

EMPLOYER VOICE POLICY REVIEW

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Executive Summary

The UKCES has been tasked by Governments and Departments across the UK to ensure that employers are playing the most effective role they can be within the public sector products and services that are designed to meet the needs of the UK economy. To achieve this understanding, the UKCES are conducting a review of the employer engagement landscape across the UK examining where and for what purposes employers are most productively involved in shaping the system of products and services and what changes may be needed to ensure that their contribution is maximised. The purpose of this report is to review government policy nationally across the UK to identify what the government command and policy papers have said about the role of the employer voice in the employment and skills system over the last 5 years.

The report is based on the findings of a desk-based review of national government policy across the UK. The employer voice is defined as *the way in which employers can articulate their voice within the employment and skills system*.

From the development of the first National Skills Strategy *21st Century Skills Realising our Potential* published in July 2003, there has been an articulation of the role of the employer voice in the development of the employment and skills system within skills, welfare to work, employment and economic development policy. This has been in the main through the network of SSCs who are now seen nationally as 'the voice' of the employer.

Later strategy development has seen the role of the employer voice extended outside of SSCs through the development of Regional Skills Partnerships, Employment and Skills Boards and the UK Commission for Employment and Skills. Other employer voice mechanisms for shaping the skills and employment landscape include other networks and programmes such as Centres for Vocational Excellence and the National Skills Academies, and particular government initiatives such as City Strategy pathfinders, the Multi-Area Agreement process and the new Sector Productivity Pilots.

The approach, particularly within skills-related strategy has been sector orientated and there is a debate to be had as to whether this is representative of the employer voice as a whole.

1. Introduction

The *Employer Voice Policy Review* has been produced by i-works research Ltd. on behalf of the UK Commission for Employment and Skills (UKCES).

1.1 Research Aims

The UKCES has been tasked by Governments and Departments across the UK to ensure that employers are playing the most effective role they can be within the public sector products and services that are designed to meet the needs of the UK economy. To achieve this understanding, the UKCES are conducting a review of the employer engagement landscape across the UK examining where and for what purposes employers are most productively involved in shaping the system of products and services and what changes may be needed to ensure that their contribution is maximised. The purpose of this report is to review government policy nationally across the UK to identify what the government command and policy papers have said about the role of the employer voice in the employment and skills system over the last 5 years.

1.2 Approach and Methodology

The report is based on the findings of a desk-based review of national government policy across the UK. The employer voice is defined as *the way in which employers can articulate their voice within the employment and skills system*.

1.3 The Report

This report is presented five main sections. Section 2 examines skills strategy white papers and the Leitch Review. Section 3 examines other skills and learning policy; Section 4 welfare to work and employment policy; and Section 5 policy related to economic development. Section 6 provides a summary of findings.

2. Skills Strategy White Papers and Leitch Review

2.1 21st Century Skills, Realising Our Potential, DfES, 2003

In July 2003, the Government launched the National Skills Strategy, *21st Century Skills Realising our Potential*¹, which set the challenge for 2010:

“To ensure that employers have the right skills to support the success of their businesses, and individuals the skills they need to be both employable and personally fulfilled”(pp11).

21st Century Skills was developed at the Government's National Skills Strategy and its lead skills policy. It is the Government's strategic response to global trends, clearly linking skills with the need to improve the UK's productivity and competitiveness. The focus on a more demand-led approach recognises the conclusion of the workforce development strategy and represents a fundamental change in skills policy. The strategy aims to:

- Improve the UK's productivity and standard of living...to achieve rising prosperity and a better quality of life, with economic and employment opportunities for all;
- Build a better society by helping people gain the skills to work productively in the private, public and voluntary sectors, supplying the goods and services people want;
- Help individuals acquire and keep developing the skills to support sustained employability, more rewarding lives, and a greater contribution to their communities.

Underpinning these aims are five themes:

- 1 Putting employers' needs centre stage;
- 2 Helping employers use skills to achieve more ambitious longer-term business success;
- 3 Motivating and supporting learners;
- 4 Enabling colleges and training providers to be more responsive to employers' and learners' needs;
- 5 Joint Government action in a new Skills Alliance

One of the steps in achieving a more demand-led approach is to stimulate employer demand for skills. The Strategy proposed a number of actions including:

- Promoting demand for workforce development through SSCs and gathering evidence to bolster the business case;
- Promoting skills through better management and leadership;
- Promoting the role of skills in benchmarking indexes;
- Taking forward the development of Human Capital Accounting;
- Developing the Investors in People (IiP) Standard and other awards;
- Taking a more strategic approach to communications and marketing;
- Developing a clearer Information, Advice and Guidance (IAG) infrastructure, including a look at the feasibility of setting up a helpline for employers; and

¹ <http://www.dcsf.gov.uk/skillsstrategy/uploads/documents/21st%20Century%20Skills.pdf>

- Developing tools for workforce development advisers and other intermediaries.

The Skills Strategy saw the development of the SSCs to act as a skills and employment voice for employers with a core role in:

“Identifying and articulating the current and future skills needs of employers in their sector, at all levels from basic to advanced” (pp52).

“We will build the Skills for Business Network to fulfil the sectoral role. Sector Skills Councils (SSCs) are a means whereby employers can secure influence in shaping the supply of training and skills to meet current and future needs” (pp. 49).

It also outlined that in some sectors, the then DTI (BERR) had supported employer-led Innovation and Growth Teams, to identify and address the key productivity drivers for the sector.

2.2 Skills: Getting on in business, getting on at work, DfES, March 2005

On 22 March 2005, the Government published its second Skills White paper *Skills: Getting on in business, getting on at work*². The White Paper builds on the first White Paper (21st Century Skills, July 2003) to develop our strategy for ensuring that employers have the right skills available to them to support the success of their businesses, and for individuals to gain the skills they need to be employable and personally fulfilled.

