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# MINUTES

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## UK COMMISSION FOR EMPLOYMENT AND SKILLS

HELD AT ST. ERMIN'S HOTEL, 2 CAXTON STREET, WESTMINSTER, SW1H 0QW

26 APRIL 2013

### PRESENT

Charlie Mayfield  
Michael Davis

Chairman  
Chief Executive

### COMMISSIONERS

Bill McGinnis  
Dave Prentis  
David Fairhurst  
Deirdre Hughes  
Frances O'Grady  
Gail Cartmail  
James Wates  
John Coyne  
John Cridland  
Julie Kenny  
Lucy Adams  
Neil McLean  
Nigel Whitehead  
Paul McKelvie  
Scott Johnson  
Scott Waddington  
Sean Taggart  
Seyi Obakin  
Toby Peyton-Jones  
Tony Lau-Walker  
Trevor Matthews

### IN ATTENDANCE

Mike Keoghan (Director, Skills & Life Sciences, BIS), Kay Dickinson, Simon Perryman, Ian Kinder, Lesley Giles, Paul Devoy, Sarah Beal, Moira McKerracher, Alison Morris, Carol Gault, Oliver Redfern, Paul Devoy

### APOLOGIES

Apologies for absence were received from Grahame Smith; Jeremy Anderson, Liz Sayce, Valerie Todd, Victor Adebowale, Catherine Bell, Andrew Scott, Owen Evans and Rachel Sandby-Thomas.

## 1 WELCOME, APOLOGIES AND MINUTES OF THE LAST MEETING

The Chairman welcomed Commissioners. The minutes of the last meeting of the Commission held on 22 January 2013 were **AGREED** as a correct record.

## 2 BUSINESS PLAN 2013/2014

Commissioners considered report **UKCES C [13] 08** and received an update from Michael Davis which provided an opportunity to reflect on activity in 2012/13 and look forward at the Business Plan for 2013/14.

A revised remit in 11/12 saw a real change in how the Commission operated which had gathered momentum through 13/14. Ways of working moved away from a 'top down advisory' role to one that was: Commissioner-led; seeking to deploy internal resources more efficiently as a single team; and, increasingly, focused towards a more outward facing and clear ambition to transform skills investment across the UK.

It was considered that success lay in securing a significant change in the Commission's current skills investment approach across the UK, moving away from a reliance on government setting and managing the agenda, instead, to one where greater employer ownership of skills in partnership with their employees and trade unions was encouraged.

Michael Davis reported on progress over the last 12 months. There had been much activity across the Commission including working with government departments on a range of reviews including the Richard Review, Heseltine Review and Universal Credit. Employer Ownership Pilot Round Two was showing encouraging signs. There was a discussion about how to ensure that the second round resulted in the emergence of new delivery models that developed skills to support growth. Lessons had been learned from Round 1 had been implemented.

There was a discussion about focus, messaging and communication and it was agreed that further work should take place to develop a clear understanding of the work of the Commission.

It was **AGREED** that the report be noted.

## 3 INVESTMENT UPDATE – EMPLOYER OWNERSHIP PILOT

Commissioners considered a progress report on the second round of the Employer Ownership Pilot **UKCES C [13] 09**. There was a discussion about industrial partnerships. Bids received were far greater than the budget of £340m.

Details were also given to the new governance arrangements for Round 2 which had been considered by the Strategic Management Group on 22 March 2013.

A newly formed Investment Board would make recommendations to the Skills Minister, about which proposals to support. An Investment Sub Board had also been established to support the process. Although both these Boards sat outside the Commission's own governance arrangements Commissioners would play a key role by forming the core membership of both. Charlie has been asked to Chair the Investment Board and John Coyne will Chair the Sub Board.

It was also reported that the Commission had taken overall project management

responsibility for EOP Round 2. The operational delivery of the programme was also described to Commissioners.

