 ‘layers’ of events: i) global, national and local events that have shaped our society and system; ii) events/developments in the employment and skills system; and iii) key professional and personal life experiences which they bring to their work. Table discussions then reviewed the connections between one layer and the employment and skills integration work. The themes and insights generated were fed back to the room.

A strong theme was the pace of change and the role of technology in this. There was a sense that 1990 had marked the end of a known, stable world and the start of a rapidly changing, unstable, unknown world. Against this fast-changing world the sector and skills institutions in particular were not seen to be changing much - “the world is moving very fast, but the system is moving very slowly”. Nor does the system generally seem to respond to significant world events.

The pace of change in the environment is expected to increase further, and this will require more flexible skills in the workforce. The need to “educate our education system” was also highlighted, e.g. to help teachers/educators to interact with employers and to keep in touch with this changing world. Within the skills system a high churn-rate of initiatives was observed and was described as “quite depressing”, with cycles thought to indicate a lack of learning. A London-centric view means that the system does not always consider sufficiently other regions or the rest of Europe.

Impacting on the system, public policy-making was also raised as a key issue; namely, its needing to be more business-like in how it responds to the challenges faced, and benefit from younger energy and input, as well as to learn from past events. “The spirit is willing” in terms of making changes to the system, but it was felt this was currently being “strangled by regulation”. The system was widely seen as too complicated and a ‘routemap’ to achieve simplification was much needed.

At the individual personal and professional level, the feedback highlighted the age-diversity in the room and this was seen as positive. People’s life chances were thought to be determined largely by circumstances, including place of birth. Location and travel was also considered – some participants live and work in London whereas others commute, some had travelled and then draw on the richness of their experience. Overall there was a sense of passion and experience and wanting to use this to improve the employment and skills system.

## **2. CURRENT BASELINE – WHAT IS HAPPENING CURRENTLY WITH INTEGRATION?**

For the second session, “Our Journey to Integration”, participants were allocated to different tables on which they worked on one of two questions: what examples of progress towards integration exist in the London region, and what barriers and enablers affect this progress.

Significantly, examples of concrete integration initiatives and progress were ‘thin’ across the tables, with participants either broadening their discussion to the overarching rationale for and politics underpinning integration, or otherwise thinking about progress more generally. Barriers and enablers emerged consistently throughout all table discussions.

However, there were some general observations of progress towards integration. These included: the Adult Advancement and Careers Service (AACS) prototypes; ‘IES Lite’ being piloted in non-trial areas of London, such as the Retail Skills Centre – a joint venture between Croydon LA, Croydon FE college and JCP to train and recruit employees in the retail sector, including the co-location of careers and skills advisers; and the Routes into Work scheme providing sectoral routeways to employment as part of Olympic action for 2012 and Crossrail.

Interestingly, Scotland was cited as a prominent example of good integration practice, given the establishment of Skills Development Scotland (SDS) and the pilots it was facilitating in collaboration with JCP to assess the IES customer journey. In particular, integration in Scotland

was seen as having made good progress given the good working partnerships between employers, learning providers and local authorities. The cooperation is such that colleges and universities (whose funding comes from a joint FE/HE pot) liaise with local employers and community development partnerships which are connected to Local Authorities (LAs). These LAs, in turn, give these partners power to spend an allocated budget however it best fits into local priorities. Spending is then reported back through a single outcome agreement which fits into national indicators and performance targets. This example arguably paints a picture of the systemic integration that many participants saw as valuable but difficult to enact in other areas of the UK, notably London, given its internal fragmentation, specific local labour markets and conflicting priorities.

Many participants pointed out the 'distinctiveness' of London and the implications this has for integration at pan-London and borough level respectively. Some argued that the former was impossible, while others argued that borough-level integration could happen but only with committed buy-in from the respective LAs. For example, one participant from an FE learning provider highlighted the challenge by giving the example of a particular London borough into which students come to learn from another borough where the quality of learning is poorer. The participant questioned if it was therefore the responsibility of the LA into which they were coming to look after their needs as students, or whether it was the LA's primary responsibility to look to the needs of their local learning institutions.