The White Paper sets out proposals and reforms designed to:

- Put employers' needs centre stage in the design and delivery of training – primarily through Train to Gain and employer-led sector based National Skills Academies supported by Sector Skills Agreements.
- Support individuals in gaining the skills and qualifications they need to achieve the quality of life they want – with a clear ladder of progression upwards in skills; improved information, advice and guidance; and new national entitlements with extra financial support at low skills levels. The New Deal for Skills has also been developed to get people from welfare to work, focusing on those people for whom a lack of skills is a barrier to employment.
- Reform the FE sector, allowing Further Education colleges to become the engines of social and economic growth, providing young people and adults with the right skills to meet the demands of our economy. This new economic mission for colleges and the FE sector is the key theme of the Government's White Paper, Further Education: Raising Skills, Improving Life Chances, published on 27 March 2006. It includes provisions to drive up the quality of teaching, to reward colleges for success and to make the sector more responsive to the skills needs of individuals and employers.
- Develop an improved qualification structure to support both 14-19 and adult reforms. The Vocational Qualifications Reform Programme is working with the Qualifications and Curriculum Authority (QCA), the Learning and Skills Council (LSC) and the Sector Skills Development Agency (SSDA) to develop and implement a modernised vocational qualifications system. Their programme of work over the next few years aims to develop a system of vocational qualifications which has the flexibility to meet individual and employment needs.
- Work with partners to deliver our shared agenda. The National Skills Alliance, led by the DfES and DTI, brings together key partners with an interest in skills and productivity, including the

² <http://www.dcsf.gov.uk/skillsstrategy/uploads/documents/Skills%20WP%20Part%201.pdf>

CBI, the TUC and the Small Business Council. Nine Regional Skills Partnerships bring together RDAs, the LSC, Jobcentre Plus, the SBS and other partners. They have been established to address skills, employment and business priorities within each region.

- Promote fairness of access for all through cross-cutting mechanisms designed to encourage equality of opportunity. These ensure that individuals, regardless of age, race, sex, disability and social background, can access training and, benefit from support to overcome the disadvantages they may face.

The reforms set out two main levers for change in terms of meeting the skills needs of employers. First, changing the way adult training is delivered, so that it starts with the needs of employers and employees and integrates training within wider business development. Second, ensuring that:

“employers’ skills priorities are articulated at every stage to shape decisions on training supply” (pp11).

In terms of the second lever, the main mechanism for developing a “stronger employer voice” is through the Sector Skills Councils (SSCs).

“Employers will be given a strong voice in the design and content of vocational qualifications through Sector Skills Councils. Sector Skills Agreements between employers will set out training needs, commit employers to collaborative action, and ensure that public funds respond directly to employer priorities” (pp3).

“We will work with employers and Sector Skills Councils to create new Skills Academies at the apex of the skills system. Skills Academies will be employer-led and form a strong network in each sector linking college Centres of Vocational Excellence with universities, training providers and specialist schools” (pp4).

One of the seven key strands of the 2005 Skills White Paper is also to:

“To give employers a stronger voice in shaping the supply of training at every level – nationally, regionally, locally and in each sector of the economy. Sector Skills Agreements, Skills Academies and Regional Skills Partnerships are the key levers” (pp9).

2.3 Leitch Review of Skills: Prosperity for all in the global economy - world class skills, HM Treasury, December 2006

In 2004, the Government commissioned the Leitch Review³ to identify the UK’s optimal skills mix in 2020 to maximise economic growth, productivity and social justice and to consider the policy implications of achieving the change required. The final report published in December 2006 sets itself “against a background of economic strength and stability in the UK, with 14 years of unbroken growth and one of the highest employment rates in the developed world. The UK has significantly improved the skills base with rising school and college standards and strong growth in graduate numbers.”

However, the report makes clear that in a rapidly changing global economy, with emerging economies such as India and China growing dramatically, the UK cannot afford to stand still. Despite having made good progress over the last decade, aspects of the UK’s skills base remain weaker than those in other developed economies. Low skills levels can hold back productivity and growth and, if not addressed, will result in increasing inequality and the marginalisation of some groups within the labour market. The report projects that, even if current targets are met, by 2020 the UK’s skills base will be inferior to that of many other developed nations.

The report recommends that the UK commits to a compelling new vision - to become a world leader in skills by 2020. This means increasing skills attainment at all levels by 2020 so that:

³ http://www.hm-treasury.gov.uk/leitch_review_index.htm

- 95% of working age adults have basic skills in both functional literacy and numeracy - rising from 85% and 79% respectively in 2005;
- More than 90% of adults are skilled to GCSE level or to vocational equivalents - rising from 69% in 2005;
- The number of Apprentices in the UK is boosted to 500,000 each year, with improved quantity, quality and esteem for intermediate skills; and
- More than 40% of adults are skilled to graduate level and above - up from 29% in 2005.

'Economically valuable skills' must be delivered through a demand-led approach, facilitated by a new culture of learning, and an appetite for improved skills amongst individuals and employers. Key recommendations are made for radical change across the whole skills spectrum:

- Routing public funding of vocational skills through Train to Gain and Learner Accounts;
- Strengthening the employer voice on skills through creation of a new Commission for Employment & Skills, increasing employer engagement and investment in skills, reforming Sector Skills Councils who will simplify and approve vocational training;
- Launching a new 'pledge' for employers to voluntarily train more employees at work. If insufficient progress has been made by 2010, introduce a statutory right for employees to access workplace training;
- Increasing employer investment in higher level qualifications, especially in Apprenticeships and in degree and postgraduate levels; significantly more training in the workplace;
- Raising people's aspirations and awareness of the value of skills, creating a new universal adult careers service to diagnose skill needs with a skills health check available for all;
- Government to introduce compulsory education or workplace training up to age 18 following introduction of new Diplomas and expanded Apprenticeship route; and
- Integrating the public employment & skills services to deliver sustainable employment, enabling more disadvantaged people to gain skills and find work, developing employer-led Employment and Skills Boards.

