

Welfare to Workforce Development

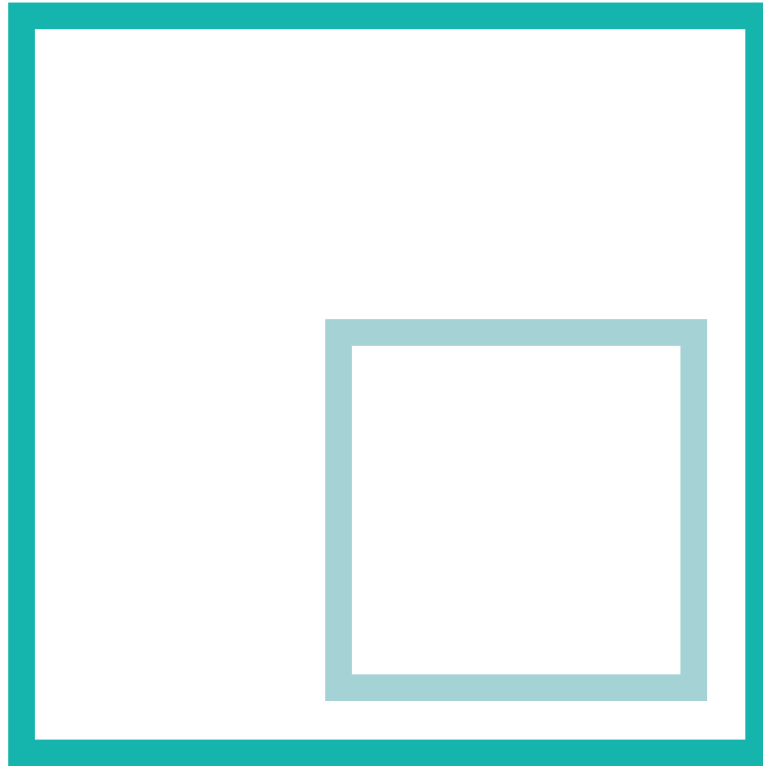
A Report to:

Rt Hon Andrew Smith MP

Secretary of State for Work and Pensions *and*

Rt Hon Charles Clarke MP

Secretary of State for Education and Skills



National Employment Panel Skills Advisory Board
Christopher N Banks CBE, Chair
February 2004

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In July 2003, the Government published its White Paper, *21st Century Skills: Realising our Potential*. It is an ambitious strategy for increasing productivity, economic competitiveness and social inclusion; for ensuring that all people have the skills they need to succeed in a modern workplace; and for improving the quality and capacity of our education and training provision.

As part of the White Paper's implementation programme, Ministers asked the National Employment Panel to examine measures to increase collaboration between the welfare to work and workforce development systems. We agreed to undertake this project because we believe that the skills issue is fundamental to the future development of New Deal and, more broadly, to the entire welfare reform agenda.


Between August and December 2003, the Panel and its Skills Advisory Board worked hard and consulted widely. We conducted extensive research, five site visits, and held countless meetings with employers, policy-makers and frontline staff.

Our report, *Welfare to Workforce Development*, contains a wide range of recommendations. Some are very practical and easy to implement. Others are more radical and will require the active collaboration of many departments and their people. All are designed to improve the productivity of British businesses and the prospects of clients of Jobcentre Plus as they move from welfare to workforce development.

There are eight recommendations which we believe are the keystones of reform. They are:

- a shared objective and four common performance indicators to drive the welfare to work and workforce development systems in the same direction;
- a basic skills and ESOL target that is based on achievement along with increased investment to expand the number of quality basic skills training providers;
- alignment of the benefit systems to help learners meet the cost of living while in training;
- joint LSC and Jobcentre Plus local delivery plans with measurable objectives for key collaborative activities;
- harmonisation of LSC and Jobcentre Plus contracting for employment and training services and a strategy for investing in the Jobcentre Plus provider network;
- improved Information Advice and Guidance services for disadvantaged individuals and continued training and support once they are in work;
- collaboration in the way that HR-related public services are marketed and delivered to employers;
- a Modern Apprenticeship target that is based on outcomes and a lifting of the age cap incrementally to afford greater access for disadvantaged people.

I am immensely grateful to the members of the Skills Advisory Board and the many individuals who we interviewed in the course of this project, who gave so generously of their time and expertise.



I am also indebted to officials from the Department for Education and Skills, the Department for Work and Pensions, the Learning and Skills Council and Jobcentre Plus who worked tirelessly to find new solutions to long-standing policy and operational challenges. And finally I would like to thank the following NEP staff: Cay Stratton, Jenny Grundy, Eleanor Sandford and Martin Davies whose skill and commitment delivered this report.

I believe that the recommendations in *Welfare to Workforce Development* chart important new directions which, when implemented will make a very real difference to the life chances of disadvantaged people and the productivity of UK PLC.



Christopher N Banks CBE
Chair, NEP Skills Advisory Board

WELFARE TO WORKFORCE DEVELOPMENT

The Skills of our people are a vital national asset. Skills help businesses achieve the productivity, innovation and profitability needed to compete. They help our public services provide the quality and choice that people want. They help individuals raise their employability, and achieve their ambitions for themselves, their families and their communities.

Sustaining a competitive, productive economy which delivers prosperity for all requires an ever growing proportion of skilled, qualified people. We will not achieve a fairer, more inclusive society if we fail to narrow the gap between the skills-rich and the skills-poor.

21st Century Skills: Realising Our Potential, July 2003

REPORT SUMMARY

One third of the 5 million people on working age benefits lack basic skills. Some 40% on inactive benefits have no qualifications at all. This puts them at a huge disadvantage in the labour market where they are less likely to find work; less likely to find jobs that pay well; less likely to be hired by employers that train. Their situation will continue to worsen as employers demand higher skills and greater productivity from their staff and as jobs requiring no qualifications decline - by an estimated 25% over the next 10 years.

Significant changes in policy and delivery will be required to achieve a step-change improvement in the prospects of disadvantaged people; in the availability of skilled, productive candidates for employers; and in the system that delivers employment and training services to individuals and employers. These changes will, in turn, demand far closer collaboration between the Department for Education and Skills, the Department for Work and Pensions, Jobcentre Plus and the Learning and Skills Council, as well as the Business Link organisations and new Sector Skills Councils.

Purpose of Review

As part of the White Paper's implementation strategy, the National Employment Panel was asked to review how this collaboration might be strengthened in policy and delivery, including ways in which the target and resource allocation structure might better support shared objectives.

The Panel's Skills Advisory Board, chaired by Chris Banks, agreed to lead this work for the Panel and make its recommendations to Ministers by the end of 2003.

This report contains a wide range of recommendations. Some are very practical and easy to implement. Others are more far-reaching and will take time and the active collaboration of many organisations. All are designed to improve the productivity of British businesses and the prospects of disadvantaged people as they move from welfare into workforce development.

Review Process

For the purpose of this review, the Panel's Skills Advisory Board (SAB), which is composed largely of employers, has been expanded to include senior officials from the DfES, DWP, LSC and Jobcentre Plus. The process has included:

- commissioning background papers;
- agreeing high level objectives for each stakeholder: individuals, employers, providers, Government;
- developing propositions to stimulate ideas and discussion;
- conducting interviews and site visits to test ideas;
- and extensive roundtable discussions and negotiations between DfES, DWP, LSC and Jobcentre Plus.

Key Recommendations

A full set of the Panel's recommendations are attached at Annex A. However, we believe that there are eight which are critical to improving the quality and performance of the delivery system. They are as follows:

Shared Objectives and Performance Indicators

We are clear that a shared objective between the key Departments is crucial to achieving effective integrated services, directing resources efficiently and achieving the aims of the Skills Strategy. We have suggested two possible formulations in our report.

We recognise that this is a highly complex area and that there is a great deal of developmental work to be done in formulating a shared objective. However, whether it is formalised as a Public Service Agreement (PSA) target or not, we believe that the objective must be SMART and that it should include the following ingredients: *it must define an outcome, not a process; it must be quantifiable; it must stipulate the skill level or levels to be achieved; and it must specify the number of people to be drawn from benefit.* Because we are concerned about the proliferation of targets, we recommend that any new one either builds on existing Departmental PSAs or replaces one or more of them.

We are equally concerned that any overarching goal is underpinned by performance indicators that will drive LSC and Jobcentre Plus behaviour. We recommend the following key performance indicators:

- job entry rates;
- skills and qualifications achieved;
- retention in work (as distinct from retention in work with an individual employer);
- wage at entry (as higher wages are linked to sustainable employment and are the best proxy for the economic value that an employer places on a job.)

In making this recommendation, we are seeking two fundamental changes. For Jobcentre Plus, we want more attention paid to ensuring disadvantaged people have the skills they need to secure sustainable, better paid jobs. For the LSC, we want more individuals to get decent jobs, not just qualifications.

Basic Skills

Forty-three percent (43%) of all jobless people lack Level 2 qualifications. Over 50% of lone parents on Income Support and 40% of individuals on Incapacity Benefit have no qualifications at all. These men and women are at a serious disadvantage when competing in the labour market and in securing stable, productive employment. An additional 300,000 people have English language deficits that prevent them finding or keeping work; almost two-thirds of these individuals are on benefit.

We believe that basic skills are fundamental to the employability of all people - to their future life chances for economic security and social inclusion. We therefore make two recommendations. First, we believe that Jobcentre Plus' current target should be changed from one that measures an initial step in the process (client screening) to one that measures the desired outcome (skills achievement). Second, recognising that there are serious issues related to the quality and availability of basic skills and English for Speakers of Other Languages (ESOL) training, we urge both DfES and DWP to rapidly expand this provision and to ensure that this priority is reflected in the allocation of available funds.