In response to this, a participant from a London Authority observed whether, from a customer point of view, it would be more beneficial to deliver IES through a centralised policy or if this should be devolved. She gave the specific example of the East London borough in which she works where a national funding model would not fit the very specific local context. Since the local labour market is different, she commented, IES would require a sub-regional approach (i.e. borough-specific or across a few boroughs with common interests) and greater delegation of funds. This was further illustrated by the specific skills set necessary for workers constructing the Olympic stadium, park, etc, alongside the specific rather than generic employer requirements to be taken into account. This sub-regional approach has partly been put into practice through, for example, the development of a bespoke construction training programme in the area, and links with Train to Gain to engage employers.

There was further evidence of integration between the five London Olympic boroughs and their partnerships with LSC, JCP, DWP, employers' groups such as East London Business Alliance (ELBA), the Olympic Delivery Authority (ODA) and the London Organising Committee of the Olympic Games (LOCOG). In addition, participants highlighted that there are subgroups operating in these LAs with FE colleges and themed groups under a common LA-driven regeneration framework designed to improve access to services and join them up to address the barriers of multiple disadvantage. The increase in employment rate from 60% to 64% in the past two years was cited as evidence of success.

However, again there was some disagreement here among participants. While Multi Area Agreements (MAAs) were seen by some as a positive 'umbrella' for the Olympic boroughs, others felt that this model would not be appropriate for non-Olympic boroughs and could not operate at a pan-London level. Rather, it could only happen where there existed common interests or labour market structures, as one participant from a provider/community based organisation emphasised. Others noted the need to break down borough boundaries since 'going too local' was ineffective and joint procurement/commissioning necessitated a single purse. The latter argued that conducting separate IES assessments for the 32 London boroughs could lead to greater fragmentation and borough- rather than needs-led outcomes,

giving the example of ESOL training, which should be tailored to need (i.e. groups) rather than geography.

Participants who held a London-wide view of integration stated that a multi-pronged approach was nonetheless needed to ensure that decisions were needs-led and allowed the most impactful initiatives to run. The integration of London First, the LS Network, L. Higher and HEFCE into the London Higher Skills Board was seen as a positive move. The work of the LSEB was also seen as positive but as facing the particular challenge of overcoming wider systemic obstacles that are present alongside the internal goodwill for change.

The key **barriers** to integration that emerged across discussions were:

- **Data-sharing:** this was a major issue, centred on the lack of sharing between BIS and DWP as well as lack of data from employers.
- **Competing objectives and priorities:** between businesses/employers and individuals. This also reflected a concern over how to balance IES provision so that individuals were fully catered-for but without alienating employers.
- **Non-aligned targets:** reflecting insufficient system-wide thinking, e.g. JCP versus the rest of the system; this was seen as particularly problematic as it also means that different elements are being measured so an 'integrated' picture of what's happening now is hard to come by.
- **Problem of trying to create an integrated system from internally fragmented employment and skills organisations**
- **Silo working in the system:** the inbuilt rigidity of public bodies (e.g. DWP/BIS) was seen as preventing flexibility given the fixed targets that then drive behaviour
- **Potential cuts to public spending and changing political will**
- **Lack of understanding between businesses, colleges and providers:** manifested in, for example, inflexible timings – learning providers thinking in academic years while businesses in financial years, making a coordinated approach difficult.
- **Fallacy of common assumptions:** a lack of clarity of language when communicating about IES including, crucially, a lack of clarity as to who the 'customer' is
- **Lack of awareness of individuals and employers of how to access skills development**
- **Overly complex operational systems:** complicated procurement, funding and reporting between agencies. A participant from the LSC observed that the current process of competitive tendering limited providers' flexibility to tailor their services – specifically integrated services – to the local context. Linked with this and providers' perceived focus on a 'work-first' approach, was concern over how to influence the commissioning process from a skills perspective.
- **Dichotomies in the current system:** notably the tension between DWP and LSC providers' aims even though there is huge potential for joining up given that both, ultimately, are aiming towards the same outcomes, i.e. improved employability and employment rates.
- **Employers' lack of time/resources for staff development**
- **Stakeholders' own lack of time/resources:** facilitating integration is just one of their many jobs