The Review identified a number of problems with existing skills and employment provision including an inadequate employer contribution to skills policy and a supply-led model which did not sufficiently take into account the needs of employers. Lord Leitch recommended improved mechanisms for employers to influence skills policy and a more demand-driven model that responds to both current and future employer need.

2.4 World Class Skills: Implementing the Leitch Review of Skills in England, Department for Innovation, Universities and Skills, July 2007

*World Class Skills*⁴ presents the government's response to the Leitch Review of Skills and sets out its plans to close the skills gap in England by 2020. Outlines the key recommendations of the Leitch Review and describes the government's ambitions on the progress they want to make by 2011 and 2020. Explains the government's plans to:

- Change the balance of funding responsibilities between employers, individuals and government;

⁴ <http://www.dcsf.gov.uk/skillsstrategy/uploads/documents/World%20Class%20Skills%20FINAL.pdf>

- Make public funding more demand-led; support people to develop their skills through their lives and careers;
- Give employers greater leadership of the skills and employment system;
- Support employers to improve workplace skills; and equip young people with the skills they need for further learning and employment.

In terms of the role of the employer voice this is articulated in the response paper through the creation of a UK Commission for Employment and Skills that will operate across the UK, and “strengthen the employer voice at the heart of the system”.

In terms of the role of the employer voice this is particularly articulated in the response paper through the creation of a UK Commission for Employment and Skills that will operate across the UK, and “strengthen the employer voice at the heart of the system”.

“We will work with the Devolved Administrations on proposals:

- to create a new UK Commission for Employment and Skills to operate across the UK and strengthen the employer voice at the heart of the system;
- to reform SSCs, with a new remit focused on raising employer ambition and investment in skills; ensuring the supply of skills and qualifications is driven by employers; and articulating the future skills needs of their sector; and
- to reform vocational qualifications, giving employers a leading role through their SSCs to ensure they have full confidence in publicly funded qualifications, and making it easier for employers to have their own training programmes accredited.

In England we will:

- consider whether it would be beneficial to introduce new enabling legislation to make it easier for SSCs to introduce levy schemes where they consider that these would help
- improve skills and productivity in their sector, where a clear majority of employers in the
- sector support them, and where impact assessments are positive;
- extend the network of National Skills Academies, giving employers who invest in them
- the opportunity to influence the content and delivery of skills training in their sector;
- roll out a new higher standard for employer responsiveness and vocational excellence for colleges and training providers, helping employers to identify the provision that will best meet their needs, and building the capacity of providers to deliver high quality training; and
- increase the higher education (HE) sector’s focus on workforce development, and encourage HE institutions to collaborate with employers in delivering training that meets employers’ needs” (pp36).

Published in January 2008, the strategy⁵ describes the 'One Wales' ambition for a highly-educated, highly-skilled and high-employment Wales. It builds on the consultation, and previous work including The Learning Country: Vision into Action and draws on the analyses and conclusions of Lord Leitch's review of skills in the UK and Sir Adrian Webb's review of the mission and purpose of further education in Wales.

The seven fundamental messages of the Webb Review have been accepted and are reflected in Skills That Work for Wales. The priorities addressed in the strategy and action plan are:

- improving the levels of basic literacy and numeracy skills in the workforce;
- ensuring everyone has skills essential to take up employment and maintain their employability within the labour market;
- increasing the demand for, and supply of, intermediate and high-level skills;
- addressing skills gaps and shortages in priority sectors and supporting economic development through our investment in post-19 skills; and
- establishing effective and efficient learning provision.

The employer voice is outlined in the strategy through the mechanisms of the Wales Employment and Skills Boards, the UKCES and the SSC network.

"The Wales Employment and Skills Board and the UK Commission for Employment and Skills will strengthen the employer voice on skills in Wales, providing a robust external challenge to the system, helping to shape strategy and delivery" (pp6).

"A strong network of Sector Skills Councils in Wales (SSCs), working closely with employer bodies, will help to strengthen the employer voice in decisions on skills provision" (pp67).

2.6 Skills for Scotland: A Lifelong Learning Strategy, Scottish Government, 2007

The Scottish Skills Strategy⁶ is a framework to outlining how all of the constituent parts of the education and learning systems contribute to Scotland's skills base.

"To achieve our vision we need to work with all of our key partners, delivery agents and employer representatives" (pp2).

"This Strategy is a framework for Government to work with our people, our communities, our institutions and our employers in driving this vision forward" (pp3).

The employer voice is articulated in the strategy through the Scotland Employer Skills Survey and specifically through the SSC network.

"The SSC network comprises 25 employer-led Sector Skills Councils who are currently funded, supported and monitored by the Sector Skills Development Agency (SSDA). The network is tasked with bringing the 'employer voice' to debates about skills provision" (pp30).

2.7 Success through Skills: The Skills Strategy for Northern Ireland, DEL, February 2006

⁵

http://wales.gov.uk/topics/educationandskills/policy_strategy_and_planning/skillsthatforwales/?lang=en

⁶ <http://www.scotland.gov.uk/Resource/Doc/197204/0052752.pdf>

The Skills Strategy⁷ builds on a draft published in November 2004 for consultation, highlighting the need to focus on:

- raising the skills of the current workforce;
- enhancing the 'knowledge base' of those entering the workforce; and
- addressing the employability skills of those not in employment.

The final strategy document sets out the proposals will be taken forward in partnership with employers and their representative bodies; individuals and trade unions; training and education providers; the community and voluntary sector and other Government departments and agencies.

"The employer voice within the strategy is outlined within the mechanism of the SSCs. Government in Northern Ireland is investing in these SSCs to be the definitive representative voice of employers in each sector and would strongly encourage employers and other organisations to engage with SSCs for that purpose" (pp5).

The strategy also outlines the Regional Employment and Skills Action Plan Project that will facilitate the development and maintenance of a regional employment and skills action plan. Components include the re-configuration of the Skills Taskforce into an Expert Group at regional level and the development of employer-led sub-regional Workforce Development Fora (WDF).