Commissioners were also asked to consider the future of the Employer Investment Fund (EIF) **UKCES C [13] 10** which has been operating since April 2011 and was exclusive to Sector Skills Councils. EIF Investment decisions are taken by the Commission's Investment Group, chaired by John Coyne. There are currently 87 live investments with 18 SSCs, amounting to £70m. At the last Commission meeting in January it was flagged that, with all EIF contracts concluding by March 2014, agreement was needed on how this funding should be applied and managed from 2014/15 onwards. There was a detailed discussion about the impact of this and it was **AGREED** that:

- (i) Subject to the involvement of the Investment Group on the presentation of this matter, SSCs be advised that this investment funding will no longer be exclusive to them from April 2014.
- (ii) Work begin on developing a draft prospectus, in line with the Employer Ownership vision, for discussion with the Devolved Nations.
- (iii) Plans be made for the prospectus to be launched in October 2013, with a view to assessing bids and negotiating investment contracts by 1 April 2014, and that:
- (iv) The Commission's Investment Group be asked to support this work.

#### **4 SCOTT JOHNSON REVIEW – UPDATE ON DIRECT PAYMENTS**

Commissioners received and noted an update from Scott Johnson on the review he was leading on the move to directly paying employers a contribution towards the cost of apprenticeships **UKCES C [13] 11**.

The Working Group met on 8 March. A senior official from BIS attended to brief Commissioners on the current cross-government work to explore new funding options for apprenticeships in the wake of the Richard Review. This followed a meeting between Charlie Mayfield, Michael Davis and the Chief Secretary to the Treasury where direct payments through the tax system were discussed in the context of building on the Employer Ownership vision.

Commissioners were concerned that in the run up to the Spending Review (SR) in June, there was a risk that momentum could be lost. Commissioners were also keen to start putting the case for direct payments through the tax system to other stakeholders.

#### **5 LMI FOR ALL**

Alison Morris presented report **UKCES C [13] 12** and updated Commissioners on the work the Commission had been doing around developing an online data portal, LMI for All which brought together UK sources of labour market information (LMI) so that these data can be more easily used in websites and applications that help individuals to make career decisions. The end result will not be a new website for individuals to access but a data portal that developers will access in order to use the LMI in a variety of different websites and applications. A number of events were taking place to demonstrate the potential of using LMI for All.

It was **AGREED** that progress be noted and that the project progress to stage 2.

## **6 DEIRDRE HUGHES – THE NATIONAL CAREERS COUNCIL**

Deirdre Hughes presented report **UKCES C [13] 13** and updated Commissioners on the draft findings of the National Careers Council (NCC) which was due to be presented to Government at the beginning of May 2013. Deirdre explained the draft findings and the role of the NCC, which was to provide advice to Government on a strategic vision for the National Careers Service and allied careers support services as key economic drivers for business growth and opportunities in learning and work.

There was a detailed discussion about careers support services and Deirdre was thanked for her update.

## **7 STRATEGIC MANAGEMENT COMMITTEE – UPDATE AND GOVERNANCE MATTERS**

Julie Kenny presented report number **UKCES C [13] 14** which updated commissioners on recent discussions at the Strategic Management Group. It was **AGREED**

- (i) That the proposed changes to governance to support delivery of the Business Plan which will see a shift in role for the Outcome Groups be noted.
- (ii) That the proposed arrangements that have been agreed with partners to support the delivery of the Employer Ownership Pilot be noted.
- (iii) That the terms of reference for the Commission's Investment Group be extended to include oversight of Employer Ownership investment and impact.
- (iv) That the terms of reference for the Investors in People Group be amended to include a membership of three Commissioners.
- (v) That the terms of reference of the Universal Services Commissioning Board be amended as proposed.
- (vi) That the changes made by the Chief Executive to Business Services in the Schedule of Delegated Authorities be noted and that the further proposed changes to the Schedule of Delegated Authorities be approved.

## **8 ITEMS FOR INFORMATION**

The Commission received and noted update reports and minutes of the meetings of the Audit and Risk Group and the Investors in People Group that had taken place since the last meeting of the Commission.