

independent UK-wide evidence-led creative
productivity-focused responsive authoritative
knowledgeable objective effective passionate
inspirational employer-led collaborative
constructively radical innovative insightful
challenging thought-provoking plain-speaking
assertive results-driven efficient influential
high-performing cutting-edge strong
opinion-leading demand-led talent-unlocking
prosperity-seeking socially-conscious

business plan 2008/09

foreword

The first year of any organisation's life is always an exciting one. The first year of a UK-wide organisation charged with ensuring our economy grows ever stronger in the face of global competition, whilst maximising the talents and opportunity of all our people, brings particular challenges.

The UK Commission for Employment and Skills has been tasked to ensure that our national employment and skills systems optimally serve those twin goals of economic competitiveness and social cohesion. Yet as a strategic advisory body, the Commission has influence rather than authority, and will only contribute effectively to the achievement of these goals through the calibre and influence of our Commissioners, through the quality of our research and argument, through our in-depth understanding of delivery, and through effective partnership working with other organisations in the fields.

During this financial year, the Commission will be preparing its first five year Strategic Plan to cover the period from 2009-10 to 2013-14, setting out a long-term work programme that will ensure the UK continues to be a strong and socially inclusive society in 2020. We will be consulting widely on that strategy, and encouraging all interested parties to help shape the most effective response to the huge twin challenges of globalisation and social change.

This document presents our Business Plan for 2008-09, which is designed to ensure that the UK Commission makes a significant impact in its first year of operation, and provides a sound foundation on which our longer term strategy will be built.

This one year Business Plan will, we hope, excite you as it does us, and initiate a series of changes and progressive improvements in our employment and skills systems that will ensure our employers become ever more productive and competitive, and the talents of all our people are unleashed.

Please contribute to and support the Commission in this, our first year work programme, and also in the development of our longer-term strategy to build a strong and competitive society for 2020.



Chris Humphries CBE
Chief Executive

June 2008

**our employers become
ever more **productive** and
competitive, and the **talents** of
all our people are **unleashed****

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introduction

Launched on 1 April 2008, the UK Commission for Employment and Skills is a key recommendation in Lord Leitch's 2006 review *Prosperity for All in the Global Economy: World Class Skills*. The UK Commission for Employment and Skills is a genuinely employer-led organisation, with Commissioners drawn from the highest levels of the private, public and voluntary sectors, supported by trade union leadership.

The Challenge

The UK Commission aims to raise UK prosperity and opportunity by improving employment and skills. Its ambition is to benefit individuals, employers, government and society by providing independent advice to the highest levels of the UK Government and Devolved Administrations on how improved employment and skills systems can help the UK become a world-class leader in productivity, in employment and in having a fair and inclusive society: all this in the context of a fast-changing global economy. Ultimately, the benefits of the UK Commission's work will be:

For individuals:

- Increased employability and good careers advice;
- The transferable and specialist skills to remain employed;
- Enabled by employers to utilise and develop the skills they have, bringing greater job satisfaction;
- The opportunity to develop further skills to enter higher paid employment or to retrain for another career (career progression).

For employers:

- An employment and skills system and qualifications that provide employees with good basic skills plus entry level expertise appropriate to the company and a willingness to learn more;
- The ability to influence the system so that it continues to meet their needs;
- Increased ability to access appropriate training to upskill their workforce bringing a return on their investment;
- An evidenced business case for investment in and utilisation of the skills of their workforce.

For the UK Government and Devolved Administrations:

- Robust, evidence-based advice on what works to inform decision-making regarding the skills and employment system, resulting in more co-ordinated, targeted, efficient public provision of services;
- Qualifications and workforce development led by employer needs;
- The workforce and economy moving towards government targets for increased employment and upskilling of the workforce through a better employment and skills system and increased employer investment.

For society:

- Increased prosperity, with employment opportunity and sustainable careers for all.

Because employers, whether in private business or the public sector, have prime responsibility for the achievement of greater productivity, the UK Commission will strengthen the employer voice, provide greater employer influence over the employment and skills systems and promote employer investment in people.

As part of this, the UK Commission has been asked to take direct responsibility for funding and performance-managing; and advising Ministers on the relicensing of Sector Skills Councils. It will also have a lead role on the work SSCs and others are doing to improve our education and training system so that the available qualifications better reflect the skills employers need.

The UK Commission will assess annually progress towards making the UK a world-class leader in employment and skills by 2020. Recognising differing aims and priorities in the four UK nations, it will work across all four to support this world-class ambition, advising the relevant ministers on the strategies and policies needed to increase employment, skills and productivity.

The response

To meet the challenge, the UK Commission will be dependent on its reputation and influence, built on its specialist knowledge and rigorous research and analysis, if it is to effect the practical change necessary to meet the UK's ambitions. As an employer-led organisation responsible for championing the development of a demand-led skills and employment system and encouraging greater employer investment in people, the UK Commission will:

- draw on the expertise and understanding of employers who are already heavily engaged in building effective skills arrangements across the UK for each sector of the economy;
- develop its reputation as a credible and relevant voice and influential expert by fostering effective relationships with employers, the UK Government and Devolved Administrations and other partners; and
- undertake a comprehensive stakeholder mapping exercise to ensure that UK Commission staff engage effectively and appropriately with relevant interests to inform work in pursuit of UK Commission objectives.

In forming its advice to the UK Government and Devolved Administrations, the UK Commission will:

- monitor and challenge the performance of parts of the national employment and skills systems in creating sustained employment and career progression;
- recommend systematic improvements in policy and delivery – including the better use of skills at all levels – through strategic policy development, evidence-based analysis and the exchange of good practice; and
- suggest further innovations and advise how employment and skills related services, working together, can deliver a more effective and integrated service for employers and individuals.

In conducting its work, the UK Commission will provide vigorous and independent challenge, advising the UK Government and Devolved Administrations at the highest levels on employment and skills strategy, targets and policies. It will take account of the devolved nature of skills policy in Scotland, Wales and Northern Ireland and employment in Northern Ireland and negotiate how it operates in the nations with this political context in mind. All UK Commission work will consider issues of equality of access and opportunity for all in building a sustainable economy, and will be underpinned by a strong evidence-base from research and analysis of policy and practice to ensure that the advice and recommendations put to Ministers are robust and of the highest quality.

This plan sets out how the UK Commission intends to address the challenge during 2008/09.

we will strengthen the employer voice, provide greater employer influence over the employment and skills systems and promote employer investment in people

work programme 2008/09

Whilst the UK Commission for Employment and Skills develops its first strategic plan, this first year of work will focus on developing the UK Commission and its knowledge base. The work will provide clearer pictures of the existing employment and skills systems, the experience of employers and individuals in engaging with the systems and approaches to ongoing development and utilisation of skills in the workplace. This work is expected to generate some immediate recommendations for improvements but more importantly will provide a firm foundation for the UK Commission's future work.

The plan has been developed in line with priorities set in the annual Grant Letter:

- To establish the UK Commission as a functioning organisation, including the preparation of its first five year strategic plan;
- Publication of a 'State of the Nations' report assessing progress towards making the UK a world leader in employment and skills by 2020, and monitoring progress against international competitors in the context of the aims and priorities of the four nations;
- Preparatory work towards publication of the 2010 Review of the Employment and Skills system, including establishment of the terms of reference, in negotiation with the four nations;
- Substantial progress on reforming, relicensing and empowering Sector Skills Councils (SSCs). The UK Commission needs to fund and manage SSCs to deliver an effective network focused on continuous performance improvement against the revised SSC remit using the standards set down in the relicensing Prospectus;
- Offer a holistic view of the employment and skills systems (including HE), and how they might be better organised to meet the needs of employers and individuals;
- Advise the UK Government on how we can make it simpler for employers and individuals to access the employment and skills system in England.