Support for Learners

The Skills Strategy White Paper announced a guarantee of free tuition for any adult lacking good foundation employability skills. This means that large numbers of people on benefit are now entitled to training for a first full Level 2 qualification. However, there is little incentive for Jobcentre Plus clients to undertake full-time training since, under current proposals, they would forfeit their benefit payment for a £30 per week Adult Learning Grant.

We understand that DWP and DfES are considering ways in which the benefit systems can be better aligned to help learners meet the cost of living while in training. In our view, it would be quicker and easier to adjust the regulations of the existing systems rather than to create a new stream of funds to support claimants. Either way, however, we firmly endorse ensuring that the requisite financial support is in place to encourage individuals on benefit - particularly lone parents and disabled people - to take up training as a route back to work.

A Local Delivery Plan

While the new Regional Skills Partnerships will set the economic, social, employment and productivity framework, most labour market transactions are local. Therefore, we recommend that each LSC Executive Director and Jobcentre Plus District Manager agree annually a joint delivery plan that sets out the key employment and skills priorities for the two organisations.

The plan should specify measurable objectives for a range of collaborative activities. These should include: their respective contributions to meeting the shared target for people on benefit achieving Levels 2 and 3; effective assessment and guidance for people on benefit; screening and referring clients for basic skills and Level 2 employability skills; effective training and progression routes in key sectors; arrangements for joint contracting and monitoring; coordinated employer marketing and services.

Harmonisation of LSC/Jobcentre Plus Contracting

Current contracting processes are both a barrier to collaboration and a burden to providers. For example, the local LSC and Jobcentre Plus District(s) are very likely to be purchasing the same service from the same college at the same time. In doing so, they will be using different contract forms, performance standards, payment and data collection systems. And rarely is performance information on the results of the contracted provision shared systematically by the two organisations.

We recommend that the LSC and Jobcentre Plus agree a single, standard contract format and a streamlined, common contracting process for all providers. We propose that the LSC takes responsibility for purchasing and managing basic skills and ESOL training. And we recommend strongly that Jobcentre Plus develops an investment strategy for raising the standards and performance of its delivery system - one that complements that of the LSC.

Improved Services for Individuals

As Jobcentre Plus intensifies its services for disadvantaged people, significantly more individuals are likely to need more sophisticated assessment and guidance than Personal Advisors are able to provide. This, in turn, means greater reliance on Information, Advice and Guidance Partnerships (IAG). Therefore, we recommend that local LSCs use their funding and procurement powers to ensure that IAG contracts give priority service to Jobcentre Plus' disadvantaged clients (particularly those without Level 2 qualifications), and increase the focus of IAG advice on the most efficient and effective routes to employability.

Recognising the highly variable quality of partnerships, we recommend that IAG provision is inspected regularly by the Adult Learning Inspectorate.

We are also concerned that more disadvantaged individuals complete their training and achieve qualifications rather than give up as soon as they are placed in a job. We recommend several practical proposals for Jobcentre Plus and the LSC to improve progression for newly-hired benefit claimants so they can be assisted through in-work support. These include a SMART card (similar to that for Connexions) and a training record of achievement for low-skilled benefit recipients moving into work.

Improved Services for Employers

There appears to be little collaboration - or even intelligent signposting - between Jobcentre Plus and Business Link organisations. For example, we found little evidence of local cooperation in marketing, product knowledge or information exchange between these two publicly-funded organisations that reach hundreds of thousands of firms each year.

We make two suggestions to improve the employer service and to support a “no wrong door” approach. First, we recommend that Business Link and relevant Jobcentre Plus staff should be required to have sufficient knowledge of each other’s products and services to signpost employers fast and effectively. Second, we recommend that in London, the two organisations pilot a project to test whether Business Link’s new customer relationship management system can serve as the basis for a shared database and account management system.

Modern Apprenticeships

As part of our commission, the Panel was also asked to look specifically at the role that Modern Apprenticeships (MAs) might play in helping benefit claimants move from welfare into good jobs. Modern Apprenticeships serve as an important bridge between the welfare to work and workforce development systems: they allow individuals to earn and learn simultaneously and their achievement therefore counts towards both LSC qualification and Jobcentre Plus entry targets. Given the alignment of objectives, it is surprising that there is not more collaboration in apprenticeships between Jobcentre Plus and the LSC.

The benefits of collaboration accrue to both organisations. For Jobcentre Plus, apprenticeships offer good jobs with training for disadvantaged clients. For the LSC, Jobcentre Plus can serve as an effective screening and recruitment source for ethnic minorities and women who are under-represented in the programme.

To increase take-up and retention in the Modern Apprenticeship programme, we recommend a number of practical suggestions along with two major changes:

- changing the current PSA target from one that is focused on process (individuals starting) to one that is based on outcomes (individuals completing the programme);
- lifting the age cap (currently at 25 years) as quickly as possible and, in doing so, giving particular consideration to the needs of benefit claimants.

Report Implementation

The Panel believes that this report contains important policy and operational recommendations which have the potential to improve substantially service to individuals and to employers. However, we recognise that the report’s impact rests, in large measure, on the design and implementation of an effective delivery plan. Therefore, we recommend that the Chief Executives of Jobcentre Plus and the LSC should develop a detailed implementation plan by March 2004. The plan should be agreed and monitored by the Skills Alliance and the Delivery Partners Group within it.

INTRODUCTION

Background

In July 2003, the Government launched its White Paper, *21st Century Skills: Realising Our Potential*. The White Paper sets out an ambitious agenda for raising the nation's skills base as a critical element in securing a competitive economy and inclusive society. A consistent strand throughout the strategy is the Government's commitment to ensuring that unemployed and disadvantaged people have the skills they need to meet employer demand and to succeed in the modern workplace.

One third of the 5 million people on working age benefits lack basic skills. Some 40% on inactive benefits have no qualifications at all. This puts them at a huge disadvantage in the labour market where they are less likely to find work; less likely to find jobs that pay well; less likely to be hired by employers that train. Their situation will continue to worsen as employers demand higher skills and greater productivity from their staff and as jobs requiring no qualifications decline - by an estimated 25% over the next 10 years.

Significant changes in policy and delivery will be required to achieve a step-change improvement in the prospects of disadvantaged people; in the availability of skilled, productive candidates for employers; and in the system that delivers employment and training services to individuals and employers. These changes will, in turn, demand far closer collaboration between the Department for Education and Skills, the Department for Work and Pensions, Jobcentre Plus and the Learning and Skills Council, as well as the Business Link organisations and new Sector Skills Councils.

As part of the White Paper's implementation strategy, the National Employment Panel was asked to *review how this collaboration might be strengthened in policy and delivery*, including ways in which the target and resource allocation structure might better support shared objectives.

The Panel's Skills Advisory Board, chaired by Chris Banks, agreed to lead this work for the Panel and to make its recommendations to Ministers by the end of 2003.


Approach

The Skills Advisory Board (SAB) is composed largely of employers. For the purpose of this review, it has been expanded to include senior officials from the Department for Education and Skills (DfES), the Department for Work and Pensions (DWP), Jobcentre Plus and the Learning and Skills Council (LSC). A list of members is included in Annex C.

During the past five months, we have reviewed relevant research and framework documents. We have interviewed key policy-makers and expert practitioners. We have conducted five site visits to meet with LSC, Jobcentre Plus and Business Link frontline staff. And throughout, we have held bi-weekly meetings to hammer out a consensus on difficult policy and operational issues. (Annex D lists those individuals interviewed during the course of the project.) The National Employment Panel formally endorsed our recommendations in December 2003.

We began our work by defining what each customer would want from an improved system. Simply put, we think that:

- *Jobseekers* want a 'proper' job that gives them decent pay, good career prospects and personal satisfaction. They want easy access to good information, advice and guidance. If they need it, they want effective skills training that leads directly to work and gives them qualifications that serve as a passport to new jobs.
- *Employers* want recruits who are job ready and likely to contribute to the productivity and profitability of their firms, both now and over time. They also expect fast and accurate advice from people who understand their business, good customer service and a minimum of red tape.
- *Providers* want to be part of a high performance training market where expectations are clear, contracts are simple and efficient, and there are incentives for excellence.

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- *Government* wants a high skill, high productivity, high employment economy based on strong enterprise and opportunity for all people. It wants a flexible labour market and cost-effective public services designed to remedy market failure.

In formulating our recommendations, we have tried to keep in mind the expectations of each of these customers.

Our report is organised into five sections. In section one, we look at the policy drivers that we believe are a prerequisite for joining the welfare to work and workforce development systems; in section two, we address the changes that need to be made to the delivery system; in section three, we examine measures to improve services for individuals and employers; in section four we look at the specific issue of Modern Apprenticeships; in section five, we draw some brief conclusions and suggest an approach towards implementation. Annex A contains a summary list of our recommendations and Annex B suggests a timetable for our key proposals.

This report is primarily for England, reflecting the devolution of responsibility for education and training to Scotland, Wales and Northern Ireland. The Devolved Administrations may wish to consider the details of this report in the context of their own delivery arrangements.

SECTION I: POLICY DRIVERS FOR COLLABORATION

A National Target Structure

The Department for Work and Pensions and the Department for Education and Skills have related but different objectives. *DWP's principal aim is to maximise the number of people - particularly the disadvantaged - who get work.* Jobcentre Plus' performance, therefore, is measured against job entry numbers. While this is an effective driver for achieving immediate outcomes, it does not reflect the longer term goal of helping individuals to stay in employment, increase productivity and progress over time.

DfES' aim is to help people increase their skills and productivity. A critical measure for the LSC, then, is the number of individuals who gain qualifications. Qualifications are an essential means of certifying that individuals have certain skills, knowledge and competence, thereby increasing their ability to navigate successfully the labour market. But for job seekers, qualifications do not guarantee that the training is relevant and likely to lead to employment. For employers, the measure may fail to reflect the actual skills that are needed to meet their human resource requirements.