The key **enablers** that were highlighted were:

- **Aligned targets and objectives at central government level, and these to reflect reality on the ground**
- **Consistent targets measuring performance throughout the customer journey across delivery partners**
- **Raising individuals' and employers' awareness of IES:** e.g. through a clear brand and/or single portal. A representative from the TUC emphasised that access to funding for learning must always be readily available for individuals, and awareness of how to access it should be disseminated.
- **Simplification of operational data-sharing across agencies:** e.g. by facilitating comparable data (although some commented that simplification would not necessarily entail better outcomes). It was noted that Welfare Reform Bill legislation enables data-sharing at operational and analytical levels, i.e. Individual Learner Records (ILR) with Labour Market System (LMS) data.
- **Emphasis on customer-facing skills brokerage:** with clear signposting through learning and towards employment
- **High quality HE careers advice**
- **Better coordinated brokerage with employers:** e.g. having a one-stop-shop business facing portal
- **Clear engagement with employers and understanding of their needs**
- **Streamlined funding with fewer competing initiatives**
- **Alternative pools of funding:** to counteract cuts in public funding, e.g. by seeking funding from private sources and employers
- **Better partnership working between employers, providers, HE/FE:** importance of fostering trust
- **Greater transparency of current use of agency funding**
- **Clearer language and a common definition of IES aims**
- **Evidence-based futures thinking:** to inform robust, long-term policy development – learning lessons from IES trials

Concluding insights to this session emphasized the need to recognize the particular localities of London, its repeated disadvantages, as well as more general regional commuting patterns. A participant from the LSEB also stressed the need to commit to 'vertical' as well as geographical integration, i.e. progression involving schools, colleges and employers, and also to note – especially for 2010 Review purposes – that London is the most devolved administration in the UK, meaning that national targets may not always apply.

An LSC participant summed up general concern that there do not emerge two 'integrated systems' – one for employers and one for individuals – and that there was insufficient focus on provider engagement with higher education. More engagement with employers was also needed. However, she also observed that there had been a 'sea-change' in people's desire to work together, given widespread recognition that it was not feasible to continue in the same incremental fashion. Others also commented on how the recession had motored integration efforts. Generally, the sense of commitment and hard work to dealing with the barriers to integration and fostering enablers was noted, although there was also the sense that the effort and commitment being invested in IES was not yet reflected in the results. This then presents the challenge of fundamentally changing those systems which have, so far, held back the willingness of people to change the way they work.

### 3. DEVELOPING THE REVIEW FRAMEWORK – ENGAGING WITH THE 5 AS

The focus of this session was to generate ideas for the development of the Review assessment framework that will be used to measure progress on integration. 5As (ambitious, aligned, agile, accountable, affordable) have been set as ‘success criteria’ – the parameters for the assessment process – and the starting point on which the framework will be built. In this session participants were invited to visit one or more of the 5As, displayed on panel boards in the room, and consider: What would be experienced by you and by your customers (individuals and employers), and what data would you collect to measure this?

This section describes the output from this session for each of the 5As based on verbal feedback from participants and the written contributions on the boards. Overall, participants’ discussions tended to stay at a more general level in terms of their interpretation of the criteria and what might be needed to realise them, and focused less on ideas about specific measures. There seemed to be more energy and ideas around the three criteria of ‘aligned’, ‘ambitious’ and ‘affordable’, and less for ‘agile’ and ‘accountable’ but each of the 5 criteria were discussed and always had people present at the panel.