Set out on the following pages are the specifics of the work programme and deliverables for 2008/09. They are grouped into four areas:

- the Advisory Role, comprising those key projects which underpin the first three years work of the Commission and its annual commitments;
- the Executive functions, which reflect the continuation of work from the Sector Skills Development Agency, collaboratively with SSCs, for which additional resources have been provided through the Grant Letter;
- Establishing presence and reputation, which will be critical in achieving influence and impact; and
- Creating, enabling and developing the organisation.

The different elements of the work programme and an indication of their inter-dependencies are shown on the following page. All projects are UK-wide except where specifically mentioned in the following sections.

**development and
utilisation of skills
in the workplace**

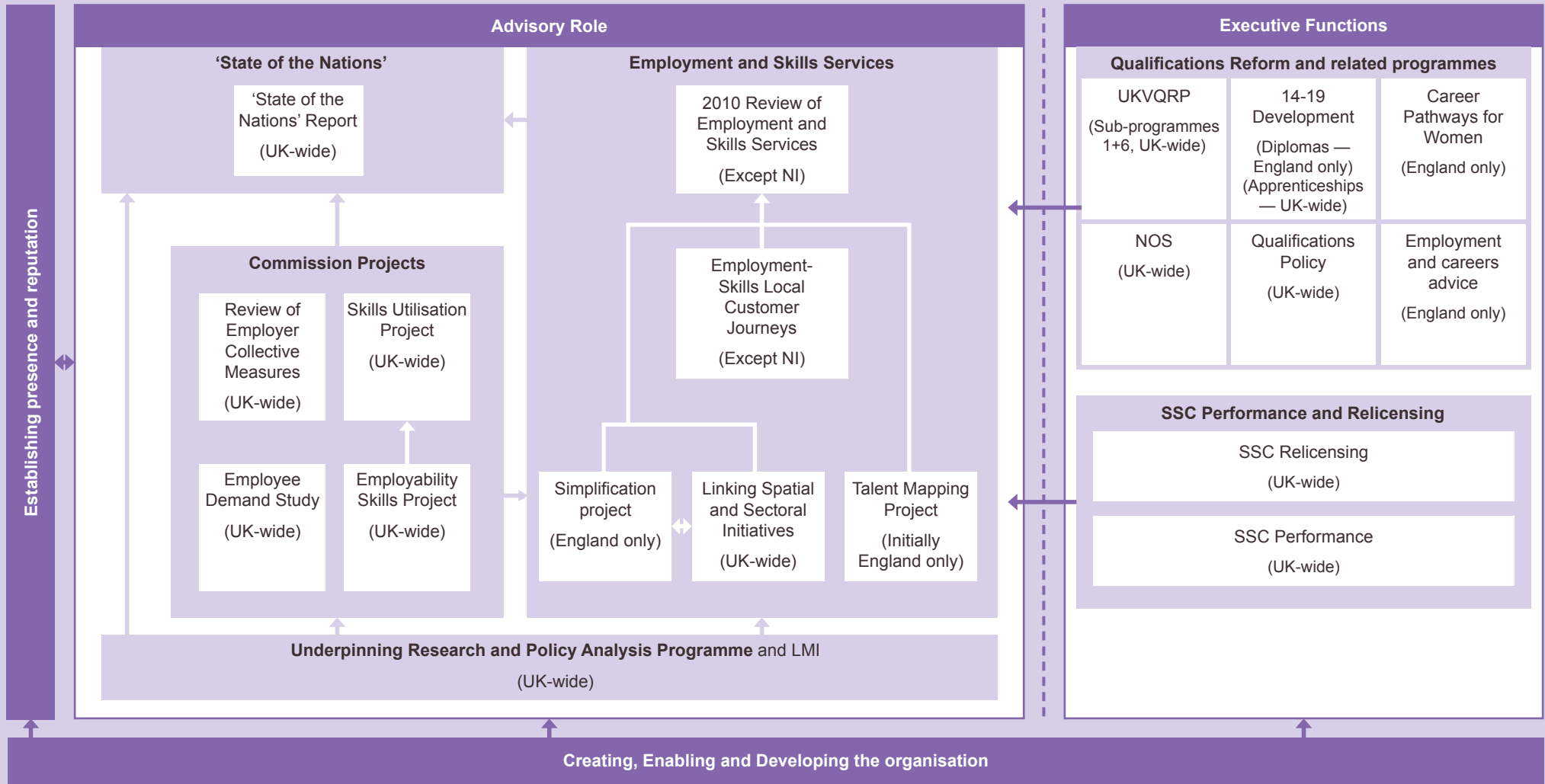
Government aspirations and targets for the employment and skills system

UK productivity and social inclusion
 Employment and skill levels
 International comparison

UK Commission for Employment and Skills Remit and Strategy

Independent evidence-based advice to UK governments on improvements to the employment and skills system to benefit individuals, employers and the UK economy
 Assessment of progress towards government aspirations
 Strengthen employer voice and influence in the employment and skills system
 Promote employer investment in people and skills development, promote skills utilisation

UK Commission for Employment and Skills Work Programme



advisory role

'State of the Nations' Report

The annual 'State of the Nations' report will track progress towards the 2020 vision, identify key issues, incorporate international benchmarking on employment and skills measures and form an overall assessment of success. The report will be informed by the UK Commission's research programme and the results of other UK Commission studies.

Results

The definitive report on the status of employment and skills within the UK, and their contribution to progress towards UK economic and social objectives, in comparison with competitor nations – used by decision and policy makers to inform future strategy and policy developments.

Work programme	Milestones/ deliverables in 2008/09	Geographic coverage	Lead Directorate
The 'State of the Nations' Report The programme is designed to monitor UK progress across all levels of employment and skills, against a range of metrics of employment, skills and business performance agreed by the Commission and key stakeholders. It will also assess policies and targets and make recommendations on improvements as appropriate. The first report will detail progress since the Leitch report and/or against each nation's skills strategy, current trends and projections. The report will also provide a baseline for future initiatives.	First report by 31 March 2009	UK-wide	Research and Policy

progress since the Leitch report
 against each nation's **skills** strategy,
 current **trends** and **projections**

employment & skills services

This programme comprises a number of projects looking at different aspects of the employment and skills systems and contributing to the 2010 Review. It will also include an ongoing pro-active review of employment and skills systems.

Results

Initial identification of the need for change in the employment and skills systems, focussing on the complexity of the system and the experiences of employers and individuals in accessing and using the system. The work will begin to establish a clearer picture of the current system and opportunities for improvements. The projects will make recommendations and feed into the 2010 review as it considers whether more radical change is required.

Work programme

Milestones/ deliverables in 2008/09

Geographic coverage

Lead directorate

Linking Spatial and Sectoral Initiatives

Investigate collaborative work between sectoral and spatial employment and skills initiatives, linking the work of SSCs with the priorities of the devolved administrations and the English regions, including sub-regional and city projects as appropriate. Resulting in recommendations to the UK Government and Devolved Administrations and proposed approach to better integrating and maximising the synergy of collaborative work between sectors and regions.

Form a view on:
(a) The UK Commission's relationship with geographical bodies; and
(b) necessary relationship between sectoral and geographical perspectives to optimise the UK system.
(These may be published separately or fed directly into 2010 reviews).

UK-wide

Strategy and Performance

Employment-Skills Local Customer Journeys

Work at local level to assess the quality and effectiveness of the 'customer journeys' for employers and clients through the whole employment-skills system, and develop proposals to improve the outcomes which will be reported in a recommendations report.