⁷ http://www.delni.gov.uk/skills_strategy_2006.pdf

3. Other Skills and Learning

3.1 14 to 19 White Paper: Raising Skills, Improving Life Chances, DfES, February 2005

The White Paper⁸ sets out the reform of the system of 14-19 education and is a response to the Working Group on 14-19 Reform report in October 2004.

"The purpose of this White Paper is to set out the reforms that are needed to equip learners with high-quality skills for productive, sustainable employment and personal fulfilment; and this will ensure that employers have the right skills for their business to succeed in a competitive global economy. Taken together, they will enable the system to achieve its full potential as the powerhouse of economic growth and social mobility."

"We will ask QCA and the awarding bodies to develop an agreed set of principles that should underpin awarding bodies' work. These might include:...actively consulting with employers, HE and subject bodies" (pp85).

"We will create a system better tailored to the needs of the individual pupil, in which teenagers are stretched to achieve. We will:

Put employers in the lead through Sector Skills Councils, in designing specialised Diplomas which provide the right grounding for work and further study, supported by higher education and the QCA" (pp6).

3.2 Further Education: Raising Skills, Improving Life Chances, DfES, 2006

On 27 March 2006 the Department for Education and Skills published the FE Reform White Paper *Raising Skills, Improving Life Chances*⁹. This White Paper builds on the existing 14-19 Education and Skills White Paper and Skills Strategy to set out a series of FE reforms making the FE system fit for purpose in meeting the two strategic challenges of transforming 14-19 education and up-skilling the adult workforce. It sets out major reform for colleges and training providers, building on the recommendations of the Foster Review.

"Our reforms will renew the mission of the Further Education system, and its central role in equipping young people and adults with the skills for productive, sustainable employment in a modern economy...They will put the needs and interests of learners and employers at the heart of the system, so that their choices drive funding and performance" (pp1)

References to the employer voice and engaging with employers to develop FE is articulated through mechanisms such as Centres of Vocational Excellence (CoVEs) and the extension of the programme of National Skills Academies (NSAs).

"Alongside this stronger sense of purpose, we want to make a decisive shift towards a system that is driven by the needs of service users. We will introduce measure that put learners and employers in the driving seat in determining what is funded and how services are delivered" (pp7).

⁸ <http://publications.dcsf.gov.uk/default.aspx?PageFunction=productdetails&PageMode=publications&ProductId=Cm%25206476>

⁶ <http://www.official-documents.gov.uk/document/cm67/6768/6768.pdf>

The aspiration for this is through the Train to Gain programme where employers, supported by brokers, are able to get training delivered in the workplace to meet their needs.

3.3 Raising Expectations: Staying in Education and Training Post 16, DfES, March 2007

The Green Paper¹⁰ outlines proposals that all young people should participate in education or training in a school, college, or as part of a job at least in part until they reach the age of 18. The requirement would be introduced in two phases: raising the participation age to 17 from 2012 and then to 18 from 2015.

The Green Paper focuses on four areas:

- the provision that would need to be available to ensure a suitable route for every young person, which engages them and enables them to progress and achieve
- how to ensure the right support to enable young people to make the right choice and access the provision
- how to engage employers to offer valuable training opportunities
- how to best go about ensuring all young people participate

Two key features in particular dictate that structural change is necessary: the aim of a demand-led system, and the integration of employment and skills.

3.4 Raising Expectations: Enabling the system to deliver, DCSF & DIUS, March 2008

Raising Expectations¹¹ is the White Paper development of the March 2007 Raising Expectations green paper and focuses on the following key elements of change:

- a clear role for local authorities to identify demand and plan provision to meet the needs of young people;
- an operating system in which local authorities can commission the provision that is needed;
- a performance management system that ensures that standards are raised for young people;
- a funding model which ensures that money reaches providers appropriately;
- and a plan for managing the transition from the present to the future.

The employer voice is articulated through the development of the UKCES.

“A further significant new feature of the landscape is the UK Commission for Employment and Skills (UKCES), which will become fully operational from 1 April 2008. It will give employers a new and influential voice in shaping employment and skills services and encourage greater employer engagement and investment in skills development. This independent oversight role, performed on behalf of the four Governments of the UK, by an employer-led body and ranging across both employment and skills, could threaten to overlap with the current strategic role of the LSC, unless that role is now changed. A key principle of our reform is the simplification of roles and the eradication of overlap or duplication” (pp60).

¹⁰ <http://www.dcsf.gov.uk/educationandskills/docs/Raising%20Expectations.pdf>

¹¹ <http://www.official-documents.gov.uk/document/cm73/7348/7348.asp>

3.6 World-class Apprenticeships: Unlocking Talent, Building Skills for All. The Government's strategy for the future of Apprenticeships in England, DCSF, DIUS, 2008

The World-class Apprenticeships document sets out the national strategy for Apprenticeships and outlined the plans for expanding and strengthening what is available. The role of the employer voice in shaping Apprenticeships is outlined through the SSC network and the use of employer surveys.

"This strategy includes arrangements to measure a provider's responsiveness to both employers and learners through employer and learner surveys" (pp25).

"As set out in the Leitch implementation plan, in future all vocational qualifications will be based on updated national occupational standards and will fall to be approved by Sector Skills Councils before being entered onto the QCF. This will provide a readymade bank of qualifications and units that employers, through their Sector Skills Councils, believe are needed in the workplace (pp36).

3.5 The Apprenticeships, Skills, Children & Learning Bill 2009

The Bill¹² sets out the following important changes relevant to the skills arena:

- A statutory framework for apprenticeships
- A right to an apprenticeship for suitably qualified 16-18 year olds
- Introduces a right for employees to request time away from their duties to undertake training, and places a corresponding duty on employers to consider such requests seriously and to be able to refuse them only for specified business reasons
- Dissolves the Learning and Skills Council
- Transfers the responsibility for funding education and training for 16-18-year-olds to local authorities
- Makes provisions with respect to the education of offenders
- Creates the Young Person's Learning Agency
- Creates the Skills Funding Agency
- Creates a new regulatory body for qualifications (Ofqual)
- Creates a new agency to carry out the non-regulatory functions currently performed by the Qualifications and Curriculum Authority

The Bill incorporates proposals previously published in July 2008 as the Draft Apprenticeships Bill.