### **Ambitious in its aspirations for employers and individuals as customers**

Three key areas were fed back as a summary:

1. The system has to meet the **needs of individuals and employers** incorporating much improved planning and coordination around **future skills demand**. Lack of awareness and planning for the future was seen as a key deficit currently. Effective, coordinated skills-forecasting would be needed to provide information that both individuals and employers could use.
2. **Targets and measures need to change**. Some of this can be qualifications measures but something else is needed as well. Getting this right was thought to be fundamental. It would enable the measurement of the impact of skills development on economic productivity – “the demands of UK plc”. However, the question was raised of how best to enact this in practice.
3. The system needs to **raise aspirations and ambitions for individuals** – they need to be supported to achieve their **full** potential. Helping people to be more ambitious for themselves e.g. with advice and guidance, requires the right to learn/develop at work and to take time off to train.

The individual points made that contributed to this summary were grouped according to the different perspectives, i.e. individuals, employers and providers (and/or the interface between these two groups). From an individual perspective “ambitious” would enable employment with progression to achieve an individual’s full potential. The need for a single definition of sustainability was suggested to support this. For employers, the system needs to help them to succession plan in relation to future skills needs, and help them to have ambition for their staff. It also needs to be easy to access and tailored to meet specific requirements.

Partnering in the system – as opposed to being a customer – was also suggested, as was setting universal standards of service.

In terms of data that could be collected to measure the extent to which the system was ‘ambitious’, it was suggested that this needed to move beyond collecting data on qualifications

gained alone and also to measure the impact of skills on actual productivity, i.e. not just in terms of what providers are paid to deliver. Several specific measures were suggested, relating to: the work skills 100,000 target; wage progression; measures against a single definition of sustainability; qualifications gained in work through Train to Gain; employers' surveys (indicating employer's satisfaction); processes refocused towards partnership; qualitative measures for consistency and flexibility for providers.

Other ideas were logged on the back of the panel. There was the aspiration that the system needs to over-achieve on the Leitch targets, e.g. to produce the equivalent of the 600,000 IT professionals that the UK needs by 2014 for all sectors. The need for culture change in business was also noted through the question: "who sells the UK plc message and works with businesses to think about the changes to their future workforce needs?"

### **Aligned goals, behaviour and resources**

Three headline areas were fed back from this discussion:

1. The **need for simplification** was seen as critical. Views ranged on what this would Mean in practice – from "one organisation", one set of aligned targets, one set of funding, shared objectives, through to aligning just the elements that people are working on together.
2. **Alignment of individual and employer needs – looking for complementarity but not necessarily a mutual approach.** The needs and perspectives of employers, individuals and also providers are all different so it is important to recognise, accept and understand this, particularly if a key aim is to nurture the transferable skills that are essential in an increasingly flexible job market. The phrase "what's in it for me" was used to capture this.
3. **Communication** – Enabling a seamless service through much better communications with people the system is trying to reach.

A comment was made in response to this feedback that "pooling funding isn't the answer to alignment" – i.e. it should not be seen as the panacea, as there is strong advice/evidence that this does not work. As another participant commented, merging FE and HE funding, for example, could have a destabilising effect.

The panel displayed numerous written points. Some of these gave general principles e.g. "transparency", "value for money". Several highlighted the debate about how alignment could be achieved, e.g. reduce the number of organisations, have one organisation (and the opposite view that one structure won't work, but have fewer layers), and commissioned through a single framework.

Several points referred to objectives and shared targets, and the link with funding – could this follow the individual and hence meet the needs of customers? Could Public Service Agreement targets for BIS, DCSF and DWP be aligned? Another possibility was the option of keeping an overarching target which could then be devolved into more specific, tailored, sub-targets according to the nature of the stakeholder.