Report to DWP in Quarter 4 (by March 2009)
(This may be an interim report depending on resources and progress in implementing new DWP policy)

England, Scotland and Wales

Strategy and Performance

Talent Mapping Project

As part of the work of the Talent Coalition, to map all the 'asks' that are made of employers in relation to the employment and skills system (5-65 age group). In July 2008, Sir Stuart Rose will report back to the Prime Minister and the Talent Taskforce on the actions and outcomes from the Talent Coalition. As part of this, and dependent on the outcomes of the testing process, Sir Mike Rake will present an outline investment proposal for the full scale implementation of the Talent Map (a web-based system for employers to enable them to quickly identify how they may best engage with the skills and employment system).

Prototype of map and outline business case for reporting to Prime Minister with BiTC in July 2008.
Testing of prototype Summer 2008
Investment case for rollout of prototype if successful.

England initially. Wales, Northern Ireland and Scotland to consider

Strategy and Performance

Simplification Project

Scope the Review of the Employment and Skills System in England. A progress report will set out the questions to start a debate on simplification of the post-19 organisational landscape from the perspective of employers and learners.

Response to DIUS white paper June 2008.
Progress report to PM: November 2008.

England

Strategy and Performance

2010 Review of Employment and Skills Services

Report on whether more radical change is needed to integrate employment and skills services in England, Wales and Scotland. This review will draw on the above and other Commission projects and additional underpinning research. A separate and fuller remit for this review is to be agreed with the UK Commission during 2008.

Publish basis for review Spring 2009.
Final report in 2010.

England, Scotland and Wales

Strategy and Performance

commission projects

In addition to the above, it is important that the UK Commission also makes visible progress on its ambitions of offering advice on innovations and policy improvements that will contribute to the employability of new entrants to the workforce and the continuing development and use of skills of those in work in response to employer and individual demand. This will be achieved through a number of additional projects.

Results

A clearer picture of the development and use of skills in the workplace by examining and identifying further opportunities for the skills needed for employability, the utilisation of skills in the workplace, employer investment in developing further skills and employee demand for skills development. The projects will make recommendations and/or share knowledge of effective practice, and contribute knowledge to other UK Commission work.

Work programme

Milestones/ deliverables in 2008/09

Geographic coverage

Lead directorate

Employability Skills Project

Build on existing SSC and other work to provide advice to Ministers on improving the employability of new employment recruits from all educational backgrounds and levels. The project will agree a definition of employability skills (phase 1), identify and test training best practice (phase 2) and consider options for taking the work forward and offering kite-mark approval (phase 3). This work will also provide inputs to the Skills Utilisation project.

Report setting out good practice on teaching employability skills September 2008.
Launch and initial publicity for this approach as the basis for rollout over subsequent 18 months.

UK-wide

Strategy and Performance

Skills Utilisation Project

Assess the evidence on the role of skills utilisation and high performance working in business success and identify successful techniques for encouraging and supporting employers to make better use of skills to improve their competitiveness and increase added value. Further, to develop proposals for their implementation and draw out implications for policy.

Study completed by Spring 2009.

UK-wide, with Scotland leading

Research and Policy

Review of Employer Collective Measures

Engage with employers and provide a view to the UK Government and Devolved Administrations on the levers available to stimulate employer investment in skills and the cost/benefit of the options, including advice on whether there is a need to update and streamline the 1982 Industrial Training Board legislation for levies and whether there is a need for a new framework to support licence to practice schemes. Phase 1 of this project will comprise an objective analytical study of previous initiatives and impact.

Interim report Spring 2009.
Final report late summer 2009.

UK-wide

Research and Policy

Employee Demand Study

Investigate what is known about the existing barriers and challenges facing low-skilled (in particular) and other workers in accessing career-enhancing training.

Recommendations to Ministers.

UK-wide

Research and Policy

underpinning research & policy analysis programme

In order that the UK Commission can fulfil the commitments above, a number of underpinning research and policy analysis projects are required to ensure the UK Commission understands the policies and performance of the employment and skills system, and can effectively monitor the progress of the UK towards its economic, employment and skills goals. This will include monitoring the UK's progress against key international competitors, as well against our own UK aspirations.

Results

Solid evidence on which other projects will be based – filling knowledge gaps, identifying policies that work and ensuring the quality of underlying data.

Work programme	Milestones/ deliverables in 2008/09	Geographic coverage	Lead directorate
Underpinning Research and Policy Analysis Programme			
A full annual research and policy analysis programme including: evidence reviews (syntheses and briefings of 'what we know' about key employment and skills issues including: impact of skills on productivity; and skills for employment); research studies (to fill identified gaps in knowledge and/or inform other work); and policy analysis and evaluation of what works on a UK and international basis.	Publish and promote a series of reports.	UK-wide	Research and Policy
Labour Market Information			
Development of a new standard for sectoral and regional Labour Market Information reports to ensure rigour, consistency and reliability of that data across the four nations. Having a high quality evidence base, particularly in relation to labour market information, which should underpin and inform employment and skills policy, will be essential for the Commission's long-term credibility.	Prototype of web-based LMI tool under development by Spring 2009. Potential for a multi-nation approach and development of common LMI product/s explored. New standard and model for sectoral LMI (to be incorporated into the relicensing process).	UK-wide, for all SSCs	Research and Policy

executive functions

SSC Performance and Relicensing

The UK Commission for Employment and Skills has responsibility for funding and managing the performance of Sector Skills Councils (SSCs) and for advising the UK Government and Devolved Administrations on their relicensing. The work comprises two key processes: relicensing and performance assessment (including on-going contract management of SSCs) and a short project to establish the new SSC contracting arrangements. This work will also contribute to wider policy and strategy development including the Simplification project and the Linking Spatial and Sectoral Initiatives project.

Results

A strong and credible network of relicensed Sector Skills Councils providing a coherent employer voice on skills issues

Work programme	Milestones/ deliverables in 2008/09	Geographic coverage	Lead directorate
SSC Relicensing			
Following preparatory work, the relicensing process will be carried out using 3rd party assessors who will visit SSCs and review evidence in response to their application for relicensing. Commissioner Panels will review the findings before making recommendations to the UK Government and Devolved Administrations. The first SSCs may complete the process as early as January 2009 The relicensing process to be completed by December 2009.	Employer facing document, to endorse the case for a sector based approach to skills development (early July 2008). Prospectus (including SSC standard) for relicensing released July 2008. Assessment visits from September 2008. Commissioner panels from October 2008.	UK-wide	SSC Performance and Relicensing
SSC Performance – preparation of contracts and performance management and measurement arrangements			
This project will ensure that SSC funding and contract arrangements and the infrastructure to support contract management and ongoing performance monitoring and assessment are in place in good time for the relicensing of SSCs. This includes working closely with the SSC contracting team to develop a strategy for core funding for relicensed SSCs and with the Qualifications Directorate regarding the quality assurance of outputs.	SSC Funding strategy and a methodology for core funding agreed. Contract arrangements and supporting infrastructure in place by December 2008.	UK-wide	SSC Performance and Relicensing
SSC Performance – ongoing assessment			
SSC performance will be assessed through risk-based performance management process using the new SSC standard and agreed with DIUS and the Devolved Administrations.	Quarterly review and annual Director meetings. Annual SSC performance assessment published March 2009 possibly within the 'State of the Nations' report.	UK-wide	SSC Performance and Relicensing

Qualifications Reform and related programmes

The UK Commission will lead a range of projects aimed at increasing employer influence in education and training system both through the content of qualifications and a number of related activities. This involves working closely with SSCs and other stakeholders, especially the UK Government and Devolved Administrations. Given the complex, multiple-partner nature of much of this work it is underpinned by a number of key processes including contract management and quality assurance of qualifications products.