The tension between these two target regimes - and its impact on customers - was evident throughout our discussions with the LSC, Jobcentre Plus and provider staff. *It is very clear to us that shared objectives between the key departments and the major delivery agencies - the LSC and Jobcentre Plus - are crucial to achieving effective, integrated services, directing resources efficiently and - more fundamentally - securing the promise of the Skills Strategy.*

In our view, there is a solid base on which to construct a bridge between the two systems. Skills are important in the labour market because they are a crucial element of the 'human capital' that determines people's ability to get jobs, the wages that they are able to command and the ability to advance throughout their careers. Skills, therefore, are crucial to achieving DWP's longer term objectives of reducing poverty and increasing employment rates - and to the Government's fundamental aim of raising national economic competitiveness.

We are aware that the DfES and DWP have been discussing, with the Department of Trade and Industry, the possibility of the following shared objective to express their common interests:

"To achieve a more flexible labour force and a more productive economy by improving the acquisition and effective use of skills at all levels."

We strongly endorse the approach of articulating an outcome that can only be achieved through collective action by the three Departments and which quantifies the unique contribution that each will make towards moving disadvantaged and low skilled people up the learning escalator.

We recognise that this is a highly complex area and that there is a great deal of developmental work to be done in formulating a shared statement or top level objective that links to PSA targets and performance indicators.

However, whether the objective is formalised as a PSA target or not, we believe that it must be SMART and that it should include the following ingredients: *it must define an outcome, not a process; it must be quantifiable; it must stipulate the skill level or levels to be achieved; and it must specify the number of people to be drawn from benefit.* Because we are concerned about the proliferation of targets, we recommend that any new one either builds on existing Departmental PSAs or replaces one or more of them.

Within this broad framework and given this report's focus on jobless people, we believe that there would be practical value in building on the existing DfES PSA target at Level 2. That target is to: "reduce by 40% the number of adults in the workforce who lack a Level 2 by 2010; and working toward this, 1 million in the workforce to achieve Level 2 between 2003 and 2006." Using this PSA as a base, we recommend adding the objective that, for example, 30%¹ of the 1 million would be

¹ The 30% is indicative only: 15% of the working age population are on benefits but are twice as likely to be low skilled and lacking Level 2 qualifications. This suggests that some 300,000 jobless people would benefit from support to achieve a full Level 2 qualification.

drawn from people on benefit. This percentage could be established either nationally or through a bottom-up process. If the latter, it should be an aggregate of the local targets agreed by local LSCs and Jobcentre Plus Districts as part of their joint delivery plans (see Section 2).

An alternative formulation might be:

“One million (number indicative only) higher skilled people (skill levels to be defined) in the workforce by 2010, 300,000 of whom will be drawn from people on benefit.”

We are equally concerned that a shared objective is underpinned by performance indicators which will, in practical terms, drive the behaviour of the key institutional partners: the LSC, Jobcentre Plus and their providers. Therefore, **we recommend that the shared objective should be underpinned by the following key performance indicators for both Jobcentre Plus and the LSC:**

- job entry rates;
- skills and qualifications achieved;
- retention in work (as distinct from retention in work with an individual employer);
- wage at entry (as higher wages are linked to sustainable employment² and are the best proxy for the economic value that an employer places on a job.)

In making our recommendations, we recognise two important constraints. First, the proposed performance indicators represent a fundamental change in the way that Jobcentre Plus and LSC services are planned and delivered. *It will take significant time to develop and introduce these new measures.* This applies particularly to the entry wage rate.

Second, *the existing data systems are not yet equipped to capture the information necessary to support the proposed target system.* While we understand that in 2004/5 links with Inland Revenue data will improve the situation considerably, we cannot be certain that - even with respect to a retention measure - we will have the information required for target setting. However, we believe that it is important to lay the foundations now and to signal the directional shift clearly to the delivery system.

It is important to be clear about the changes in organisational behaviour that we are trying to achieve through the proposed target structure. We do not want Jobcentre Plus to achieve its objectives by placing the most employable clients in well paid, sustainable jobs. Rather, *our aim is to create an incentive for Jobcentre Plus staff to assess which skills that individuals, particularly disadvantaged people, will need to increase their prospects for getting and keeping such jobs.* The training needed may be undertaken before or after job placement but should be selected to secure the greatest gain in raising employability skills.

We recognise that this represents a shift in the Personal Advisor role. It means extending assistance for clients needing the greatest support through the transition into sustained employment. Clearly, this will take time to achieve and can only be done through active collaboration with the LSC. But we believe that it is the right direction of travel.

To support this effort, we recommend that the **LSC should use its new employer engagement database to provide Jobcentre Plus staff with information on local firms which are committed to Investors in People (IiP) and are active in training.** This will allow Advisors to inform jobseekers about those employers who are most (or least) likely to invest in their continued development.

We expect that the proposed target structure should also have a major impact on the local Learning and Skills Councils and their providers. We envisage that the **LSC's current measurement system would change from one that is based on participation and qualifications to one that also gives significant weight to employment, retention and wage rates.** In order to minimise additional bureaucracy, we suggest that this is done by incorporating the relevant data within the employer engagement performance measure which is being introduced as part of the current *Success for All* reforms³.

² Steady Work and Better Jobs, Strawn and Martinson, MDRC, 2000.

³ Success for All: Reforming Further Education and Training, DFES, November 2002.

We believe that this proposed change to the LSC performance measurement system would send a clear message about the purpose of skills training and reinforce its relevance to the labour market. *It would also increase significantly the concurrence of LSC and Jobcentre Plus objectives.*

Basic Skills Target

Forty-three percent (43%) of all jobless people lack Level 2 qualifications. Over 50% of lone parents on Income Support and 40% of individuals on Incapacity Benefit have no qualifications at all. These men and women are at a serious disadvantage when competing in the labour market and in securing stable, productive employment.

An additional 300,000 people have English language deficits that prevent them finding or keeping work. Almost two-thirds of these individuals are on benefit, living in London and a few other cities. Many are ethnic minorities and most require entry-level ESOL (English for Speakers of Other Languages) training - equivalent to or below the skills of a nine year old. Quality ESOL training for Jobcentre Plus clients is scarce: for the estimated 30,000 jobseekers who want English language training, only 4000 places are available. And for those who do enrol in ESOL, only 20% complete their training.

During the past several years, Jobcentre Plus has made significant strides in improving its ability to screen clients and refer them to basic skills training. Currently, most of those on Jobseekers Allowance who have been unemployed for six months are screened. Of the 73,000 people who start basic skills, 30% receive a qualification.

Beginning in April 2004, new claimants for Income Support or Incapacity Benefit will be informally screened for basic skills as part of the mandatory work-focused interview process. However, there are almost 3 million *existing* inactive claimants who are not currently scheduled for these interviews and therefore will not be screened unless they join the New Deal. Given the poor prospects of benefit recipients who lack basic skills, we believe that, over the next five years, ***DfES and DWP should extend the work-focused interviews and undertake a joint programme to screen and train an increasing proportion of inactive clients (those in the 'stock').***

While recognising the good progress which has been made, we are concerned that the current target measures a step in the process rather than the desired outcome. We ***recommend that the current basic skills and ESOL target is changed to reward skills achievement rather than screening.***

In making our recommendations, we are aware that there are *serious issues related to the quality and availability of basic skills training and ESOL provision* - particularly provision that is work-related and relevant to the needs of jobseekers. For this reason, the transition to the new target will need to reflect the pace of expansion of new places.

However, we believe that these skills are fundamental to the employability of all people - to their future life chances for economic security and social inclusion. Therefore, ***we urge both DfES and DWP to make the rapid expansion of quality basic skills and ESOL provision the highest priority and to ensure that this priority is reflected in the allocation of available funds.*** In the interim, to accelerate improvement in existing provision, we recommend that the ***LSC work closely with Jobcentre Plus to ensure that all of its basic skills and ESOL training providers participate in the LSC's Skills for Life Quality Initiative⁴.***

⁴ Skills for Life is the Government's strategy for improving adult literacy and numeracy skills. This strategy also identifies priority groups who must be involved in learning if their needs are to be met.

Effective Skills Training

We recognise that our proposed changes to the existing target regime depend on better information and on an agreed view of what constitutes effective skills training. We know that some training fails to give people the employability skills needed as the foundation for productive, sustainable work. (This is one reason why the rate of return to many vocational qualifications at Level 2 is so low). *So, we need to improve the quality and relevance of training that prepares people to get and keep well paid jobs.*

A better understanding of the key elements of effective training is important to both Jobcentre Plus and the LSC. Jobcentre Plus must be able to operate as an 'intelligent customer' by communicating clearly to the local LSCs what forms of training are most likely to help its clients get and keep jobs. Similarly, as local LSC objectives shift to focus on employment as well as on qualifications, they must be confident that their Level 2 provision prepares people efficiently for the labour market.

In the course of our review, we *found broad agreement about the attributes of quality provision*. There is a strong consensus about the importance of embedding the principles of a demand-led strategy throughout all provision. Equally, there is consensus about the importance of integrating work with training; of including basic and interpersonal skills; and of responding quickly and flexibly to individual and employer needs. However, these are only general descriptors; more information is needed on the best routes to employability for adults in the key sectors.

Therefore, we recommend that ***DWP, DfES and SSDA officials commission a joint review with the objective of agreeing, for each industry sector, what constitutes effective training for employability.*** We suggest that this might best be undertaken by the Sector Skills Councils and include: 1) reviewing occupational standards and the way that they are incorporated into training programmes; 2) identifying those programmes which best meet this objective and have a track record of successful performance; 3) disseminating information and examples of the most promising practice to local LSCs, Jobcentre Plus, providers and employers.