The need for a long-term goal/focus, to stop the constant change, was recorded, alongside the suggestion to use broad objectives then trust the providers to meet the needs. It was noted that in Scotland, through a shared economic strategy, everything is aligned.

Other written points related to areas of communication, understanding and having a seamless service by, for example, having fewer layers between the policy-making level and implementation on the ground. Such a service would need to be well signposted and comprehensible to its customers – employers and individuals alike. The provision of equal access to learning and development was also noted as important.

In terms of constructing the measures needed to assess the progress towards an aligned system, the question was raised of how to come up with appropriate measures that capture the needs of so many stakeholders? A key feature here would need to be data collection driven by the same definitions and a common language across the system.

### **Agile to respond to the needs of individuals, communities and employers**

Feedback covered the following areas:

1. Agility requires the **flexibility to meet the needs of individuals, communities and employers** and being 'demand led' by all 3 groups. The system would need to be accessible, joined up and tailored. Careers/employment advice services need to be a 'golden thread' with good quality, well-motivated, highly-valued advisors who are well-resourced and supported. More discretion/flexibility to determine the demand was also highlighted – success is not always measured by qualification. "Localism" was supported to fit outcomes to the local labour markets, e.g. some might invest in manufacturing whilst this would be inappropriate to others, with the transient London labour market again cited as an exception to general trends (e.g. entry level qualifications being less valued in London than in other areas), highlighting the need for geographical flexibility. Employer-led flexibility was also called upon, e.g. to make available more flexible, part-time work, especially in areas with high concentrations of populations that would be more attracted to this, e.g. lone parents in Inner London.
2. A key risk area was highlighted – the **need to manage expectations carefully**. This was encapsulated in the question of what exactly should be measured – productivity or qualifications? And, if the latter, is taking Level 2 as the benchmark the right measure?
3. **What might measures of success look like?** For example, this would need to consider return on investment for employers, the link with business planning and not just measures of qualifications.

The data that could be collected to measure these features were linked to the importance of having a quick response mechanism inbuilt into IES that is forward looking/thinking. This prompted the suggestion of return on investment, productivity gain for business, or progression for the workforce as possible measures of success. There was the aspiration that customer service levels could be comparable to the best in the private sector (John Lewis, Amazon...), and the suggestion that there could be different levels of learning accounts – employer or sector-led. Another point suggested asking businesses what they want to achieve and then account manage their acquisition, negotiate cost/funding and feedback data to inform future needs.

Other ideas logged as reflecting or measuring an 'agile' service were: better transitional provision for migrants to be able to translate their qualifications; removing 'black box commissioning' where eligibility for funding determines outcomes; prior learning and experience being better recognised to enable learners to achieve a wider range of qualifications more easily; considering creative ways to define risk and fund new activity; and greater understanding and awareness of the compelling IES proposition, both to stakeholders, providers and individual customers, the latter using supply-led community outreach.

### **Accountable to its users as customers**

The feedback highlighted key discussions held and questions raised. Significantly, participants questioned if "customer" was the correct term to use. This term implies there is a market (choice and purchasing power), but how does this apply given the public-funding context, i.e. the fact that customers themselves are not paying for this service? How can what happens be tracked in practice? The key issue raised here was whether or not individuals themselves would have power to shape IES services so that these services respond more effectively to different needs: can 'customers' be "re-educated" to support accountability, "to help them become accountable"? And, if so, would these services be differently accountable to different groups (e.g. individuals as opposed to employers)?

The three summary areas reported were:

- **improved health, wealth and personal progress for individuals**
- **bottom-line results for employers (ensuring these are flexible, responsive, etc)**
- **measurement and funding of relevant qualifications**

The written points logged on the panel made different suggestions for what accountable would mean e.g. more attention on local accountability; engaged, listening, reaching out and tackling difficult issues; the system should 'care' about the service offered; and recognise customer diversity. Several points concerned performance, transparency and the linking/aligning of money to results. There was thought to be scope for incentivising engagement/involvement, and also that advice-giving/aspiration-raising needed to improve.