¹² <http://www.publications.parliament.uk/pa/cm200809/cmbills/055/09055.i-v.html>

4. Welfare to Work and Employment

4.1 In work, better off: next steps to full employment, DWP, July 2007

*In work, better off*¹³ sets out proposals to deliver a significant change in the support offered to those who are most disadvantaged in the labour market. The centre of the proposals is a new 'jobs pledge', building on the Local Employment Partnerships announced in the 2007 Budget.

Other key proposals include:

- a new social contract with lone parents which expects an eventual move into the labour market in return for the necessary personalised support
- a more personalised, flexible and responsive New Deal, delivering support which is right for the individual
- an integrated skills and employment agenda.

The paper sets out that employers are at the heart of the reforms and this is delivered through the Local Employment Partnerships announced in the 2007 Budget.

"Through these partnerships major retail employers including Asda, B&Q, Marks and Spencer, Sainsbury's and Tesco demonstrated their commitment to help long-term benefit claimants into employment. They recognise the wider economic advantages of employing a diverse workforce and the gains from reducing worklessness in local communities" (pp6).

There is a commitment to look at how to meet the challenge of joining up employment and skills locally set out in the Leitch Review of Skills.

"The Leitch review of skills, recommended a network of local employment and skills boards to influence delivery of employment and skills at a local level. These employment and skills boards could play a key role in ensuring the local system is responsive to the needs of local employers and supporting disadvantaged and low skilled people to enter work and progress to better jobs. The Government's approach to employment and skills boards is set out in 'World Class Skills'. Local integration is also a key feature of several other proposals in this consultation document, such as the Local Employment Partnerships which will complement Leitch's proposals" (pp65).

4.2 Opportunity, Employment and Progression: making skills work, DWP & DIUS, November 2007

*Making Skills Work*¹⁴ sets out how the DWP and DIUS will work together to develop the training and support mechanisms to move people from benefits into work. Employers are recognised as playing a vital role in developing employee skills and the paper articulates that: "... we will work with employers to drive a culture of skills development throughout our workforce" (p21). The role of employers in Making Skills Work is outlined as:

- Employers – investing in skills, partners in success

¹³ <http://www.dwp.gov.uk/welfarereform/in-work-better-off/in-work-better-off.pdf>

¹⁴ <http://www.official-documents.gov.uk/document/cm72/7288/7288.pdf>

“Employers, in all sectors, must...lead the way towards a high skilled workforce and a workplace culture of lifelong skills development. Employers have a responsibility to invest in the skills of their employees, and we will in return support employers to access high quality training that meets their needs”.

- Supporting employers with workplace training
 - Putting employers in charge of the skills system as it affects employee training

“That is why we have established the employer-led Commission for Employment and Skills under Sir Michael Rake; and why employers’ Sector Skills Councils will lead the development and approval of all vocational qualifications, including deciding which can attract LSC funding”;
- Local Employment Partnerships: partnerships between employers and Jobcentre Plus to open up employment and training opportunities to disadvantaged jobseekers.
- City Strategy Pathfinders: partnerships providing the support jobless people need to find and progress in work.

“In all that we do, we will ensure that our system of training and employment support is demand-led and responsive to the needs of individuals and employers. This means making employers and customers part of the solution. Local Employment Partnerships and City Strategy offer flexibility to tailor support and provision to individual and local needs. And at the employer and individual level, Train to Gain and Skills Accounts offer employers and individuals the opportunity to take control of their learning and exercise choice and voice. In this way, we will aim to deliver a personalised and effective service, that is tailored and responsive, driven by the needs of learners and employers, and offers everyone the opportunities and the support that they need to thrive in the global economy” (p27).

4.3 Ready to Work, Skilled for Work: Unlocking Britain’s Talent, DWP, DIUS, January 2008

Ready to Work¹⁵ sets out how the Government wants to work with employers to build a new employment and skills partnership. Employers are given ‘unparalleled opportunities’ to shape recruitment and skills services and access simplified and demand-led support to recruit and train the workforce. In return Government asks employers to invest in employees, and open up job opportunities to a wider pool of potential recruits.

The report sets out the offer to employers:

- Government is shaping the employment and skills system to meet employers’ needs
- In return, we want employers to open up job opportunities to a wider pool of potential talent, commit to investing in the skills of their workforce and offer apprenticeship places
- Employers can expect a central role in driving the changes they need, and unparalleled support in recruiting and training the workforce of the future
- Getting this right is vital to the achievement of the Department’s key strategic objectives

The Government outlines its commitment to employers, developing the employers voice in reform and renewal of the employment and skills infrastructure as follows:

“The Government is committed to giving you the opportunity to lead the reform and renewal of the employment and skills infrastructure to face the challenge ahead by:

¹⁵ http://www.dius.gov.uk/publications/ready_to_work.pdf

- putting business leadership and challenge at the heart of the system through the new UK Commission for Employment and Skills;
- giving you a leading role in developing qualifications and in the prioritisation of public funding for skills in your sector through a reformed and empowered network of employer-led Sector Skills Councils;
- recognising your own successful in-house training programmes through a new accreditation scheme;
- providing you with direct influence over the design and delivery of sector-specific skills training programmes through National Skills Academies and other institutions” (pp9).

4.4 Innovation Nation, DIUS, March 2008

This White Paper¹⁶ outlines the aims for UK’s innovation policy.

“Implementing this will be challenging and require DIUS to build new partnerships with stakeholders in the public sector, business, HE, FE and the third sector” (pp9).

