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## **The UK Commission for Employment and Skills – High Level Responsibilities**

### **Summary**

1. This letter sets out the UK Government's and the Devolved Administrations' (future references are to Governments') strategic purpose and high level responsibilities for the UK Commission for Employment and Skills and represents the remit for the UK Commission for its activities across the four home nations.
2. The Governments have reviewed the functions of the UK Commission through the Cabinet Office Review of Public Bodies process. On the basis of its technical expertise in influencing and leading a change in employer behaviour towards skills, we have secured high level agreement across Governments that the UK Commission has a key role to play as an NDPB of BIS in both maximising UK skills to achieve enterprise, sustainable growth and job creation across the UK. It should do this making and promoting the case for employer investment in skills, engaging employers and sectors in programmes such as apprenticeships, and drive employer participation in Welfare to Work measures to achieve successful outcomes, particularly for the most disadvantaged.
3. The skills and capabilities of people across the UK are ultimately the basis for the UK's long term competitiveness. To support sustainable growth, improvements in skill levels must be matched with the right conditions for these skills to be absorbed and used effectively by employers. Business, with encouragement from government, is best placed to effect that change. Ministers across the UK are committed to a reformed and refocused UK Commission leading this change and raising employer ambition for and investment in skills.
4. The following documents set the context for the UK Commission's activity in each of the 4 nations:
  - In England, the *BIS Growth Review, Skills for Sustainable Growth* (November 2010, BIS), the *Wolf Review (DfE published March 2011)*, DWP



Welfare Reform, and the Higher Education White Paper expected to be published later in the year.

- In Scotland, the refreshed *Skills for Scotland* (October 2010) and the recommendations of the *Roe Review*, which is expected to report to Scottish Ministers in May 2011;
- One Wales' Government's *Economic Renewal: a New Direction* and, building upon this the written statement *Skills for Economic Renewal*, the Higher Education Strategy, *For our Future* and the *Youth Engagement and Employment Action Plan*;
- In Northern Ireland, the Department for Employment and Learning will shortly publish a revised and updated skills strategy. The draft Strategy looks at the current skills base, examines the skills needed in the future to grow the Northern Ireland economy and highlights areas for action.

5. The new remit will require the UK Commission to change the way that it functions. It will make the transition from being a top down advisory body for government and become a true vehicle for sustainable economic growth and social partnership, working with strong sector bodies, including Sector Skills Councils and trade bodies and prospective guild arrangements in England, employers, trade unions and other partners to give leadership to business on skills. It will apply principles of partnership, business need and impact in developing its programme of work on apprenticeships, research, qualifications, labour market intelligence and reform of Sector Skills Councils functions.

6. UK Commissioners will bring the inspirational business leadership required to secure the successful impact of Governments' skills and employment policies and ensure that the opportunities that arise from future growth are fairly shared throughout society.

### **Purpose of the UK Commission**

7. The purpose of the UK Commission is to drive up employer investment in and better use of skills at all levels across the UK to help drive enterprise, sustainable growth and job creation, in line with the priorities of each of the 4 nations.

8. The UK Commission will achieve its purpose through inspirational leadership, strong and meaningful social partnership and by securing influence over the sector landscape as a route to changing employer behaviour.

9. Against the reformed and refocused remit, the Governments have agreed three new strategic objectives for the UK Commission:

- To provide outstanding labour market intelligence which helps businesses and people make the best choices for them;
- To work with businesses to develop best market solutions which leverage greater investment in, and better use of, skills;



- To maximise the impact of employment and skills policies and employer behaviour to support jobs and growth and secure an internationally competitive skills base.

10. At all times, the UK Commission will respect the responsibilities and policies of individual governments and differing arrangements for employment and skills across the UK and reflect this in its work and approach. The UK Commission will support delivery of strategies for skills across the 4 nations by providing information on progress against this remit if requested and through the visible leadership and commitment of UK Commissioners. The UK Commission will not undertake any single country reviews except by agreement with relevant Ministers in that country. The UK Commission will continue to seek to establish a relationship of mutual respect and trust with government across the UK.

## **Responsibilities**

11. The UK Commission's high level responsibilities cover the four UK nations collectively and individually. The UK Commission will:

- i. Make and progress a compelling economic argument for greater employer and individual investment in skills at all levels through visibility and leadership of UK Commissioners and persuasive, accessible intelligence;
- ii. Enhance the value and accessibility of apprenticeships and other vocational training, and champion uptake;
- iii. Galvanise industries and sectors to improve the skills and productivity of their workforces through reform of the UK sector skills landscape and through more effective employer engagement which supports enterprise, jobs and growth policies;
- iv. Work with business directly and through sector representative bodies, such as Sector Skills Councils - and trade associations and prospective guild arrangements in England - to help ensure the creation of more and better jobs across the UK, maximising opportunities for unemployed and the most disadvantaged and inactive people and encouraging employers and business to help unemployed people gain the skills they need to obtain, retain and progress in work;
- v. Work with business and sectors to develop best market solutions, such as new professional standards and levy schemes, to persuade employers to invest in and make better use of the skills of the workforce, taking account of the need for UK-wide coherence and policies in the 4 home nations.
- vi. To continue to develop the IIP Framework as a business development tool and to introduce measure that will reverse the decline in the number of organisations seeking IIP recognition.

12. The expertise, leadership and personal engagement of the Commissioners will be central to driving progress on these responsibilities.

13. The UK Commission should develop a revised vision and strategy and provide us with the 2011-12 Business Plan for agreement by the Departments by the end of April. The Business Plan should set out priorities for 2011-12 in response to the remit set out above.

14. As set out in Vince Cable's letter of 24<sup>th</sup> February, we would welcome your views on the future status of the UK Commission. The downward pressure on the funding available to public bodies from the public purse will continue for the foreseeable future. We would ask you to explore with our officials how the UK Commission might become less dependent on State funding for delivery of its role across the UK in the longer term.

The image shows two handwritten signatures in blue ink. The signature on the left is for Iain Duncan Smith, and the signature on the right is for Vince Cable. Both signatures are fluid and cursive.

**IAIN DUNCAN SMITH**

**VINCE CABLE**

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