Other points recorded most related to possible measures and data collection, including: system evaluation surveys; asking providers what works; 'destination tracking'; tracking health data in the workplace; and also return on investment and benefits to each party. A question was also logged about how data would be used.

Other ideas logged were: having different metrics for different groups; reduction of bureaucracy for taking on new qualifications; and equal access and universal awareness of opportunities.

### **Affordable over the full economic cycle**

Key areas highlighted in the feedback in support of an affordable system were:

1. The **importance of simplicity** and the need to work to common assumptions on costs i.e. be serious about setting clear priorities for skills needs and keeping to them, and have realistic levels of funding.
2. **Demonstrating value to the UK as a whole**, and incorporating within this the community, individuals, employers. Employers need to be willing to pay for the

development of skills, i.e. to be persuaded of their value (and so reduce subsidies). It was felt strongly that there is not currently a culture of this within the UK, yet it needs to be at the heart of the system.

3. **Increase co-funding** (for training and services). Conversations need to start with what is valuable rather than what is subsidised. The balance between quality and cheapness – “affordable value” – needs to be recognised and achieved as “spreading funding too thinly” will not achieve desired outcomes. As one participant commented: “we cannot upskill someone for free”.

A further overarching point was made strongly that “need” is different from “demand” in terms of skills acquisition – actual needs are not sufficiently reflected in service provision, and meeting both need and demand has to be made affordable. Related to this was the comment that ‘real needs and wants’ should drive targets once services are in place, rather than pre-setting rigid top-down targets that may potentially constrain services’ response to these real needs. As an example, a participant from a learning provider recounted a mismatch between administrative data profiling of expected learners, and the actual learners when they walked through the door, meaning that their needs, as constructed ‘top-down’, did not necessarily reflect reality.

In terms of the data needed to measure affordability, it was thought that none of the reports published to date have really convinced people of the advantage of training; as stated, “this Review process and report has got to persuade people of this”. It was also emphasised that clear measures would be needed to establish what employers value and what they may be prepared to pay as their contribution to IES.

Other data that could be collected to demonstrate the affordability of IES services included:

- Distinguishing the skills needed to get a job as opposed to the skills needed to do a job
- Longitudinal analysis of the benefits of skills intervention
- Not just measuring profits but also considering productivity, exports, etc for business
- Sustainability; time in work; progression; salary; control for individuals.

Other points written on the panel included: input of providers/ commissionees in setting costs; cost of non-intervention; and flexible funding of business’s skills plan.

Interestingly, the “Affordable” criteria generated the longest list of “other ideas” logged on the back of the panel:

- Measure total return on investment (all benefit savings, tax receipts, social impacts etc; expanded version of DEL AME; payment on actual impact)
- Greater individual choice and accessibility
- If there was no public funding, you are back to employers knowing what they must do for their future
- Culture change messages to business driving demand
- Scrap/rework PSA targets, make them relevant and joined up
- Improve advice and guidance to individuals and employers before engagement to ensure higher completion rates and better value for money
- Give the customer the cash to purchase the skills training they need/want
- Include employer skills accounts.

## Butterfly Ideas

There were also a couple of points recorded on a general sheet entitled “butterfly ideas”, i.e. those not relating to a specific ‘5A’ criteria. These were:

- experiment with providers/supply side to publish an integrated local menu/service offer
- the skills to get a job and the skills to do a job are different things.

## 4. DEVELOPING THE REVIEW PROCESS – HOW, WHO, WHERE AND WHEN?

For this part of the workshop, participants were asked to consider the specific elements of how the 2010 Review of IES at UK-wide level should be conducted, thinking about who should be engaged, where the Review should be conducted and when. While participants were asked to think about these different elements separately on their tables, the ‘how’ aspect interweaved throughout their thinking on ‘who’ and ‘when/where’.