The joint review should build on the Skills Strategy's commitment to defining 'employability skills' consistently and to integrating them throughout all learning and development programmes. It should also draw on the Adult Learning Inspectorate's experience and evidence of the characteristics of effective training for employability.

Sector Skills Councils

Increasingly, employers are recognised as being pivotal to publicly-funded employment and training activity. However, the information and delivery systems - which have long focused on the supply side - are only gradually gaining the competence and capacity to respond quickly to employer human resource requirements.

The Sector Skills Councils (SSCs) will play a crucial role in ensuring that "employers have the right skills to support the success of their businesses, and individuals have the skills they need to be both employable and personally fulfilled."⁵

At the national and regional levels, the Sector Skills Councils will identify the skills needed to support future productivity in each sector and to assess the effectiveness of training progression routes. Since this information is essential in determining what training should be offered and in advising jobseekers on the skills and qualifications needed for employment in each sector, it is crucial it is cascaded down to the local level in a form that is usable by local LSC and Jobcentre Plus staff.

The Sector Skills Development Agency (SSDA) is still in the process of establishing SSCs so it is perhaps no surprise that there is, as yet, little relationship between the Skills for Business⁶ network and Jobcentre Plus. However, Jobcentre Plus spends over £800 million each year on training provision. Clearly, the staff who are planning, purchasing and assessing this provision would benefit

⁵ Initial specification for the Scope and Delivery of Sector Skills Agreements, Sector Skills Development Agency, October 2003.

⁶ The Skills for Business Network is the name for the Sector Skills Development Agency together with its network of Sector Skills Councils.

considerably from the Sector Skills Councils' technical expertise and employer links. The SSCs, in turn, would benefit from Jobcentre Plus' local intelligence on what employers want.

We recommend strongly that in developing the Skills for Business network, the SSDA should make it a priority to strengthen its links - and those of the SSCs - with Jobcentre Plus, which should be viewed as a full partner and prime customer of its services. Jobcentre Plus should reciprocate by working closely with the SSDA and SSCs to identify and secure the skills needed for employment.

We welcome the recent appointment of Regional SSDA Partnership Managers. We suggest that one of their early priorities should be to work with Jobcentre Plus regional staff to agree working arrangements.

Support for Learners

The Skills Strategy White Paper announced a guarantee of *free tuition for any adult lacking good foundation employability skills. This means that large numbers of people on benefit are now entitled to training to a first full Level 2 qualification.* However, there is little incentive for Jobcentre Plus clients to undertake full-time training since, under current proposals, they would forfeit their benefit payment for a £30 per week Adult Learning Grant.

We understand that DWP and DfES are considering ways in which the benefit systems can be better aligned to help learners meet the cost of living while in training. In our view, it would be quicker and easier to adjust the regulations of the existing systems rather than to create a new stream of funds to support claimants. Either way, however, ***we firmly endorse ensuring that the requisite financial support is in place to encourage individuals on benefit - particularly lone parents and disabled people - to take up training as a route back to work.***

Policy Leadership

The Skills Strategy White Paper announced the formation of the national Skills Alliance. The Alliance, jointly chaired by the Secretaries of State for Education and Skills and for Trade and Industry, includes Ministers from the Treasury and DWP, and senior officials from Jobcentre Plus and the LSC, as well as leaders of the key partners with an interest in skills and productivity. ***We recommend that the Skills Alliance, and the Delivery Partners Group within it, should agree a plan for implementing this report's recommendations and should monitor its delivery.***

The Chief Executives of Jobcentre Plus and the LSC have a very substantial role to play in setting out the importance of collaborative action and in creating a climate for change. Both individuals are newly appointed. Both have an opportunity to articulate the gains that can be made for individuals and employers through a close alliance at the national, regional and local levels.

We recommend that, as soon as possible, the two Chief Executives send a joint message describing the shared objectives and ways of working between the two organisations. Importantly, this needs to be the start of a sustained communications strategy and not a one-off message to staff.

We think it is also important to note that *Government should play a leading role as a major employer.* It should serve as a model in the way that it recruits, hires and develops its staff. Specifically, we believe that there is an important opportunity to improve access to jobs by disadvantaged groups through better outreach and communication, streamlined employment processes and in-work support.

SECTION 2: CHANGES TO THE DELIVERY SYSTEM

LSC/Jobcentre Plus Delivery Plans

Within each region, a Framework for Regional Employment and Skills Action (FRESA) has been produced recently by the participating partners.⁷ Each FRESA sets out the economic, social and demographic profile of the region. It identifies the key skill and employment needs that flow from the Regional Economic Strategy and sets the priorities for meeting those needs by each partner. Regional Skills Partnerships are now being established to build on FRESAs and the current pilots involving the Regional Development Agencies (RDAs), the LSC and the Small Business Service.

Regional Skills Partnerships (RSPs) will play a vital role in forging stronger partnerships between the organisations responsible for delivering adult education and training, business support, employment and productivity. In particular, they will agree priorities to guide the planning of these organisations in order to meet longer term skill requirements. They will be central to stimulating collaboration and innovation across institutional boundaries; removing barriers to increased integration of services; and increasing the synergies that may be gained through closer collaboration.

However, while we expect RSPs to be highly influential in setting the longer term social and economic framework within which local priorities are set, we believe that it is important to recognise that *labour markets are essentially local*. Most employers recruit local residents and generally use local organisations to develop their workforce. Most jobseekers act locally when they are seeking training or employment. In our view, therefore, it is essential that there is a robust, local delivery plan that reflects the needs of individuals and employers.

Specifically, we recommend that ***each LSC Executive Director and Jobcentre Plus District Manager agree an annual delivery plan that sets out the key employment and skills priorities for the two organisations.*** Most importantly, it should describe their respective contributions to meeting the shared target (see section on policy drivers) for people on benefit achieving Levels 2 and 3.

The joint delivery plan should be developed in collaboration with the local Business Link organisation and relevant Skills for Business representatives and should be set within the context of the regional skills framework and the Strategic Area Reviews (StARs). It need not be a lengthy document; to minimise bureaucracy, we suggest that it is developed as part of existing business systems.⁸

The plan should cover any area of joint activity that the two organisations find useful to meet local needs; we would expect that, in all cases, *the LSC should include measurable objectives for the following:*

- ensuring effective assessment, information and guidance for people on benefit (particularly those without basic skills and Level 2 qualifications) through contracts with the local Information, Advice and Guidance (IAG) partnership;
- providing basic skills and Level 2 employability training for Jobcentre Plus clients;
- referring inactive claimants enrolled in LSC-funded training to information and advice on the best routes into employment.

Similarly, *Jobcentre Plus should include measurable objectives for the following:*

- screening and referring clients for basic skills and Level 2 employability skills;
- referring those without a Level 2 qualification to IAG services for information and advice on suitable training and relevant support needed for sustainable employment;
- promoting Modern Apprenticeships and referring candidates to local openings.

⁷ The participating organisations include the RDAs, the LSCs, Jobcentre Plus, Local Authorities, Government Offices, TUC and representatives of employers.

⁸ For local LSCs, the Joint Delivery Plan should be part of their Annual Plans; for Jobcentre Plus it should be part of its Business Plan.

The plan should also describe the action that both organisations will take to achieve the following:

- an agreed view of the skills and attributes needed to secure sustainable, productive employment in the local labour market and the most effective routes to that objective;
- a mapping of effective local provision;
- sector pathways to increase the numbers of residents entering high demand occupations;
- support to allow those who secure a job while in training to continue through to qualifications, particularly through the Employer Training Pilots;
- priority assistance for special groups: disadvantaged ethnic minorities, lone parents and disabled people;
- coordination between Jobcentre Plus and Connexions Personal Advisors;
- increased employer involvement in the design, delivery and customer feedback of training provision;
- coordinated marketing and employer services;
- joint procurement of training and contract monitoring.

Since we believe these plans are pivotal to increasing effective collaboration between Jobcentre Plus and the LSC, we recommend that they are started immediately - in April 2004 - with full implementation in 2005. We understand that this recommendation is fully consistent with DWP's commitment to giving Jobcentre Plus District Managers greater discretion to identify and address local problems and to work more closely with local partners such as the LSC.

Provider Performance

One of the most challenging issues faced by both Jobcentre Plus and the LSC is the quality, accessibility, cost and performance of the provision that is available to people on benefit. A consistent theme throughout our visits was the scarcity of ESOL training; the patchiness of basic skills courses; and the lack of good vocational training linked to local jobs.

We recognise that this issue is not subject to quick fix solutions; it will require serious and sustained attention over the next five years. However, we believe that there are both policy and practical levers that can accelerate performance improvement.

In the previous section on policy levers, we recommended that the funding and measurement systems should be changed so that DWP and DfES share four key performance indicators. We believe that these indicators - job entries, qualifications, retention and entry wage rates - should become the common currency for the LSC and Jobcentre Plus provider network. In our view, these indicators will serve as powerful drivers for ensuring that low skilled and disadvantaged people get the skills they need to secure productive employment and economic self-sufficiency, and for helping employers to recruit people with the skills and attributes required to succeed in the workplace.

We recognise that this recommendation represents a fundamental shift in the expectations, standards and values of some parts of the current provider system. It also requires very substantial changes to both the contracting and data collection systems. Therefore, we recommend that, in 2004, Jobcentre Plus and the LSC clearly signal their joint vision and the milestones for change but that full implementation is rolled out gradually with the goal of full adoption by 2007.

In addition to improved contracting and capacity (see below), we see two practical changes which can be made quickly to facilitate the transition by providers. First, we recommend that, from 2005, LSC and Jobcentre Plus' **vocational training providers should be required to demonstrate that they are addressing local labour market need and to set out arrangements for employer feedback on performance.**⁹ This requirement should be incorporated into the employment engagement measures now being put in place by the LSC as part of the *Success for All* reforms for LSC-funded providers. It should also be included in the new Adult Learning Inspectorate's framework.