Results

Engagement of employers in driving qualifications and standards development, leading to revised qualifications and a reformed system which better meet the needs of employers, individuals and the economy.

Work programme	Milestones/ deliverables in 2008/09	Geographic coverage	Lead directorate
The UK Vocational Qualifications Reform Programme (UKVQRP)			
Continue to lead Sub Programme 1 (qualifications development) and Sub Programme 6 (evaluation) to support the UK Vocational Qualifications Reform Programme and the development of revised qualifications and a reformed system which better meet employer needs.	Sector Qualification Strategies and action plans produced by the SSCs meet agreed quality standards and deliver reformed qualifications across all age ranges.	UK-wide	Qualifications
National Occupational Standards (NOS)			
Review the strategic future direction of National Occupational Standards (NOS), in consultation and with agreement from the UK Government and Devolved Administrations, ensuring they are based on sound labour market intelligence and meet the changing global demands of the economy. This work will ensure employers drive the standards required for all occupational roles and that these form the basis for revised qualifications.	Working collaboratively with the UK Government and Devolved Administrations, agree a long term strategy for NOS involving an operational shift from a levy and bidding system to direct grants based on strategic priorities.	UK-wide	Qualifications
Apprenticeships			
Work with SSCs and the UK Government and Devolved Administrations to improve the quality of and availability of apprenticeships including modern apprenticeships in Scotland and young apprenticeships in England. This work supports the Leitch ambition of focusing on intermediate level skills of economic value to employers, and the ambitions set out in <i>Skills for Scotland</i> and <i>Training for Success in Northern Ireland</i> .	Manage the transition to a reformed performance management system tailored to the different requirements of the UK Government and Devolved Administrations.	UK-wide	Qualifications
14-19 Development – Qualifications for young people			
Manage Diploma Development Partnerships (DDPs) in England and contribute to policy and curriculum development in the rest of the UK to make 14-19 learning and skills programmes innovative, exciting, relevant and effective for young people and employers in the UK.	Working with DDPs and key partners, manage a programme of work to develop, promote and engage employers in all 17 Diplomas in four phases.	England	Qualifications

improving the information provided by employers to help individuals make better career choices

Qualifications Reform (continued)

Results
Engagement of employers in driving qualifications and standards development, leading to revised qualifications and a reformed system which better meet the needs of employers, individuals and the economy.

Work programme	Milestones/ deliverables in 2008/09	Geographic coverage	Lead directorate
Qualifications policy			
Analyse developments in the UK Qualifications systems and support the alignment of national frameworks with the European Qualifications Framework (EQF) through partnership work with the government-led, four-nation EQF group. Alignment with EQF will assist employers operating in global and international markets for products, services and labour.	Contribute as required to UK Commission projects. Participate in developments to articulate UK frameworks with EQF and report on likely impact.	UK-wide	Qualifications

Related programmes

Results
Engagement of employers to increase opportunities for women in sectors where they are under-represented and to provide better employment and careers advice to all individuals.

Work programme	Milestones/ deliverables in 2008/09	Geographic coverage	Lead directorate
Career pathways for women			
Test new recruitment and career pathways for women in sectors where there are skill shortages and where women are under-represented to find ways of increasing investment in women's skills by employers and greater equality of opportunity.	Increased levels of uptake in job roles where women are under-represented.	England	Qualifications
Employment and careers guidance			
Ensure information, advice and guidance offered in England is based on sound labour market intelligence, improving the information provided by employers to help individuals make better career choices.	All SSCs to deliver agreed outputs.	England	Qualifications

establishing presence & reputation

In order for the UK Commission for Employment and Skills to achieve maximum influence with stakeholders, the UK Commission needs to establish its identity, vision and presence in the employment and skills landscape.

establish and positively reinforce the UK Commission's corporate reputation

Results

The presence, vision and credibility of the UK Commission for Employment and Skills are established with key stakeholders, influencers and other audiences, and UK Commission outputs and advice are effectively promoted.

Work programme

Milestones/ deliverables in 2008/09

Lead directorate

Establish UK Commission presence and reputation

Facilitate the establishment of a strong and positive corporate reputation with key audiences, especially employer and employment interests; and with the UK Government and Devolved Administrations; and others who have significant influence in the employment and skills world.

A number of events across the UK, including Receptions for influential stakeholders and audiences, 'Listen and learn' events for Commissioners by December 2008, and (potentially) a major national conference in March 2009 as a platform for the 'State of the Nations' report 2009.

Communications

Support to UK Commission colleagues

Establish the core communications processes, mechanisms and collateral to help UK Commission colleagues execute and promote successful projects and so as also to give a robust foundation for an ambitious yet deliverable level of Communications Directorate strategic advice and appropriate practical support to those colleagues, including effective stakeholder relationships.

The establishment of sound e-communications, including a website and intranet, building in ambitions towards appropriate use of web technologies such as moderated online discussion forums / communities of interest.

Effective high profile communications support for UK Commission projects.
A high profile and positive welcome for the 'State of the Nations' report 2009.
The implementation of good internal and external, technology-enabled communication and engagement tools for staff, Commissioners and external stakeholders.

Communications

Maximising UK Commission profile

Seize on positive aspects over and above immediate Work Programme project content in order to establish and positively reinforce the UK Commission's corporate reputation as part of a process intended to engender a higher level of national debate on skills and employment issues and affording higher priority for employer-leadership, thereby helping fulfil the UK Commission's vision and the achievement of its mission.

The exploitation of other elements of the Work Programme and other opportunities as they arise, so as to provide not less than five integrated 'campaigns' in the course of the year.

Communications

creating, enabling & developing the organisation

The first priority for the UK Commission for Employment and Skills is to establish itself as a fully functioning organisation. All staff will be involved in this process through planning activities, participation in the development of culture, values and behaviours and in the review, design and implementation of business processes and ways of working. Beyond this initial set-up phase, work will seek to continually improve UK Commission productivity and performance.

Corporate Services

Results

A fully established organisation with the capabilities, structures, systems, processes and attitude to deliver the Business Plan efficiently and effectively – meeting quality, time and financial control requirements, with mechanisms in place to continually improve on performance.

Work programme

Milestones/ deliverables in 2008/09

Lead directorate

Develop business plans

Deliver this Business Plan and the first five year Strategic Plan in accordance with the needs of the organisation and sponsor requirements.

Business Plan for 2008/09 by end June 2008.
Five year Strategic Plan by end March 2009.

Corporate Services

Develop finance and performance management and reporting

Agree and establish appropriate measures for financial and non-financial reporting.
Document, review, develop, implement and embed key business processes, systems and controls – in particular relating to financial, risk and project management.

Initial suite of quarterly performance measures and reports developed by end June 2008, full suite by September 2008.
Risk Management Strategy and Project initiation and management process implemented from end June 2008.
Finance and contracting systems reviewed by December 2008

Corporate Services

SSC contracting

Ensure fit-for-purpose contracts and efficient and effective processes are in place for contract creation and management and for financial reporting to deliver value for money.

Interim UK Commission funding contracts in place June 2008.
Fit-for-purpose contracts in place for relicensed SSCs.
Meet agreed service level to internal customers.

Corporate Services

HR – recruitment and development of polices, procedures, culture and values

Ensure the UK Commission for Employment and Skills recruits and inducts the people it needs to deliver current and future work programmes.
Co-ordinate work on culture, values and behaviours and engage all staff in their development.
Review all HR policies and procedures and develop a pay and reward strategy, taking account of best practice, to ensure they support the vision, culture values and behaviours of the organisation.

Complete recruitment to the UK Commission by end September 2008 with induction complete by December 2008.
Culture, values and behaviours developed and being embedded by end March 2009.
All HR policies and procedures reviewed and approved (including pay and reward strategy).