The employer voice and it’s articulation within the white paper is through the SSCs, National Skills Academies, the UKCES and the development of the 14-19 Diplomas.

“A small number of pathfinder projects covering a range of networking arrangements, including FE providers networking with NSAs, Sector Skills Councils (SSC), Higher Education Institutions, Regional Development Agencies (RDA), Regional Skills Partnerships (RSP), employers and supply chains will be set up” (pp60).

“Sector Skills Councils (SSCs) are key to making sure that the supply of skills and qualifications is driven by employer’s needs, and helping raise employer ambition and investment in skills” (pp59).

“National Skills Academies offer a particularly innovative way to focus the efforts of the FE system on delivering the future-focused solutions that employers need. NSAs are proving popular with employers and there will be 12 in place by the end of 2008” (pp60).

“The establishment of the new UK Commission for Employment and Skills (UKCES) will create a powerful new employer voice at the centre of the skills system. The UKCES is interested in promoting productive deployment of skills across the UK, and innovation is an important element of wider productivity considerations” (pp63).

“The introduction of the 14-19 Diploma from September 2008 will allow more young people to combine applied and academic learning, thinking with doing. All 17 of the new qualifications are being developed in close partnership with employers (both directly and through Sector Skills Councils) and HEIs” (pp67).

4.5 Work Skills, DWP, DIUS, June 2008

Work Skills¹⁷ Sets out the government's plans for improving the skills of those not in work. It outlines details of the proposals, which focus on:

¹⁶ http://dius.ecgroup.net/files/18-08-C_on.pdf

¹⁷ http://interactive.dius.gov.uk/workskills/downloads/Workskills_command_paper.pdf

- making skills support more responsive to the needs of employers and those seeking work through such measures as Sector Compacts and the Skills Pledge
- how the DWP and DIUS will work with partner agencies to deliver reformed services, outlining the role of the Working Neighbourhoods Fund, the City Strategy Pathfinders and the Multi-Area Agreement (MAA) process.

Work Skills clarifies how local partnerships can influence the DWP commissioning process and integrating employment and skills, as well as extending the life of City Strategies, encouraging Multi-Area Agreements, and aiming 'to make the system less top-heavy'.

The paper sets out the voice of employers in influencing the work skills agenda through the Train to Gain programme.

"We're improving how we help individuals and employers to get the skills they need. This means:

- a skills system that puts individuals in charge, where everyone has the right to a Skills Account; and
- a skills system that is shaped by employers, where all employers have access to support, through Train to Gain, to choose the training provision that best meets their needs" (pp18).

4.6 Raising Expectations and Increasing Support: Reforming Welfare for the Future, DWP, December 2008

Raising Expectations¹⁸ follows on from the Welfare Reform Green Paper *No one written off: reforming welfare to reward responsibility* in July 2008. The White Paper develops the devolution proposals, AME/DEL, a response to the Gregg review, conditionality for drug users and around training and individual budgets for disabled people. The paper expands on the concept of devolving control of employment programmes to communities and provides more detail on the three levels of devolution outlined in the green paper.

The consultation process following the Green Paper with employers set out:

"We have asked employers already committed to recruiting and retaining disabled people, what more could be done to persuade other employers to develop and sustain the same commitment. They gave us two important messages:

- employers take more notice of the ideas of other employers and their support organisations than they do of government and pressure groups. So, we need an employer-led national campaign to engage more employers to recruit and retain disabled people; and
- we need to work more effectively with employers to design and deliver processes that help disabled people get or keep jobs".

In response the White Paper outlines the development of an employer-led campaign.

"This campaign seeks to promote good corporate recruitment, retention and development practices. A series of 'expert employer panel' events are taking place from July 2008 to March 2009 to begin this campaign. These events will give committed employers the opportunity to share good practice and develop an employer 'agenda for change'. From these events we will seek to establish a 'beacon group' of employers who will agree to

¹⁸ <http://www.dwp.gov.uk/welfarereform/raisingexpectations/>

take a lead in promoting further initiatives and put into practice good ideas that will work for them, and potentially for other employers.

We will begin to review the impact of these events in January 2009. The outcome of this review will determine further action for us to take forward with employers and other stakeholders. We will continue to keep all participating employees informed as work progresses. Working with the Department for Business Enterprise and Regulatory Reform and other partners, we will identify effective employer and employer support channels. These channels will support the sharing of information and advice which will build and support employer commitment”.

4.7 Simplification Plan, DIUS, December 2008

The Plan¹⁹ lays out how DIUS is simplifying requirements and processes for businesses, front line public sector workers and learners, to remove bureaucratic obstacles to success wherever possible.

The Plan makes one reference to developing the employer voice through the creation of an Apprenticeships Challenge Panel.

“A Challenge Panel, chaired by John Denham, the DIUS Secretary of State, is being set up to drive a faster response to employer concerns on bureaucracy in the new apprenticeships service and the skills and training system in general” (pp10).

4.8 New Opportunities, Fairer Chances for the Future, HM Government, January 2009

This White Paper²⁰ sets out clear strategy for how the Government intends to work with people, families, communities, business and the third sector. The White Paper sets itself against a backdrop of both the current economic downturn but also longer-term economic growth of the world economy. It details that “taken together, these changes will create immense opportunities for business growth and individual success. The Government is determined to work with UK businesses so that our country can benefit strongly from this changing economy, creating more and better jobs for all” (pp3).

It identifies a series of steps, building on existing policies and initiatives, that need to be taken as a country in the coming months and years. They include:

- placing the UK in the forefront of global research and innovation;
- transforming our national digital infrastructure;
- promoting enterprise at every level from the schoolroom to the boardroom;
- taking a new strategic approach to encouraging the development of innovative industry, including tailored support for sectors in the UK economy, such as low carbon technology industry; and
- personalising high-quality public services that consumers increasingly demand.