In terms of who to engage, a wide-ranging number of actors were proposed at all levels within the system, from currently disengaged customers to understand the reasons why they were not accessing services (including populations such as NEETs, the homeless, but also disengaged employers), to those actively participating and involved in structuring it.

The issue was raised here of how best to engage harder-to-reach potential participants, including reluctant employers. Generally, there was agreement that participant recruitment should proceed through multiple channels, including management meetings, outreach, websites, and relevant existing networks. It was also suggested that if the Review was directly marketed to employers it would have the potential to change things ‘on the ground’. Employers should be invited and made to feel part of the process.

In terms of active customers, those involved would need to include benefit claimants, job seekers and employees, as well as, on the provider side, advisers, learning providers and those in both strategic and frontline delivery roles, with a good spread of representatives from across the sector. There was also the suggestion that commissioners and politicians should be pulled into the process in order to gauge the political will for potentially radical departures to a new system.

One participant from the LSC stressed that those conducting the Review would need constantly to be aware that all participants – especially higher level stakeholders – will carry ‘baggage’, political or otherwise, that may mitigate what they bring to the Review. Ultimately, it was highlighted that the Review would need a balanced input from all stakeholders and a long-term position on what it was trying to achieve without glossing over fundamental obstacles.

A synthesised list of proposed participants to engage with the Review is as follows:

- High level central govt. (BIS, DWP)
- FE/HE representatives
- Individual customers:
  - FE/HE learners
  - Hard-to-reach groups
  - Benefit claimants
  - Jobseekers

- employees
- Providers – strategic, management and frontline levels
- Employers – avoiding the ‘usual suspects’
- Third Sector representatives
- Local Authorities
- Senior stakeholders in regional bodies (e.g. GLA, RDAs) Trade Union representatives

In terms of how the Review should be conducted, there was general agreement that, first and foremost, the Review needs to have clear aims and define its terms clearly for different audiences, including suppliers, intermediaries, employers, politicians and learners, with minimal jargon.

Secondly, those responsible need to understand how much scope the Review currently has and how much it will have following the general election in 2010, given the implications of a different political will to re-defining the boundaries of the Review (as well as some potentially ‘lean’ years of public money). Linked to this was the suggestion of constructing a pre-election baseline to inform the Review, against which post-election Review outcomes could be compared, and also the idea of putting forward ambitious and radical suggestions to gauge the appetite for change of the government in power.

This was followed by the suggestion that there should be awareness of other research activities covering similar ground, as well as the Leitch Review, in order to be clear about the current situation, on which the Review could ‘piggyback’ and build on existing understanding. However, others did not think this would yield the results that a ‘brave’ Review should – a ‘blank slate’ approach was deemed better than assuming that any existing structure was the right starting point. Several people strongly emphasised that the outcome cannot be a recommendation to do another Review!

For a successful Review, and linking back to ‘who’ should be involved, there was some debate as to how much effort should be invested in engaging Local Authorities. One learning provider participant, for example, commented that it was questionable what boroughs would actually bring to the Review in terms of the ‘intelligence’ they had regarding IES, even though their buy-in further down the line would be important. Others asserted that buy-in from all parties was crucial at Review stage, especially from local strategic partnerships with stretch skills targets.

Suggested formats of the Review methodology included scenario planning and staging ‘walkthroughs’ of the customer journey. However, the emphasis was on asking provocative questions, ‘out-of-the-box’ thinking and testing the robustness of different ideas in terms of how much they benefit individuals, employers and communities, rather than how they feed into other interests.

The location and timing of the Review were perhaps less debated but still raised a number of issues. The starting point was the understanding that the Review would be driven by the resources and capacity of those conducting it, and also by careful handling of certain political aspects, such as ensuring certain regions did not feel ‘left out’ in favour of others. This point linked to a previous one made by a Sector Skills Council representative, who criticised the perceived current state of affairs whereby integration seemed a more England-specific venture between employers and BIS, while in order to make it feasible it should be DWP-driven and UK-wide.