Corporate Services

HR – service delivery and improvement

Including ongoing recruitment, review of job descriptions and grading, the identification of skills needs and development of existing staff, engagement of staff through an employee forum and work towards IIP, with a view to becoming IIP accredited in 2009/10.

Skills gap and training needs analysis completed.
Leadership programme and Corporate People Development programme underway.
Employee forum established end June 2008.

Corporate Services

Corporate Services

Results

A fully established organisation with the capabilities, structures, systems, processes and attitude to fulfil its legal and Corporate Governance obligations and deliver the Business Plan efficiently and effectively – meeting quality, time and financial control requirements, with mechanisms in place to continually improve on performance.

Work programme	Milestones/ deliverables in 2008/09	Lead directorate
IT and facilities – systems and offices set up		
Create an office environment that supports ways of working suitable to delivering the vision and values of the organisation, including the training of staff in use of new tools to enable efficient and effective working.	Installation of new IT and telecommunications infrastructure. Refurbishment of London and Wath offices.	Corporate Services
IT and facilities – service delivery and development		
Maintenance and development of the physical and technological infrastructure of the organisation to support increased productivity.	Meet agreed service level to internal customers.	Corporate Services
Finance and performance – reporting and improvement		
Monitor and improve the performance of the organisation through the development of processes, systems and controls in accordance with the needs of the organisation and the requirements of its sponsors.	Monthly finance reports to sponsors from end May 2008. Establish internal Performance and Risk Group by July 2008. Meet agreed service level to internal customers.	Corporate Services
Corporate Governance		
Provide advice and guidance on Corporate Governance to Chair, Commissioners, Chief Executive and others as appropriate, identifying and implementing best practice. Completion of governance framework and embedding in the work of all staff.	All legal requirements met in relation to formally establishing the UK Commission for Employment and Skills. Continue to ensure probity and compliance with legal and regulatory requirements.	Corporate Services
Secretariat support to UK Commission and its Committees		
Provide first class secretariat services for UK Commission meetings, including committees and task and finish groups. Provide essential administrative support to the UK Commission for Employment and Skills.	Meet agreed service level.	Corporate Services

Commissioner Engagement

Results

Commissioners are enabled to perform their duties effectively

Work programme	Milestones/ deliverables in 2008/09	Lead directorate
Commissioner engagement		
Assist the Commissioners in developing their knowledge, expertise and effectiveness in their role as Commissioners and to fulfil their responsibilities as committee members.	Commissioners' induction programme delivered. Provide briefing materials to Commissioners.	Special Adviser, with Communications

organisation & financial resources

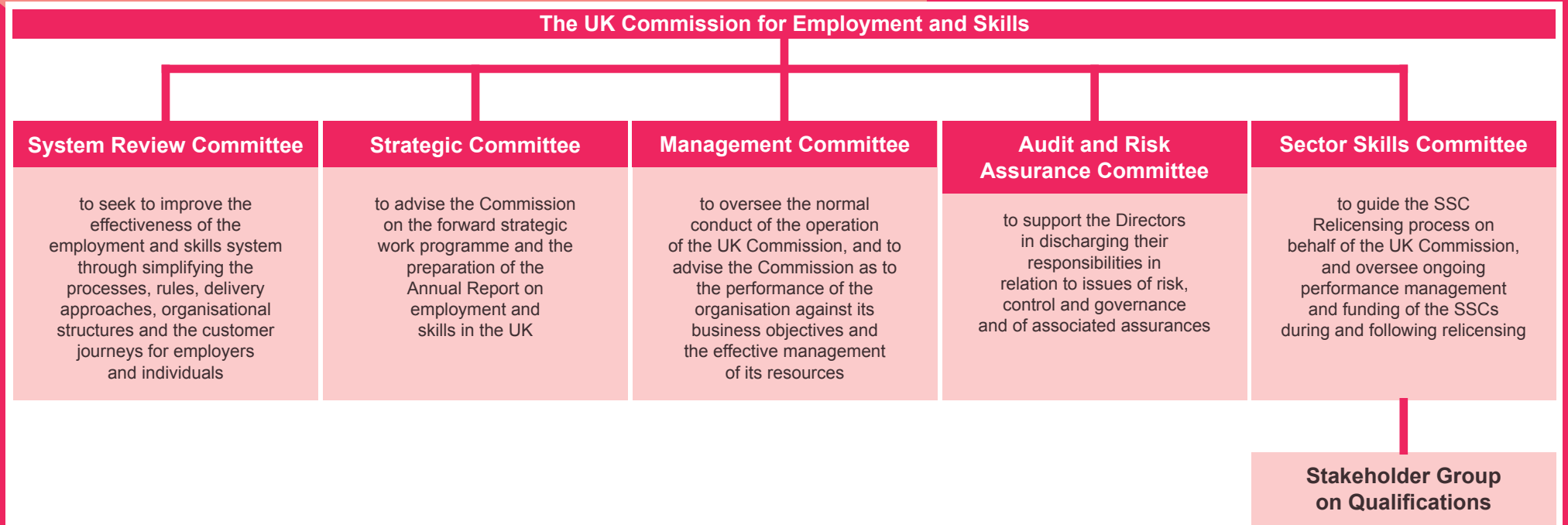
The UK Commission for Employment and Skills is led by 24 Commissioners drawn from the highest levels of the private, public and voluntary sectors, supported by trade union leadership. Commissioners engage in delivering the UK Commission's vision by articulating employers' views and the employability and development needs of individuals at high levels of the UK Government and Devolved Administrations and within key forums to influence policy and decision making.

The Commissioners oversee the work of the UK Commission through a number of committees as shown below. Committees may appoint task-and-finish groups or special advisory groups from time to time to assist their work by considering specific issues.

For management purposes the UK Commission is structured into six Directorates. Two of the Directorates, 'Research and Policy' and 'Strategy and Performance' are focussed primarily on the advisory role, 'Qualifications' and 'SSC Performance and re-licensing' perform the executive functions. These four Directorates are supported by the remaining two, which also have key roles to play in establishing the organisation, stakeholder management and ensuring its capacity and capability to deliver.