Key measures include:

- an injection of £57m to extend free childcare for disadvantaged two year olds - a further step towards the government's long term ambition to make a free early learning and childcare place available to all two year olds

¹⁹ <http://www.dius.gov.uk/~media/publications/2/21453%20Simplification%20Plan%20final>

²⁰ <http://www.hmg.gov.uk/media/9102/NewOpportunities.pdf>

- all vulnerable pregnant mums to have access to a dedicated family nurse to help through pregnancy and first 2 years
- new £10k bonuses to get and keep the most effective teachers in the schools that need them the most, which could reach more than 500 schools and 6000 teachers a year
- creating 35,000 new apprenticeship places so that all qualified young people will have a right to an apprenticeship by 2013
- a new guarantee for high potential young people from low income backgrounds to get the help they need to get to university
- full time community volunteering programme for people not in education, employment or training in 33 local authorities
- establishing a panel that will identify and remove the barriers that prevent fair access to professional jobs
- enable professionals to retrain and gain new skills by trebling the number of Professional and Career Development Loans from 15,000 to 45,000 in the next two years
- £500 back to work training entitlement for parents and carers
- employment support programme for young people leaving care
- £15million communities fund to tackle deprivation on the worst estates and build thriving and sustainable communities

In terms of articulating the voice of the employer in addressing the future needs of the country, the paper sets out the recent developments of the UKCES and Sector Productivity Pilots as well as the continued working of SSCs, city-regions and so on.

“A sub-national approach (through regional, city-regional or sub-regional working) will often provide the most appropriate level for coordinating a range of policies, such as planning, housing, transport, skills and regeneration, to provide the support and infrastructure for sustainable economic growth. As set out in the Pre-Budget Report the Government will encourage and support the development of Sector Productivity and Progression pilots by: working with city-regions to ensure that employers and local partners identify sectoral skills in their strategies”.

5. Economic Development

5.1 Transforming places changing lives: Taking forward the regeneration framework, DCLG, May 2009

In July 2008, Communities and Local Government published a consultation seeking views on a new national framework to shape the way that regeneration is carried out in England²¹. This document sets out how the Government is taking forward the delivery of the framework.

The role of the employer within the regeneration framework is outlined within the establishment of Employment and Skills Boards.

“At local level, LAAs led by local authorities, offer the key mechanism to deliver a targeted and strategic approach. MAAs, and the new regional strategy provide similar opportunities at sub-regional and regional level. These will complement the establishment of employer-led Employment and Skills Boards, usually at city-region level, bringing much greater powers for local partners to direct public funds to achieve local employment and skills priorities” (pp6).

5.2 New Industry, New Jobs, DIUS, April 2009

The strategy²² is set against the backdrop of the banking crisis, the ensuing credit crunch and economic downturn outlining measures to prepare for the economic upturn, investing in growth and jobs and focusing on the resources for businesses and people to prepare for the upturn. The paper frames a national discussion which the Budget will take forward and which the Government will follow with further detailed statements of policy over the course of 2009.

“As the Director General of the CBI Richard Lambert has argued, what we need from the Government is ‘a vision of the kind of economy we want to have in ten years time and what it’s going to take to get from here to there’.

Critical to this will be ensuring that British science and technology are at the heart of the revolutions in industrial production that will define the 21st century. In promising areas like advanced engineering, electronics and biosciences, British companies already hold strong advantages, as they do in many parts of the services sector. But those strengths must be reinforced and Government needs to play a greater role in fostering them. This paper sets out the approach we will take” (pp5).

The strategy outlines four priority areas for action and reform in Britain: innovation, skills, finance and infrastructure. In terms of the role and mechanisms for the employer voice within the strategy, this is outlined within the Technology Strategy Board, SSCs, UKCES and strengthening the employer voice on employment and skills through Local and Multi-Area Agreements and Employment and Skills Boards.

The establishment of the Technology Strategy Board in 2007 has given Britain a successful business-led body whose programmes channel public funds into driving business innovation in areas where there are major opportunities for future growth (pp12).

Developing with employers, Sector Skills Councils and the UK Commission on Employment and Skills, the practical and analytical capability to collect, process and

²¹ <http://www.communities.gov.uk/documents/citiesandregions/pdf/1227732.pdf>

²² http://www.dius.gov.uk/~media/publications/N/new_industry_new_jobs

deploy intelligence on skills needs in key sectors and markets quickly and effectively (pp16).

Strengthening the employer voice on employment and skills, including through Local and Multi-Area Agreements and Employment and Skills Boards, giving them leverage over provision in their areas to make it responsive to local needs while taking into account national and regional priorities (pp16).

Deepen collaboration with industry sectoral groups in Britain to build up a clear and evolving picture of the capabilities of UK-based businesses to meet major shifts in market demand in Britain or globally in the years ahead. We will work in consultation with sectoral bodies to build that capacity where appropriate (pp25).

The strategy also sets out that delivery at local and city-region levels, in particular, partnerships at city-regional level have the potential to also deliver a stronger focus on economic growth and to increase alignment in support of common objectives.

In terms of the Devolved Administration Areas the strategy states that the Government will work closely with Northern Ireland, Scotland and Wales, "recognising their particular and varying responsibilities. While some of the policies in this paper are specific to England, the challenges are common across the four countries of the United Kingdom. Each will consider the most appropriate arrangements in those areas for which they have devolved responsibility, to address the issues in ways that meet their own circumstances and needs".

5.3 Sub-National Review (SNR), HM Treasury, July 2007

The SNR²³ considered how to strengthen economic performance in England's regions, cities and localities, as well as how to tackle persistent pockets of deprivation. The review sets out a number of recommendations aimed at achieving four objectives:

- Empowering all local authorities to promote economic development and neighbourhood renewal, giving them added flexibilities and incentives to promote sustainable economic growth;
- Supporting local authorities to work together, where they wish and across the sub-regional level to promote economic development, and providing them with the tools to do this;
- Streamlining the regional tier outside London through simplified structures, streamlined decision-making and improved accountability;
- Reforming central Government's relations with regions and localities.