General geographical considerations that emerged included whether to have a national, regional or sub-regional focus or incorporate all three; to be aware of the rural-urban dichotomy; the potential disconnect between travelling to work/learning and where the Review is held; and the need to include areas of high deprivation.

Table groups also feedback the need for regular interim reports (e.g. quarterly) as the Review progressed in order to test findings as soon as possible and re-shape the Review process if necessary, not being afraid to move out of the 'comfort zone' and test more radical ideas.

## 5. ACKNOWLEDGEMENTS

In bringing the event to a close thanks were expressed to all participants in the day for their time, energy and engagement; Judith Rutherford and the LSEB for co-hosting, the team at UKCES and others supporting the day; and the staff of the Southbank Centre.

## 6. SUMMARY OF LESSONS LEARNED

Below are key lessons learned from the London session, extracted after the event, to inform UKCES' thinking on current progress towards the integration of employment and skills. Note that this section is not intended as a complete summary of all outputs from the event.

**Overall:** The integration of employment and skills in London presents a dynamic, if challenging landscape.

- A high 'churn rate' of initiatives is seen in an over-complicated system that is also constrained by regulation.
- The world is changing very fast but the system as a whole is seen to be changing very slowly to keep pace with this. Only a few examples of current integration initiatives in London were given at the event.
- There is a high sense of commitment with a desire to work together, and the current recession may have helped to fuel efforts, but overall the sense is that efforts made are not yet reflected in results achieved.

**The 'London factor':**

- The distinctiveness of London's labour market, its geography, commuting patterns and demographics, e.g. concentration of those with multiple disadvantages, means that a one-size-fits-all approach to integration would not be suitable.
- In particular, there is some tension between thinking on whether IES in London can be pan-borough or borough-specific. While there is evidence of success of pan-London working through, for example, the cooperation of the five Olympic boroughs, other areas that do not share this common framework may not be able to apply a similar model - common interests or labour market structures are needed.

**Over-competitiveness damaging flexibility:**

- Funding needs to be more streamlined with fewer competing initiatives. The process of competitive tendering can limit providers' flexibility to tailor their services to the local context and to individuals, for example given employment support providers' perceived focus on a 'work-first' approach with less focus on skills.

**Greater responsiveness to individuals, employers and communities:**

- There needs to be better partnership working between employers, providers, HE/FE and, in particular, better coordinated brokerage with businesses/employers.
- The different needs of individual learners/jobseekers and employers need to be recognised and complemented, in order to nurture transferable skills.
- The system should be needs-led and tailored to the local context.
- There is evidence of success for themed groups working under common LA-driven regeneration funds, achieving better access to services and addressing barriers of disadvantage.

**Planning, sharing and alignment:**

- More data-sharing at Government level, between providers, and from employers would facilitate a holistic picture of where integration is heading and the progress being made.
- Lack of planning for the future/skills-forecasting is a current deficit, plus business culture needs to change to value skills-development (and hence be willing to pay for it).
- Evidence-based 'futures thinking' needs to inform longterm policy development
- The system needs to ensure it learns from experience e.g. IES trials.
- Better alignment of goals, targets, measures, funding and frontline services.

**Demystifying 'integration' for greater accountability:**

- There needs to be a clear, common definition of IES aims, common language used and awareness raised.
- There is lack of clarity as to who the 'customer' is and, indeed, if 'customer' is the best term as this suggests they have the power to shape the system by paying for it – currently not the case. Mechanisms could be put in place enabling customers to make the system accountable to them.

**Ensuring affordability:**

- Co-funding for training and services should be increased, with employers encouraged to pay for the development of skills and so reduce subsidies. However, conversations need to start with what is valuable rather than what is subsidised in order to achieve the optimum balance between quality and affordable value.
- Alternative pools of funding may also become essential to counteract cuts in public funding.