⁹ We see this direct feedback to providers as different from but complementary to any employer feedback that local LSCs receive in the process of developing their "Guide to Training" reports. However, it is important that the two activities are coordinated to avoid duplication.

We also think that *priority funding should be given to those contractors (including basic skills/ESOL providers) which integrate training with work placements and can demonstrate high quality and high performance outcomes for their provision.*

Second, we recommend that the *Adult Learning Inspectorate (ALI) review its framework to ensure that its assessment of contractor performance gives adequate weight to job entry and retention as the end objective of Jobcentre Plus and LSC provision.* Since ALI is key to influencing provider behaviour, we also recommend that it conducts special training for all inspectors to reinforce the importance of sustained employment and productivity in their reviews of provider performance.

Contracting

Our interviews with frontline staff and providers revealed the degree to which the *current contracting processes are both a barrier to collaboration and a burden to providers.* For example, the local LSC and Jobcentre Plus District are very likely to be purchasing the same service from the same college at the same time. In doing so, they will be using different contract forms, performance standards, payment and data collection systems. And rarely is performance information on the results of the contracted provision shared systematically by the two organisations.

Discussions with providers indicate that Jobcentre Plus procurement and contracting procedures are considerably more onerous than those of the LSC. However, we know that the Jobcentre Plus system is currently under rigorous review. ***We recommend that Jobcentre Plus and the LSC use this opportunity to agree a streamlined, common contracting process for use with all their providers.*** We do not underestimate the challenge that this presents and recognise that it will take a full contracting cycle (up to three years) to achieve this objective. However, we believe that a good start could be made in 2004 by developing a standard format for all new contracts. We further recommend that, by 2004, ***each local LSC and Jobcentre Plus District agree arrangements to share performance data on all contractors*** - not simply those they have in common.

In reviewing ways in which the contracting system might be improved, we considered the more radical step of recommending that the LSC might act on behalf of Jobcentre Plus in procuring all training provision.

We are particularly attracted to this proposition for basic skills and ESOL. Almost ten times the number of benefit recipients are enrolled in LSC-funded basic skills courses as those in Jobcentre Plus courses. Moreover, the LSC invests systematically in developing the quality of its basic skills provision and, overall, it is rated better by the ALI. In our view, it is sensible to integrate the systems by giving ***the local LSCs lead responsibility for purchasing and managing the provision of all basic skills and ESOL training in their areas.***

We believe that the LSC should be the presumptive purchaser of basic skills and ESOL provision. However, we recognise that there will be instances in which Jobcentre Plus will rightly expect to see evidence that the LSC provision can achieve satisfactory standards of flexibility, accessibility and job focus, before transferring this responsibility.

It is also important to note, that under this arrangement, Jobcentre Plus will remain the budget holder and will hold the LSC accountable for the quality and outcomes of its basic skills provision. This is particularly pertinent given our recommendation that the basic skills/ESOL target should be changed from one that measures the screening process to one that assesses individuals' achievement.

In the near term, we believe that it is less practical for the LSC to procure all vocational and employability training. Much of what Jobcentre Plus needs for its clients is short, highly job-focused courses designed to move individuals quickly into jobs. Relatively little of this provision is shared with the LSC. Therefore, ***we recommend that, as part of the development of their local delivery plan, Jobcentre Plus and the LSC identify where there is overlap and where it is sensible for one organisation to procure services on behalf of the other.*** The objective must be to increase value for money and minimise bureaucracy for providers.

In the longer term, we think that there is scope for greater collaboration in purchasing all forms of training. As targets and performance measures are better aligned, and as there is greater agreement on what constitutes effective training for benefit claimants, it is likely that there will be a greater overlap in training providers, particularly the larger, national providers. In this case, we believe that there may be a strong case for the LSC to administer a unified funding and contracting system for providers. Under this scenario, Jobcentre Plus would act as an intelligent 'wholesale' purchaser from the LSC rather than its current position as 'retail' purchaser direct from providers.

Investing in Reform

So far in this section, we have focused on improving performance through major changes in policy, in performance management and in contracting. However, we recognise that it is crucial to give service providers the tools they need to achieve the changes that we envisage. Put another way, *it is unrealistic to expect an ambitious transformation in the present delivery system without an equally ambitious investment strategy.*

In *Success for All*, DfES sets out a bold plan for raising the quality and performance of the learning and skills sector. The plan encompasses measures to support staff training and development; improve capital funding for facilities and equipment; and provide incentives for excellence. Importantly, it provides substantial core funding to support organisational development.

No such investment appears to have been made in the 'second chance' system. Only 40% of Jobcentre Plus providers are also LSC contractors. This means that the majority of the organisations serving disadvantaged people are unlikely to benefit from DfES investment. Many of these are smaller, voluntary sector bodies; they are most likely to be under-capitalised and ill equipped to make the required transition to a high performance system.

We recommend strongly that Jobcentre Plus develops its own strategy and resource investment plan for raising the standards and performance of its delivery system. In developing its investment strategy, it will be important that Jobcentre Plus draws on the lessons of and coordinates with *Success for All*. *It is essential that providers who contract with both the LSC and Jobcentre Plus are not required to produce two quality improvement plans.* Clearly, as the two organisations move to a single contract and a coordinated procurement system, it will be much easier to apply common quality assurance standards and to invest in a common approach to building the capability of the delivery system.

SECTION 3: CUSTOMER SERVICES

In the previous two sections, we have focused on the policies and systems that should serve as a framework for greater collaboration between the welfare to work and workforce development systems. In this section, we look at *where closer collaboration can result in enhanced services to the system's dual customers: individuals and employers.*

Individuals: Assessment and Guidance

For every individual, the transition from benefit to work begins with a Work Focused Interview (WFI) conducted by his or her Personal Advisor. In most cases, this will result in the development of an individual action plan which serves as the agreed blueprint for helping the individual to find a job. Rarely (less than 5%) are individuals referred to the local Information, Advice and Guidance (IAG) partnership.¹⁰

The IAG partnerships and Jobcentre Plus Districts have framework agreements which describe the working arrangements between the participating organisations. Discussions with LSC and Jobcentre Plus frontline staff revealed that 1) the frameworks are focused on process rather than outcomes and 2) the quality of IAG services is extremely patchy and, even where effective, are under-utilised.

In the next few years, Jobcentre Plus will intensify its services for the most disadvantaged jobseekers as well as for inactive claimants. This means that *significantly more people are likely to need more sophisticated assessment and guidance than most Personal Advisors are able to provide.* This, in turn, will place a premium on establishing effective relationships with the IAG partnerships and in ensuring that these partnerships focus their activity on disadvantaged people.

As a first step, ***we recommend that local LSCs use their funding and procurement powers to ensure that IAG contracts:***

- give priority service to Jobcentre Plus' disadvantaged clients, particularly those without Level 2 qualifications referred by Personal Advisors;
- set targets and performance standards for all services;
- focus IAG advice on the most efficient and effective route to employability;
- maintain contact with the responsible Personal Advisor throughout the process;
- ensure that data collection and reporting systems are in place to track the services and outcomes of Jobcentre Plus clients.

In addition, we would like: ***1) Jobcentre Plus to ensure that all clients without qualifications are referred to an IAG partnership provider; 2) all those with less than a Level 2 qualification are given the opportunity to take advantage of IAG services and skills training where that training is needed to gain sustainable, productive employment.***

We recognise that the quality and capacity of IAG partnerships is highly variable. In our view, substantial investment may be needed to achieve a consistent, professional service. The Skills Strategy White Paper commits to improving the quality and prioritisation of the services offered by IAG partnerships. We see this as an essential step towards increasing collaboration between the partnerships and Jobcentre Plus Districts and acknowledge that, until these improvements occur, the rate of implementation of this recommendation may vary from area to area.

However, *effective assessment and guidance is the linchpin to improved employability development for disadvantaged Jobcentre Plus clients.* Strengthening the partnerships should be a high priority for the LSC and we would expect that, by 2007, the new contract arrangements should be fully in place. We also believe that, as soon as possible, the Adult Learning Inspectorate should conduct a review of quality and effective practice across IAG partnerships. In addition, ***we recommend that DfES commission the ALL to undertake regular reviews of all IAG partnerships.***

¹⁰ Information, Advice and Guidance Partnerships provide free services to adults to assist them in accessing or progressing in learning.

Individuals: Better Information

Personal Advisors are required to have a working knowledge of the local labour market and the resources that are at hand to help their clients prepare for work. However, they operate under considerable pressure and cannot be expected to keep track of all the Jobcentre Plus and LSC contracted provision in their area. In our meetings with Advisors, a good deal of frustration was expressed about the lack of an *IT system that would allow them to provide fast and accurate information to clients about local guidance, work experience and training opportunities.*

We recommend that **Jobcentre Plus assess the feasibility and cost of developing a desktop system that integrates comprehensive and reliable information from LSC and Jobcentre Plus contracts, Worktrain, Learndirect, and any other local listings** (such as Coursefinder in the North East). Given that the Worktrain database already brings together information on jobs, training, and related services, we believe that it should be used as the basic building block for the system.

Individuals: Training and Work Preparation

Throughout the country, local LSCs and Jobcentre Plus Districts are beginning to work together to design and fund training programmes for jobless people. In the North East, for example, a special component of the Adult Skills Pilot is being developed to provide assessment, guidance and training to Level 2 for people on Incapacity Benefit who have expressed interest in employment. The project will be jointly funded by the LSC and Jobcentre Plus.

In a number of the New Deal Ambition¹¹ initiatives, people on benefit are prepared for well paid jobs in high demand occupations; their training is co-financed with the LSC. In Bristol, the LSC is developing S-Cool, an individual assessment and client tracking system that has the potential to help unemployed people first choose a career path and then track them as they move through training, work experience and into employment.