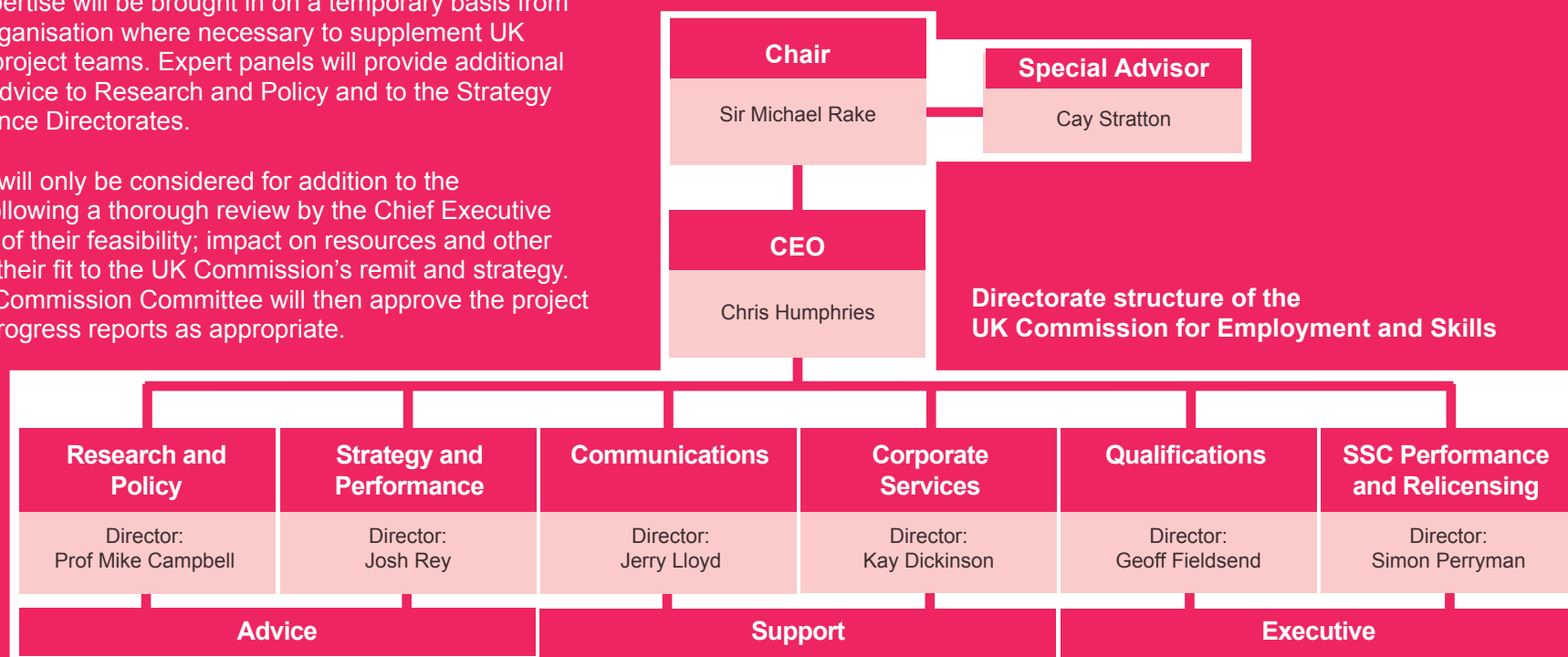
Much of the UK Commission's work will be project managed using standard project management methodology with project teams designed to make best use of the skills and expertise of UK Commission staff.

Committee structure for the UK Commission of Employment and Skills



Additional expertise will be brought in on a temporary basis from outside the organisation where necessary to supplement UK Commission project teams. Expert panels will provide additional support and advice to Research and Policy and to the Strategy and Performance Directorates.

New projects will only be considered for addition to the programme following a thorough review by the Chief Executive and Directors of their feasibility; impact on resources and other projects; and their fit to the UK Commission's remit and strategy. The relevant Commission Committee will then approve the project and receive progress reports as appropriate.



Resource allocations

The following pages indicate:

- the contributions of teams across the organisation to the current work programme;
- the budget of the UK Commission by funding stream; and
- the allocation of programme budget across the work programme.

The table of team allocations provides an important tool for deploying staff, setting individual objectives and managing delivery. Each project or area of work has a nominated lead and project team, but support will come from across the organisation as necessary to ensure the delivery of high quality advice and products.

The type of support offered by other teams is annotated as:

- **advise** - a passive role, responding to requests with a low resource implication. For example, pointing people in the right direction or giving an expert opinion;
- **assist** - a more active form of advice where people need more help, but it remains their responsibility. Expect moderate resource implication. For example, Communications staff working alongside other colleagues to ensure effective communication of key messages;
- **input** - taking responsibility for part of the work although it is lead by someone else. Definite, maybe significant, resource implication. For example, a research project to underpin a larger piece of work;
- **support** - the extent and the resource implications are still being scoped and are not yet fully understood but could range from ad hoc advice to moderate input;
- **follow** - clear guidance will be provided, but all staff share the responsibility for ensuring its effective and consistent application in their area of work;
- **mgmt** - responsibility for contract management; or
- **culture** - all staff are encouraged to help develop a shared culture and value

UK Commission for Employment and Skills 2008/09 Budget - by funding stream

	Recurrent Funding			Project Funding				Total
	BaselineGrantinAid*	NOSGrantinAid**	Women in Work	14-19	14-19 additional	IAG	NOS Levy	
Headcount								
Opening Permanent (FTEs)	50.2	9.0	2.0	4.0	1.0	0.0	5.0	71.2
Closing Permanent (FTEs)	73.3	10.0	2.0	4.0	3.0	0.0	7.0	99.3
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Total Pay	4,802	499	70	235	86	-	242	5,933
Total Non-Pay	2,448	101	7	45	23	-	44	2,669
O/head allocation (Accom, IT and baseline funded support services)-support staff cost	(211)	-	39	-	-	-	112	-
O/head allocation (Accom, IT and baseline funded support services)-non staff cost	(289)	-	48	-	-	-	169	-
Total UKCES Pay/NonPay Budget	6,750	600	164	520	-	-	567	8,602
CapEx & Depreciation								
Cap Ex	250	-	-	-	-	-	-	250
Depreciation & Cost of Capital	400	-	-	-	-	-	-	400
Total Cap Ex & Dep'n	650	-	-	-	-	-	-	650
Total UKCES Organisation Cost (Excl Programme Cost)	7,400	600	164	520	-	-	567	9,252
UKCES Programme Budget	4,410	267	150	200	-	-	15	5,042
Total UKCES Organisational Budget	11,810	867	314	720	-	-	582	14,293
SSC Funding Budget	48,274	2,933	4,686	7,635	-	1,000	11,638	76,166
Total Budget Managed by UKCES	60,084	3,800	5,000	8,355	-	1,000	12,220	90,459

* Includes 1.3m from DWP ** Includes Devolved Admin funding of 1.1m

Table of Directorate Programme Budget Allocations

	Team	Research and Policy	Strategy and Performance	SSC Performance & Relicensing	Qualifications	Communications	Corp Services	TOTAL (£)
Projects	Advisory role	'State of the Nations' report	200,000			171,500		371,500
		2010 Review of employment and skills services		100,000				100,000
		Simplification Study		50,000		71,500		121,500
		Linking spatial and sectoral initiatives		55,000				55,000
		Talent mapping		167,000		71,500		238,500
		Employment-skills local customer journeys		105,000				105,000
		Employability skills		223,000		71,500		294,500
		Review of employer collective measures	400,000					400,000
		Skills utilisation project	300,000			71,000		371,000
		Employee demand study						0
Projects	Executive Functions	SSC Performance – establish new funding and measures					50,000	50,000
		SSC Relicensing			635,000			635,000
		NOS				107,000		107,000
		14-19 Developments				200,000		200,000
		UKVQRP				175,000		175,000
		Qualifications policy developments				50,000		50,000
		Career pathways for women				150,000		150,000
		Employment and careers advice						0
Projects	Create and establish presence of the UK Commission	Establish UK Commission presence and reputation				94,000		94,000
		IT and facilities – systems and offices set up					100,000	100,000
		HR – initial recruitment, policies, culture and values						0
		Develop business plans, finance + performance mgmt				50,000		50,000

	Team	Research and Policy	Strategy and Performance	SSC Performance & Relicensing	Qualifications	Communications	Corp Services	TOTAL (£)		
On-going processes or service	Advisory role	On-going pro-active review of employment and skills systems								
		Underpinning research and policy analysis	750,000				100,000	850,000		
		Labour Market Information	250,000					250,000		
	Exec role	SSC Performance Management - ongoing			15,000				15,000	
		Maximise UK Commission profile					259,000		259,000	
	Enable and develop the UK Commission and its reputation	IT and facilities – service delivery and development							0	
		HR – service delivery and improvement							0	
		Finance and performance – reporting and improvement							0	
		SSC contracting							0	
		Governance, support to Commissioners + Committees							0	
TOTAL (£)		1,900,000	700,000	650,000	682,000	960,000	150,000	5,042,000		

■ = Lead Directorate for Project/Deliverable

Shaded box with no cost = Resources funded from other than programme budget allocations

finance & governance

As a non-departmental public body (NDPB) and a company limited by guarantee there are a number of controls and constraints which the UK Commission has to work under in terms of how it manages resources.