It recommended that Local Authorities be given new powers and incentives to drive local prosperity, economic growth and regeneration, tackle social deprivation and inequality and sets out how Government can best devolve powers and resources. It forms part of Government's drive to promote greater devolution in line with the Constitutional Green Paper, also published in July 2007, to ensure regions and local areas can play a greater strategic role in tackling the challenges they face.

The Review examines the issue of complexity within the current sub-national economic development, regeneration and neighbourhood renewal highlighting:

"Complexity is also caused by lack of clarity about roles. Some further examples of complexity include:...Regional Skills Partnerships are aimed at ensuring coordination between the LSC and delivery partners, employers, local authorities and others at the regional level. There are also Local Employment and Skills Boards in different parts of the country, and further ones are being set up. The relationship between these and the regional tier will need to be clear. One of the issues raised most strongly by business groups in their inputs to the review is that employers find it difficult to understand which

²³ http://www.hm-treasury.gov.uk/sub-national_economic_development_regeneration_review.htm

bodies are responsible for skills and how they can gain access to support for training. EEF has said:

‘Our members wish to see a much more demand-led system of providing support to train the workforce. They are concerned with the cluttered and confused structures currently in place and the over-emphasis on predicting skills needs.’” (pp54)

In terms of the reforms on sub-national responsibility for skills, the Government details that:

“There is a clear need to simplify and de-clutter the skills landscape to make it easier for individuals and businesses to access the education and training they need and to ensure that providers are delivering high quality outcomes that lead to real returns” (pp83).

The Government proposed to build on this reform agenda and take further steps to take forward Lord Leitch’s recommendation for the creation of Local Employment and Skills boards (ESBs).

“The Government sees value in locally-led boards that work to give employers influence over the interaction of the employment and skills systems. It does not propose to be prescriptive about the form that local employment and skills boards should take or where they should be put in place, but will work to identify and share good practice in improving the interaction of employment and skills services. In all cases any new ESBs should build on what already exists and one of their key goals should be simplifying the range of existing local bodies. ESBs will be consulted by RDAs on the development of regional strategies. Local authorities should also ensure they consult with ESBs on local economic strategies.”

“The sub-regional level is the level at which labour markets tend to operate. Therefore, it is at this level that local employer-led employment and skills boards should operate. The Government will allow local areas to decide for themselves how and where local employment and skills boards should be set up.”

5.4 Prosperous Places: taking forward the review of sub-national economic development and regeneration, DCLG, BERR, March 2008

On 31 March 2008, the Government published a consultation document, *Prosperous Places: taking forward the review of sub-national economic development and regeneration*²⁴, to seek views on its detailed proposals to put in place some of the review’s recommendations. Respondents were asked to comment on:

- The process for developing new, integrated regional strategies that would build on, and replace, the existing regional economic and spatial strategies;
- The creation of a statutory economic assessment duty for upper tier and unitary local authorities; and The development of statutory mechanisms for collaboration on economic development by local authorities across sub-regions

The consultation set out and sought views on the proposals contained in the SNR for putting in place reforms that would:

- streamline the regional tier, introducing integrated strategies and giving the regional development agencies (RDAs) lead responsibility for regional planning;

²⁴ <http://www.berr.gov.uk/whatwedo/regional/sub-national-review/page40430.html>

- strengthen the local authority role in economic development, including a new statutory duty to assess local economic conditions; and
- support collaboration by local authorities across economic areas.

On 25 November 2008 the Department for Communities and Local Government and the Department for Business, Enterprise and Regulatory Reform published their response to the consultation setting out the Government's intention to:

- legislate to create a duty on local authorities to carry out an economic assessment of their area underpinned by statutory guidance - in London, the duty will be placed on the boroughs
- legislate to allow for the creation of statutory sub-regional authorities for economic development that will be voluntary in nature - the Government will also legislate to allow for the creation of multi-area agreements (MAAs) with statutory duties
- refine its plans for producing the regional strategy and ensuring appropriate regional governance arrangements - the Government will in each region, give the RDA and a board of local authority leaders the joint responsibility for the regional strategy, including its drafting, implementation plan, sign off and monitoring of its delivery

It also explained that further legislation on the delegation of decision making by RDAs to local authorities is not needed. The Local Democracy, Economic Development and Construction Bill, announced in the Queen's speech on 3 December, brought some of these changes into effect.

5.5 Manufacturing: New Challenges, New Opportunities, DIUS, BERR, September 2008

This Manufacturing Strategy²⁵ builds on the existing strategy announced in 2002. Employers had a key role in developing the strategy and the strategy also outlines the development of a partnership group Manufacturing Insight.

“Industry and representative bodies in partnership with Government will establish Manufacturing Insight, a body tasked with making the public perception of manufacturing reflect the reality of a successful, modern and broad sector and ensuring young people are aware of the exciting career opportunities available. It will develop the evidence base and communication strategies to inform public debate, liaise with the media, and work to improve careers guidance, strengthening links between schools and careers services and the manufacturing sector” (pp53).

²⁵ <http://dius.ecgroup.net/files/08-715.pdf>

6. Summary

From the development of the first National Skills Strategy *21st Century Skills Realising our Potential* published in July 2003, there has been an articulation of the role of the employer voice in the development of the employment and skills system within skills, welfare to work, employment and economic development policy. This has been in the main through the network of SSCs who are now seen nationally as 'the voice' of the employer.

Later strategy development has seen the role of the employer voice extended outside of SSCs through the development of Regional Skills Partnerships, Employment and Skills Boards and the UK Commission for Employment and Skills. Other employer voice mechanisms for shaping the skills and employment landscape include other networks and programmes such as Centres for Vocational Excellence and the National Skills Academies, and particular government initiatives such as City Strategy pathfinders, the Multi-Area Agreement process and the new Sector Productivity Pilots.

The approach, particularly within skills-related strategy has been sector orientated and there is a debate to be had as to whether this is representative of the employer voice as a whole.