These are just a few of the promising examples that demonstrate what can be achieved through collaborative action in training and development. We are particularly interested in seeing *sector pathways developed within localities*. By combining resource and expertise, Jobcentre Plus and local LSCs can create ladders of training opportunity that begin with sector-related assessment, job-related basic and key skills, integrated work/training programmes (including Step-Up¹²); these activities can lead to participation in Modern Apprenticeships, other Level 3 qualifications and in-work training.

We see the development of sector pathways as an important element within the joint LSC and Jobcentre Plus delivery plans. A practical starting point may be the 'priority qualifications' that the LSC and Sector Skills Councils are currently designing. Essentially, these are streamlined, cost effective, Level 2 qualifications that are based on proven employer demand in carefully selected sectors. Once in place, they should offer a fast and easy training route for people on benefit who wish to acquire a full Level 2 qualification in occupations which are in local demand.

We also see the Employer Coalitions¹³ providing practical help to Jobcentre Plus and local LSCs in the development of collaborative, sector initiatives. The objective of the Coalitions, which are part of the National Employment Panel, is to increase job opportunities for disadvantaged people by engaging local employers in the design and delivery of welfare to work programmes. The Coalitions' special focus is on developing access to better paid jobs in high demand industries and occupations. The Employer Coalitions should also serve as a valuable sounding board for local LSCs and Jobcentre Plus Districts as they develop their joint delivery plans.

¹¹ The Ambition initiative is jointly sponsored by Jobcentre Plus and the National Employment Panel: it was designed to test a demand-led approach to training and to achieve higher performance outcomes than mainstream New Deal provision.

¹² StepUp is an intensive support for the most disadvantaged people.

¹³ Employer Coalitions cover London, Merseyside, Milton Keynes, Oxon and Bucks, Greater Manchester, Birmingham and Solihull, the North East, Derbyshire, Highland and Inverness, Glasgow, West Yorkshire, and South Yorkshire.

Individuals: Retention and Progression

We have already addressed the importance of Jobcentre Plus and the LSC adopting targets that support increased emphasis on job entry, qualifications, retention and wage rates. We are keen, in addition, for ***the two organisations to explore ways in which progression for newly-hired former benefit claimants can be assisted through in-work support.*** We are particularly concerned that these individuals complete their training and achieve qualifications rather than give up as soon as they are placed in a job. Too many disadvantaged people leave basic and employability skills training before they receive the credentials needed to escape low skill/low pay jobs. We are very attracted by the potential of *using the new Employer Training Pilots to support continued learning for people who have recently moved from benefit into work.* These pilots, which will this year be extended to a third of the country, allow low-skilled employees paid time off to train for a qualification in basic skills or at Level 2. We recommend that, where these pilots exist, Jobcentre Plus and the local LSC should include arrangements for continued support as part of their joint delivery plan.

The Treasury and DWP have initiated recently the Employment, Retention and Advancement project (ERA). This project will produce valuable evidence about effective measures for enhancing job retention and progression of benefit claimants. Since ERA will not be properly evaluated for 3-4 years, we would like, in the interim, to encourage Jobcentre Plus and the LSC to consider testing projects designed to:

- add an in-work component to the New Deal training plan, agreed with the employer;
- use Trade Union Learning Representatives (and 'learning champions' in non-union firms) to mentor newly employed benefit recipients;
- create a SMART card, similar to the card that has been developed by Connexions, carrying a training record of achievement for low-skilled benefit recipients moving into work (as in S-Cool above).

Employers: Marketing and Sales

There are an estimated 3.8 million businesses in the UK. Only 7000 of these are large organisations (with over 250 employees) although they employ 44% of the workforce. Approximately 1.2 million are small firms (as opposed to the 2.6 million self-employed people with no staff). These small and medium sized enterprises (SMEs) employ between 1 and 249 staff and account for 43% of the workforce. They are pivotal to any employment and training strategy because they are the source of most job growth and because, in general, they under-invest in their workforce. They are also notably difficult to reach. They are the target of marketing efforts by two key organisations: Business Link and Jobcentre Plus.

Under the auspices of the Small Business Service, the 45 Business Link organisations (BLOs) reach about 350,000 SMEs each year. The BLOs provide independent advice and support to SMEs and start-ups on a range of business-related issues: finance, E-Commerce, management, regulations and tax. For many (but not all) BLOs, human resource related activities are an important strand of work; this includes information on training, support for management development and attainment of IIP. Approximately £56 million of the BLOs' £360 million annual budget is spent on workforce development, £30 million of which comes from the LSC.

Jobcentre Plus' interactions with the labour market are on a massive scale - reaching well over 450,000 employers each year. In an average week, Jobcentre Plus handles 61,000 job vacancies and places 22,000 people into work. Along with newspapers, it is the most commonly used recruitment channel for employers to notify their vacancies: currently it has a 40% market share of the 600,000 vacancies in the UK economy at any one time.

During the past several years, Jobcentre Plus has made an impressive investment in a new strategy to increase the quality and level of its services to employers. The strategy is grounded on five channels which deliver its services and products to market:

- E-Channel: advertises all employer vacancies on the internet;
- telephone: the Employer Direct contact centre network takes vacancies from employers and is piloting telemarketing activity;

- local offices: 1400 offices conduct marketing, employer visits and promotional campaigns;
- SME Channel Managers to respond to the special needs of smaller firms;
- national sales force: 200 account managers provide personal service to 3000 of the 7000 firms with 250+ employees.

The relationship between Jobcentre Plus and BLOs is patchy, at best. In our visits and discussions with staff, we found little evidence of local cooperation in marketing, product knowledge or information exchange. This perceived lack of collaboration - or even intelligent sign-posting - was reinforced by the personal experience of NEP and SAB members. Considering that human resource related assistance, along with financial needs, is one of the two most frequently requested services by SMEs, there is a strong case for the two organisations to forge an effective alliance. The pay-off of such an alliance, in terms of improved services to employers, is substantial and could be achieved through two practical approaches.

First, both organisations have employer marketing staff or brokers who are responsible for assessing and meeting business needs - either directly or by serving as an intermediary to other providers. The richer their portfolio, the more valuable the brokers are to employers. Therefore, we believe that ***BLO and Jobcentre Plus staff should be required to have sufficient knowledge of each other's products and services to signpost employers fast and effectively.*** This would require only a modest investment in staff training and the development of marketing materials that reference a wider range of products and services.

Second, and more far-reaching, *both organisations are developing technology to provide customer relationship management (CRM) services to employers.* Backed by Small Business Service investment, Business Link appears to have a substantial lead over systems being designed by Jobcentre Plus. While we have been unable to conduct extensive research in this area, we are particularly impressed with the Business Link for London CRM system.

London has 330,000 trading companies, only 2000 of which employ more than 50 people. Business Link for London (BL4L) organisation is the largest Business Link in the network, serving some 64,000 employers each year. It has 180 employer advisors and account managers. For the past 18 months it has been developing and testing an advanced CRM system called "TAG" for roll out to over 200 partner organisations.

The objective of TAG is to create a 'no wrong door' system that allows London employers to access easily an exceptionally wide range of business services. It is based on a shared database that facilitates fast referrals, manages transactions and tracks customer results. TAG is particularly interesting in that it is built for multi-partner use and provides different levels of information to different partners, consistent with its sophisticated security system.

Jobcentre Plus is the only major organisation in London that is not a TAG partner. Given that London is only one of two Jobcentre Plus regions in which the supply of people exceeds the job vacancies listed with Jobcentre Plus, expanding its contact with local firms is particularly important. For this reason, we recommend that ***Jobcentre Plus and Business Link for London undertake a joint pilot to test whether TAG might serve as the basis for a shared database and account management system.***

So far, this section has focused on the relationship of Jobcentre Plus and Business Link in improving services to employers. However, the LSC also has an important contribution to make in this activity. Its National Contract Service manages accounts with 110 major companies. The 47 local LSCs maintain direct links with employers through their work in promoting IiP, Employer Training Pilots and Modern Apprenticeships. And the local LSCs have active networks and a growing employer database through their relationships with RDAs, Sector Skills Councils and local employer groups.

We believe that a genuinely coherent, 'no wrong door' system can only be achieved through effective collaboration between Jobcentre Plus, Business Link and the LSC at the local level. In our view, ***the three critical elements of such a system are: 1) a single offer, based on a combined portfolio of services provided through each organisation; 2) employer-facing staff with sufficient knowledge of that portfolio to signpost employers effectively; 3) an IT system to support a local customer relationship management system.*** We would expect the three organisations to address how they will achieve this improved level of service in their local joint delivery plans.

SECTION 4: MODERN APPRENTICESHIPS

As part of its White Paper commission, the National Employment Panel was asked, in collaboration with the Modern Apprenticeship Task Force, to look specifically at the role which Modern Apprenticeships might play in helping benefit claimants move from welfare into good jobs. Modern Apprenticeships will soon become the primary work-based vocational route for young people (16-24). They are critical to improving the national skills base and to meeting skill shortages in key occupations and sectors.

Modern Apprenticeships serve as an important bridge between the welfare to work and workforce development systems. Apprenticeships allow individuals to earn and learn simultaneously and their achievement counts towards both the LSC qualification and Jobcentre Plus job entry targets. Given this alignment of objectives and the potential for well paying jobs, we find it surprising that there is not more collaboration around the programme between Jobcentre Plus and the LSC.

The benefits of a closer working relationship should accrue to both organisations. For Jobcentre Plus, Modern Apprenticeships should be an important vehicle for increasing access to sustainable employment for people on benefit. This will be particularly relevant as the existing age cap is lifted gradually and as the planned improvements to design take effect.