Whilst the UK Commission (represented by the Commissioners and Chief Executive) is accountable for proper management of the funding it receives, the Chief Executive, in his role as the appointed 'Accounting Officer' by Government, is also specifically held accountable to the Government for how the UK Commission's money is controlled and spent. There is formal delegation to UK Commission staff for authorising spend and administering the funding received, thereby ensuring clear lines of accountability.

The UK Commission is finalising a governance framework which has been developed in accordance with Cabinet Office and Treasury Guidance and requirements set out in the framework agreement with sponsoring government departments. The financial control framework is shown in the diagram on the following page.

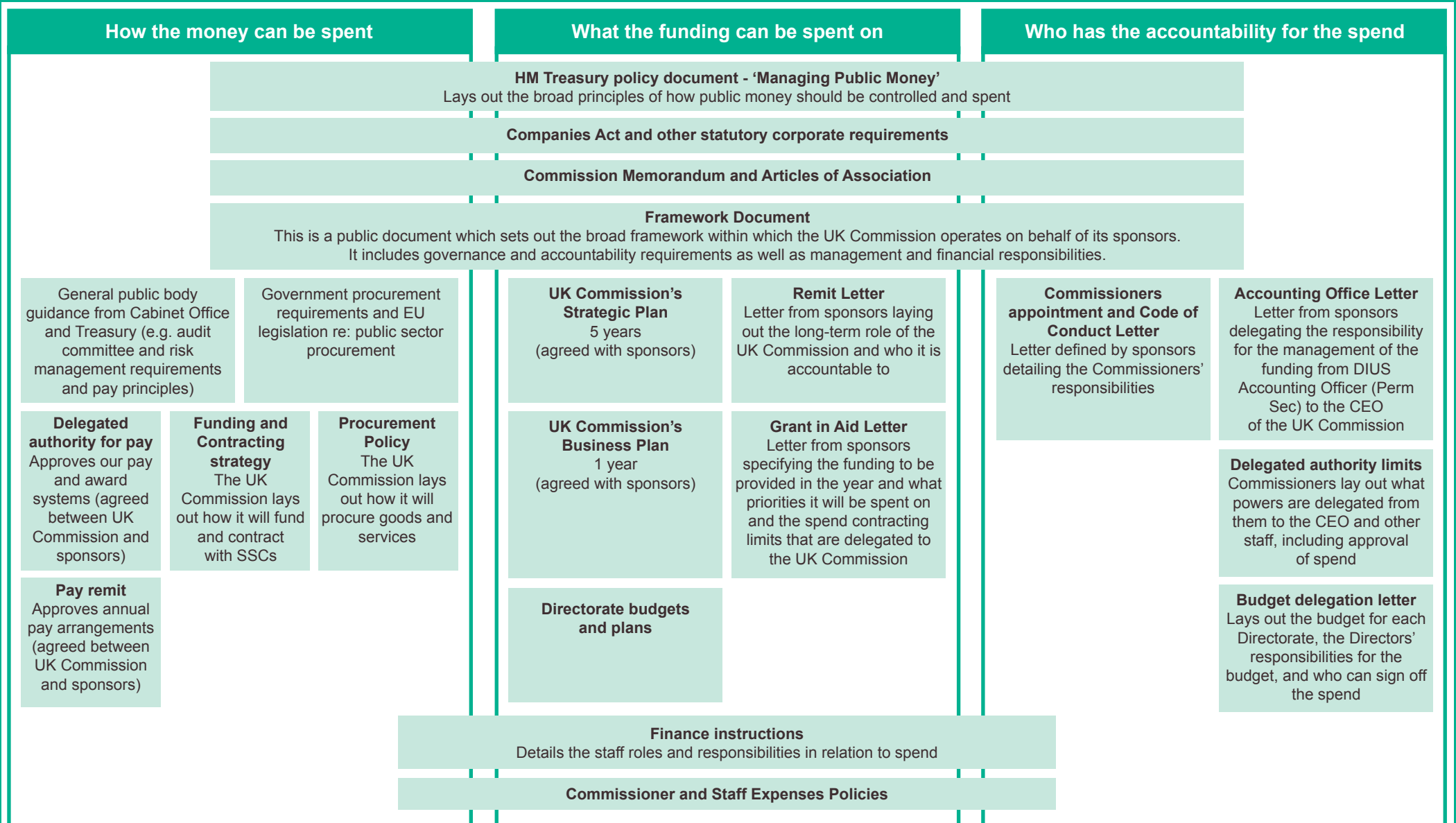
Procedures and guidance have been developed to enable effective financial control. In particular, procurement and contracting procedures have been designed to ensure probity and value for money through competitive tendering, either directly or through co-opting into an existing government framework agreement that has been competitively tendered. Project management and risk management procedures have been developed to ensure effective delivery to time, cost and quality requirements and HR procedures have been designed to ensure

procedures have been developed to ensure effective delivery to time, cost and quality requirements

fair recruitment and management of staff. The Code of Conduct, supplemented by the work on values and behaviours (currently under development) will set out clear expectations of management and staff.

UK Commission Staff and Commissioners are provided with induction and training to enable them to conduct their work in accordance with the governance framework and the values of the UK Commission. Assurance is provided through the UK Commission Committees supported by internal and external audit services.

UK Commission for Employment and Skills Financial Control Framework



Reporting and assurance on spend

Reporting to the UK Government and Devolved Administrations — reporting on strategic impact, operational delivery and resource utilisation

UK Commission's Audit and Risk Committee providing assurance to the UK commission on the effectiveness of internal controls and reporting (utilising internal and external audit functions)

UK Commission's Management Committee — organisational planning, performance and resource management and utilisation

Reporting to UK Commission's Senior Leadership Team and budget holders — utilisation and allocation of budgets