For the LSC, closer collaboration with Jobcentre Plus offers several significant benefits. The Modern Apprenticeship programme has a poor record of attracting and retaining ethnic minorities and has not done well in ensuring that women are represented in some of the better paying sectors such as technology, manufacturing, construction and engineering. Jobcentre Plus can serve as an effective recruitment and screening source for these groups and for improving the overall diversity of the programme. Moreover, Jobcentre Plus' employer-facing staff provide an additional channel for marketing apprenticeships to local firms.

Modern Apprenticeship Targets

In examining Modern Apprenticeships, we began by looking at the targets which drive design and delivery. Our first recommendation is that ***the current PSA target should be changed from one that is focused on process (individuals starting) to one that is based on outcomes (individuals completing the programme)***¹⁴. This would be consistent with our earlier recommendation to amend the LSC measurement system so that it places greater weight on employment, retention and wage rates. We also believe that this change would help to reduce the current high level of dropouts by putting a premium on effective design and in-work support. Fewer dropouts would, in turn, contribute to an improved brand name for Modern Apprenticeships.

Second, we believe that the ***local delivery plans (see Section 2) should include a measurable objective for the number of Modern Apprenticeships that are filled by Jobcentre Plus.*** This would signal to Personal Advisors the importance of filling these jobs over other vacancies that are notified to them. Internal performance indicators might include, for individuals, referral to hire ratios and, for employers, satisfaction in the quality and responsiveness of the job match.

Third, we recommend that ***local LSCs should develop systems to measure how many E2E young people get and keep jobs as a result of their participation in the programme.***

Entry to Employment

Entry to Employment (E2E) is a new LSC-funded programme to prepare 16-18 year olds to enter Modern Apprenticeships, other work or alternative training routes. It provides individualised basic, key and vocational skills training for young people who have become disaffected or disengaged from mainstream education and training.

¹⁴ The current PSA target: "By 2004, 28%, that is 175,000 young people before the age of 22, to enter an apprenticeship for the first time".

From our limited discussions on this issue, awareness of the initiative appears to be low amongst Jobcentre Plus Personal Advisors. Although there is relatively little overlap in provision between Connexions and the New Deal, it is important that continuity of service for the young person is maintained and that Personal Advisors support participation in Modern Apprenticeships as a career objective. Therefore, we suggest that the **local delivery plans describe arrangements for ensuring a smooth transition from E2E to New Deal or, where appropriate, from Jobseekers Allowance to E2E as a first step towards a Modern Apprenticeship.**

Access to Modern Apprenticeships

We recognise that there is significant variation in the quality and outcomes of Modern Apprenticeships across different sectors and employers. However, we believe that, if the age cap is lifted, apprenticeships can offer an important route to jobs with training for the disadvantaged.

To accelerate this process, **we recommend that DfES ask the Sector Skills Councils to give particular consideration to the needs of benefit claimants as they come forward with proposals for the design of adult apprenticeship programmes.** We think that for lone parents and people over 50, in particular, *there is likely to be a very real pay-off in terms of long-term benefits saved against the relatively small cost of training.*

We see several other ways in which access to apprenticeships for benefit claimants can be facilitated. These include:

- *raising awareness* of Personal Advisors of the local opportunities available through Modern Apprenticeships;
- *using employer subsidies* in New Deal for Young People and New Deal 25 Plus as the first step to Modern Apprenticeships and as a way of attracting more employers to the programme;
- *ensuring* Government Departments (and the NHS and local authorities) undertake special recruitment efforts for jobless people in filling their apprenticeship targets;
- using Jobcentre Plus 'sector gateways' to prepare jobless people for apprenticeships (effectively as an adult E2E programme);
- using Modern Apprenticeship *broker organisations to provide in-work support* for benefit claimants to smooth transition and increase retention.

Taken together, we believe that these ideas represent a package which should be piloted within the next year: **We recommend that the Skills for Business Network should be asked to work with the LSC and Jobcentre Plus in three locations to test whether these proposals result in increased access to Modern Apprenticeships by disadvantaged adults and young people.**

Employer Outreach

We have already addressed the importance of improving services to employers through greater collaboration between Jobcentre Plus, Business Link organisations and local LSCs. While we envisage that most of this activity should be customer-driven rather than product-led, we do see opportunities for coordinated marketing of the Modern Apprenticeship programme as the age cap is lifted incrementally.

The current Modern Apprenticeship marketing and communications strategy makes no mention of Jobcentre Plus as one of its partner organisations. Yet, Jobcentre Plus is likely to have the most current intelligence on which firms are hiring or likely to do so in the near future. Based on its New Deal experience, it will also have information on those employers with a good track record in hiring young people, lone parents and older workers. This data should help the LSC to target its local promotion efforts more effectively. In addition, if Jobcentre Plus account managers have a working knowledge of the objectives of Modern Apprenticeships, they will be able to seek opportunities for disadvantaged candidates more effectively.

SECTION 5: CONCLUSIONS AND NEXT STEPS

We started this project by defining the essential interests of each stakeholder within the employment and training system: better services for individuals and employers; higher performance and less bureaucracy for providers; a competitive, productive and inclusive economy for Government. As we conclude our work, we are even more convinced that these objectives can only be achieved through increased collaboration between the welfare to work and workforce development systems.

Put another way, unless we find effective ways of joining institutional boundaries, disadvantaged people are much less likely to get decent jobs and develop throughout their working lives. Unless we knit together the public services that we offer, employer frustration will grow and the full potential of business support will be unmet. Unless we reduce the red tape and increase our investment in employment and training providers, we are unlikely to secure the performance gains that are badly needed. And, in the longer term, with these changes, Government will have more effective public services, a more flexible labour market and a more buoyant economy.


In the course of our work, we have been immensely impressed with the willingness with which Government Departments, their agencies and partners have debated the issues, contributed fresh thinking and emerged with constructive solutions. We believe that we now have an unprecedented opportunity to introduce changes which will improve significantly the pattern and delivery of services for disadvantaged people and for employers.

While this report contains a large number of recommendations, we believe that there are eight that are the keystones for reform. They are:

- a shared objective and common performance indicators to drive the welfare to work and workforce development systems in the same direction;
- a basic skills and ESOL target that is based on achievement, along with increased investment, to expand the number of quality basic skills training providers;
- alignment of the benefit systems to help learners meet the cost of living while in training;
- joint LSC and Jobcentre Plus local delivery plans with measurable objectives for key collaborative activities;
- harmonisation of LSC and Jobcentre Plus contracting for employment and training services and an investment strategy for raising the standards and performance of the delivery system;
- improved information, advice and guidance services for disadvantaged adults and continued training and support once they are in work;
- collaboration in the way that human resource related public services are marketed and delivered to employers;
- a Modern Apprenticeship target based on outcomes and removal of the age cap incrementally to afford greater access for disadvantaged people.

In making these recommendations, we are acutely aware that both the LSC and Jobcentre Plus currently have an enormous change agenda. However, we believe that our proposals are entirely consistent with the direction in which both organisations are already moving. Indeed, in a number of areas, we think it is unlikely that they will be able to meet their existing objectives without taking the steps that are outlined in this report.

There are two ways in which the change envisaged may be facilitated. The first is through the investment (or re-allocation) of resources. While we believe that few of our proposals should require a major infusion of new funds, there are several that have spending implications. For example, we have set ambitious expectations of the adult information, advice and guidance system; we recognise that it falls well short of those expectations today. Similarly, increasing the performance and capacity of the 'second chance' system cannot be achieved without some investment.



Second, the pace of change will influence the demands that our proposals will place on the two organisations. Annex B contains a timetable for implementing some of our key recommendations. However, it has been developed largely to set the direction and suggest a sequence of activities. The development of a detailed implementation plan is the responsibility of the LSC and Jobcentre Plus Chief Executives. We would expect that this plan should be completed by the end of March, 2004.

We have already recommended that the Skills Alliance, and the Delivery Partners Group within it, should approve the implementation plan and oversee its delivery. In addition, the National Employment Panel will maintain a continued interest in the issues identified in this report. We will plan to review progress towards our key recommendations from time to time.

Copies of this report can be downloaded at www.nationalemploymentpanel.gov.uk

Annex A

SUMMARY OF RECOMMENDATIONS*

Section 1: Policy Drivers for Collaboration

1. *A shared objective between the key Departments should be agreed.* The objective should be SMART and include the following ingredients: it must define an outcome, not a process; it must be quantifiable; it must stipulate the skill level or levels to be achieved; and it must specify the number of people to be drawn from benefit.
2. We recommend that *the shared objective should be underpinned by the following key performance indicators for both Jobcentre Plus and the LSC:*
 - job entry rates;
 - skills and qualifications achieved;
 - retention in work (as distinct from retention in work with an individual employer);
 - wage at entry (as higher wages are linked to sustainable employment and are the best proxy for the economic value that an employer places on a job).
3. The LSC should use its new employer engagement database to provide Jobcentre Plus staff with information on local firms which are committed to Investors in People (IiP) and are active in training.
4. Over the next five years, DfES and DWP should extend the work-focused interviews and undertake a joint programme to screen and train an increasing proportion of inactive clients.
5. *The current basic skills and ESOL target should be changed to reward skills achievement rather than screening.*
6. *DfES and DWP should make the rapid expansion of quality basic skills and ESOL provision the highest priority and should ensure that this priority is reflected in the allocation of available funds.*
7. The LSC should work closely with Jobcentre Plus to ensure that all of its basic skills and ESOL training providers participate in the LSC's Skills for Life Quality Initiative.
8. DWP, DfES and SSDA officials should commission a joint review with the objective of agreeing, for each industry sector, what constitutes effective training for employability.
9. In developing the Skills for Business network, the SSDA should make it a priority to strengthen its links - and those of the SSCs - with Jobcentre Plus which should be viewed as a full partner and prime customer of its services. Jobcentre Plus should reciprocate by working closely with the SSDA and SSCs to identify and secure the skills needed for employment.
10. *The requisite financial support should be in place to encourage individuals on benefit - particularly lone parents and disabled people - to take up training as a route back to work.*
11. The Skills Alliance, and the Delivery Partners Group within it, should agree a plan for implementing this report's recommendations and should monitor its delivery.
12. As soon as possible, the Chief Executives of Jobcentre Plus and the LSC should send a joint message describing the shared objectives and ways of working between the two organisations.

Section 2: Changes to the Delivery System

13. *Each LSC Executive Director and Jobcentre Plus District Manager should agree an annual delivery plan that sets out the key employment and skills priorities for the two organisations.*
14. Vocational training providers should be required to demonstrate that they are addressing local labour market need and to set out arrangements for employer feedback on performance.

* Recommendations in italics represent those that the National Employment Panel considers to be top priority proposals.

15. Priority funding should be given to those contractors (including basic skills/ESOL providers) which integrate training with work placements and can demonstrate high quality and high performance outcomes for their provision.
16. The Adult Learning Inspectorate (ALI) should review its framework to ensure that its assessment of contractor performance gives adequate weight to job entry and retention as the end objective of Jobcentre Plus and LSC provision.
17. *Jobcentre Plus and the LSC should agree a streamlined, common contracting process for use with all their providers.*
18. Each local LSC and Jobcentre Plus District should agree arrangements to share performance data on all contractors.
19. *Subject to conditions, the local LSCs should have lead responsibility for purchasing and managing the provision of all basic skills and ESOL training in their areas.*
20. As part of the development of their local delivery plan, Jobcentre Plus and the LSC should identify where there is overlap and where it is sensible for one organisation to procure services on behalf of the other
21. *Jobcentre Plus should develop a strategy and resource investment plan for raising the standards and performance of its delivery system.*

Section 3: Customer Services

22. *The local LSCs should use their funding and procurement powers to ensure that IAG contracts give priority service to disadvantaged clients.*
23. Jobcentre Plus should ensure that all clients without qualifications are referred to an IAG partnership provider; and all those with less than a Level 2 qualification are given the opportunity to take advantage of IAG services and skills training where that training is needed to gain sustainable, productive employment.
24. The Adult Learning Inspectorate (ALI) should conduct a review of quality and effective practice across IAG partnerships. In addition, *DfES should commission the ALI to undertake regular reviews of all IAG partnerships.*
25. Jobcentre Plus should assess the feasibility and cost of developing a desktop system that integrates comprehensive and reliable information from LSC and Jobcentre Plus contracts, Worktrain, Learndirect, and any other local listings.
26. The local LSC and Jobcentre Plus should explore ways in which progression for newly-hired former benefit claimants can be assisted through in-work support.
27. Business Link organisations and Jobcentre Plus staff should be required to have sufficient knowledge of each other's products and services to signpost employers fast and effectively.
28. Jobcentre Plus and Business Link for London should undertake a joint pilot to test whether TAG might serve as the basis for a shared database and account management system.
29. A coherent, 'no wrong door' system should be achieved through effective collaboration between Jobcentre Plus, Business Link and the LSC at the local level. *In our view, the three critical elements of such a system are: 1) a single offer, based on a combined portfolio of services provided through each organisation; 2) employer-facing staff with sufficient knowledge of that portfolio to signpost employers effectively; 3) an IT system to support a local customer relationship management system.*

Section 4: Modern Apprenticeships

30. *The current PSA target should be changed from one that is focused on process (individuals starting) to one that is based on outcomes (individuals completing the programme).*
31. Local delivery plans should include a measurable objective for the number of Modern Apprenticeships that are filled by Jobcentre Plus.
32. Local LSCs should develop systems to measure how many E2E young people get and keep jobs as a result of their participation in the programme.
33. Local delivery plans should describe arrangements for ensuring a smooth transition from E2E to New Deal or, where appropriate, from Jobseekers Allowance to E2E as a first step towards a Modern Apprenticeship.
34. *DfES should ask the Sector Skills Councils to give particular consideration to the needs of benefit claimants as they come forward with proposals for the design of adult apprenticeship programmes.*
35. The Skills for Business Network should be asked to work with the LSC and Jobcentre Plus in three areas to test whether these proposals result in increased access to Modern Apprenticeships by disadvantaged adults and young people.

INDICATIVE TIMETABLE FOR IMPLEMENTATION

INDICATIVE TIMETABLE FOR IMPLEMENTATION

	2003-04				2004-05				2005-06				2006-07				
	Q4 Jan-Mar	Q1 Apr-Jun	Q2 Jul-Sep	Q3 Oct-Dec	Q4 Jan-Mar	Q1 Apr-Jun	Q2 Jul-Sep	Q3 Oct-Dec	Q4 Jan-Mar	Q1 Apr-Jun	Q2 Jul-Sep	Q3 Oct-Dec	Q4 Jan-Mar	Q1 Apr-Jun	Q2 Jul-Sep	Q3 Oct-Dec	Q4 Jan-Mar
Implementation of recommendations																	
1. Policy drivers for collaboration																	
Departments agree a shared objective																	
Departments develop underpinning KPIs																	
Modify Basic Skills/ESOL target																	
Expand capacity and quality of basic skills/ESOL provision																	
DWP, DFES and SEDA agree effective training for employability																	
2. Changes to the delivery system																	
Local JCP and LSC managers agree a joint annual delivery plan																	
JCP and LSC agree and implement a streamlined contracting process																	
ALL inspection criteria emphasise job entry and retention																	
Alignment of benefit systems/introduce new benefit for learner support																	
JCP develop investment plan for raising standards in network																	
3. Customer services																	
IAG contracts give priority to JCP's disadvantaged clients																	
JCP and LSC implement in-work support for newly hired claimants																	
Introduce effective sign-posting between Business Link and JCP																	
JCP and BLO pilot a joint customer relationship management system																	
4. Modern Apprenticeships																	
Current PSA target changed to focus on outcomes																	
Local delivery plans include measurable MA objectives for JCP																	

Annex C

PROJECT PARTICIPANTS

Skills Advisory Board Membership

Name	Organisation
Chris Banks CBE (Chair)	Chief Executive, Bigthoughts Ltd
Karen Foulds OBE	District Manager, Derbyshire Jobcentre Plus
Margaret Gildea	Director of Learning and Career Development, Rolls Royce
John Harker	Managing Director and Head of HR, Citigroup
Pat Jackson	Director, Strategy and Competitiveness Unit, DTI
Richard Martin	Chief Executive, Adecco
Nicholas A Penston	Business Development Manager, Cisco
Chris Roberts	Executive Director, Tyne and Wear LSC
Cay Stratton CBE	Director, National Employment Panel
Ruth Silver CBE	Principal, Lewisham College
Julia Tyson	Corporate HR Director, Centrica

Project Officials

Name	Organisation
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Kay Cheesman	Skills Policy Manager, Workforce Skills and Workforce Development, LSC
Martin Davies	Skills Team Member, NEP
Mark Fisher	Director for Performance and Product Management, Jobcentre Plus
Jenny Grundy	Skills Team Leader, NEP
Margot Hart	Team Leader, Labour Market and Skills Strategy Team, DWP
Victoria Johns	Policy Advisor, Review of Funding for Adult Learning, DfES
Simon Judge	Divisional Manager, Labour Market Division, DWP
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John Nightingale	Directory of Policy and Operations, NEP
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Michael Thomas	Managing Partner, OCP

Annex D

INDIVIDUALS INTERVIEWED IN PROJECT FACT-FINDING

Name	Organisation
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David Cresswell	Director of Workforce Services, Lancashire LSC
Steve Crow	Director of Development, London Central LSC
Alan Davies	Divisional Manager, Young People's Policy Team, DfES
Michael Downing	Team Leader, Learning Partnerships Team, Jobcentre Plus
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Annex E

GLOSSARY

ALI	Adult Learning Inspectorate
BL4L	Business Link For London
BLO	Business Link Organisation
CRM	Customer Relationship Management
DfES	Department for Education and Skills
DTI	Department of Trade and Industry
DWP	Department for Work and Pensions
E2E	Entry to Employment
ERA	Employment, Retention and Advancement
ESOL	English for Speakers of Other Languages
FRESA	Framework for Regional Employment and Skills Action
HMT	Her Majesty's Treasury
IAG	Information, Advice and Guidance
IiP	Investors in People
LSC	Learning and Skills Council
MA	Modern Apprenticeship
NEP	National Employment Panel
PSA	Public Service Agreement
RDA	Regional Development Agency
RSP	Regional Skills Partnership
SAB	Skills Advisory Board
SMART	Specific, Measurable, Achievable, Relevant, and Time-Bound
SME	Small and Medium sized Enterprise
SSC	Sector Skills Council
SSDA	Sector Skills Development Agency
StAR	Strategic Area Review
WFI	Work Focussed Interview

Annex F

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THE AIMS AND REMIT OF THE PANEL

The National Employment Panel is an employer-led body which provides independent advice to Ministers on the design, delivery and performance of the UK Government's labour market policies and programmes.

The Panel's aims are:

- to increase the opportunities for disadvantaged and unemployed people to gain productive employment and economic self-sufficiency;
- to recommend effective and innovative ways of ensuring that labour market programmes are responsive to the changing needs of the labour market.

Key responsibilities are to:

- monitor progress and provide well-informed, independent advice to the Chancellor and Secretary of State for Work and Pensions on policies and practical measures to enhance the performance of the welfare to work delivery system;
- engage business as a key partner in the design and delivery of effective welfare to work activities;
- recommend proposals for increasing sustainable employment and career development opportunities for disadvantaged and jobless people with special attention to securing equal outcomes for ethnic minorities;
- advise the Minister for Adult Skills on measures to increase the productivity, skill development and career progression of people moving from benefit into the workforce;
- serve as a catalyst for innovation and excellence in the welfare to work delivery system.

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Sonita Alleyne OBE

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