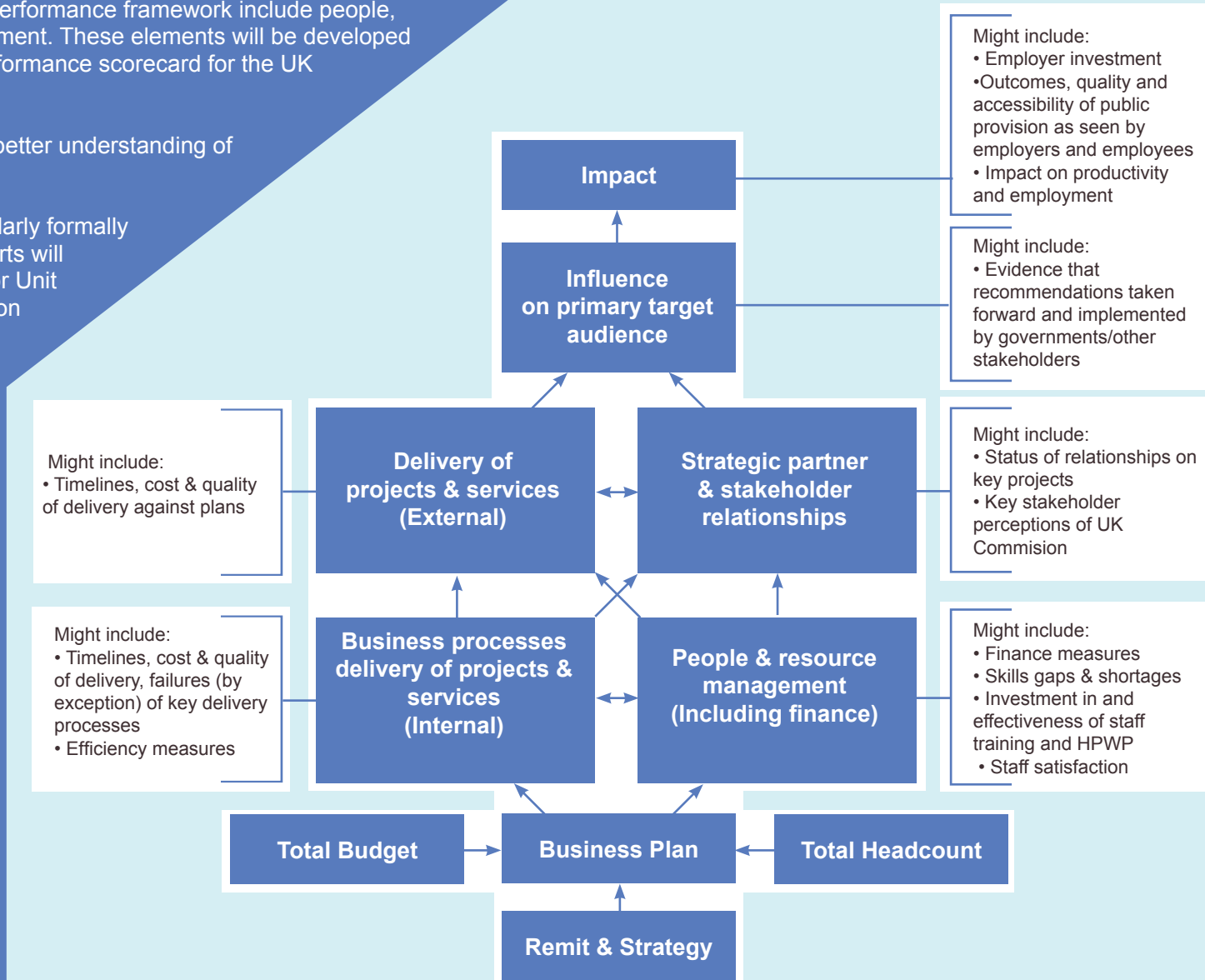
measuring performance

The UK Commission for Employment and Skills will assess its progress towards meeting the milestones and deliverables set out in this plan as one element in a framework for understanding our performance. In addition to meeting the timescales identified in this plan the UK Commission will also seek to identify measures of the quality of our delivery (internal and external). Other elements of the performance framework include people, budget, contract, risk and stakeholder management. These elements will be developed into a balanced set of measures creating a performance scorecard for the UK Commission.

Further to this, work is underway to develop a better understanding of how best to evaluate influence and impact.

The Chief Executive and his Directors will regularly formally review performance and monthly financial reports will be submitted to the government's Joint Sponsor Unit for the UK Commission. Each quarter a report on financial and non-financial performance and risk will be submitted to the UK Commission Management Committee and to sponsors.

The information generated through this performance measurement process will be used to identify areas for improvement, to increase the quality of our work, our productivity, influence and impact.



risk management

The UK Commission for Employment and Skills is fully committed to achieving influence and impact in pursuit of its goals and meeting its legal, financial and other obligations by managing risk efficiently and effectively. In doing this the UK Commission has adopted best practice (based on OGC guidance) for the identification, assessment and proportionate control of risk in implementing its strategic and business plans and for supporting decision-making.

The UK Commission for Employment and Skills maintains, and keeps under review, a Corporate Risk Register containing all significant identified risks affecting the UK Commission, the achievement of its objectives and delivery of this work programme. Lower level risks are managed at team level.

The top strategic risks currently being managed are listed below.

Risk description	Management action
The UK Commission for Employment and Skills may have insufficient input to policy decisions and therefore evidence-based recommendations are not implemented decreasing the likelihood of improvements to the employment and skills system and/or to employers' engagement in developing and utilising the full potential of their staff.	Stakeholder management strategy and communications plan to raise awareness of the UK Commission and its work with appropriate policy makers. Ongoing dialogue with relevant policy units.
The UK Commission fails to develop a sufficiently strong corporate identity leading to inconsistent messages from the UK Commission and resulting in confusion amongst stakeholders and damage to the reputation and credibility of the UK Commission.	Involve all staff in the development of the corporate identity, vision, values and behaviours. Development of brand and website. Stakeholder management strategy and communications plan.
The UK Commission fails to understand and effectively engage with stakeholders leading to a failure to work for collective interests and resulting in poor recommendations and lack of influence and impact.	Communications and stakeholder strategies. Advisory panels of key stakeholders set up for key projects.
Conflicting government priorities/ targets lead to organisations within the employment and skills system working at cross-purposes to each other and to the UK Commission, making it impossible to achieve integration and simplification.	Engage with and respond to policy consultations. Advise government on appropriate targets.
Additional requirements imposed at short notice causing a sudden increase in workload leading to delay in other programmes/ projects.	Horizon-scanning and on-going dialogue with sponsors Prioritisation of work programme. Policy/ process for accepting new work which includes review of human and financial resource capacity.
Shortages of appropriate skills and/or staff numbers leading to an inability to successfully deliver the work programme and impacting on the achievement of UK Commission objectives.	Recruitment underway to fill remaining posts. Training needs analysis planned followed by training and development of staff. Future scanning to anticipate shortfalls in skills and develop recruitment strategy to target problem areas. Use of secondees and fellowships where necessary Prioritisation of work programme.
Lack of sufficiently robust internal management systems (project, finance, contract and people) leading to poor internal control and ineffective working between the London and Wath offices, impacting on the successful delivery (time, cost and quality) of the work programme.	Review of systems and business processes to ensure suitability. Quality assurance mechanisms and other new systems to be developed as necessary by end June 2008. Monitoring through performance measurement processes and internal audit.

Further, more detailed, risks to the UK Commission's long-term strategic objectives will be identified as the first five year strategic plan is developed during 2008/09.

UK Commissioners

Sir Michael Rake
Chairman UK Commission
Chairman BT Group plc

Lord Victor Adebawale
Chief Executive,
Turning Point

Jeremy Anderson
Head of Financial Services,
KPMG Europe LLP

Sarah Anderson
Director, Simple Solutions Ltd

Brendan Barber
General Secretary,
Trades Union Congress

David Brennan
Chief Executive Officer,
AstraZeneca plc

Murray Coleman
Chief Executive Officer,
Bovis Lend Lease UK

Professor Alan Gilbert
President and Vice-Chancellor,
University of Manchester

Philip N Green
Chief Executive,
United Utilities plc

Larry Hirst
Chief Executive,
IBM EMEA

Chris Hyman
Chief Executive,
Serco Group plc

Julie A Kenny
Managing Director,
Pyronix Limited

Sir Robert Kerslake
Chief Executive,
Homes and Communities Agency

Richard Lambert
Director-General,
Confederation of British Industry

Charlie Mayfield
Chairman,
John Lewis Partnership

Ioan Morgan
Principal,
Warwickshire College

Dave Prentis
General Secretary,
UNISON

Willie Roe
Chair,
Highlands & Islands Enterprise

Liz Sayce
Chief Executive,
RADAR

Grahame Smith
General Secretary,
Scottish Trades Union Congress

Valerie Todd
Managing Director Group Services,
Transport for London

Sir Adrian Webb
Chair,
Wales Employment & Skills Board

independent UK-wide evidence-led creative
productivity-focused responsive authoritative
knowledgeable objective effective passionate
inspirational employer-led collaborative
constructively radical innovative insightful
challenging thought-provoking plain-speaking
assertive results-driven efficient influential
high-performing cutting-edge strong
opinion-leading demand-led talent-unlocking
prosperity-seeking socially-conscious

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