Agenda item 15
Paper LSC 53/2007

Intelligence briefing on large national employers

October 07 update from National Employer Service

Innovation and the role of the LSC’s National Employer Service (NES)

NES has to work with much larger contracts in the future: we need 150 employers with an average of 1000 learners pa each. Expansion on this scale presents a range of challenges:

- Engaging the right employers at the right level to get CEO commitment to such a large programme
- Encouraging innovation in the way that employers design and embed their programmes (eg through accreditation of inhouse programmes), and enabling them to run them on electronic rather than paper-based platforms
- Building the capacity of the employers’ inhouse teams to become confident, competent managers of publicly funded programmes

For new business we now have a minimum requirement that contracts should start at 200 learners and reach 10% of the workforce within 3 years. Following a review in October of our current contract portfolio, however, we are proposing to move our 50 smallest contracts, which together support only 2500 learners, out of NES, to enable us to concentrate on building up the larger, more committed contracts.

Progress on the Skills Pledge

At the launch of the Skills Pledge, 0.5m employees were covered by pledged organisations and now 31 of the 600 large employers (5000+) have pledged, covering 1.325m employees. Not all of these are, or are likely to become, contracted NES employers. When Deloittes made the pledge, for example, they were confident that all their staff were graduates. When a diagnostic survey revealed nearly 100 staff without a level 2, NES referred them to support from London’s Train to Gain service

NES have confirmed future Pledges covering over 31,000 employees, most recently including VT Group and AstraZeneca. NES are now also in initial talks with 40 more large employers that cover a further 300,000 employees. These include Royal Mail, Asda, HSBC and Morgan Stanley, and would take employees covered by NES Skills Pledge activity to over 1.6m.

Forthcoming NES events

31st October – Millennium Gloucester Hotel, Kensington

David Lammy will be presenting certificates to 6 newly pledged employers covering 30,000 employees. David Fairhurst from McDonalds and Maxine Dolan from Tesco will
debate with QCA and DIUS the proposals for flexing up the accreditation of inhouse training programmes.

9/10th January – Skills Pledge Event
QE2 Centre, Westminster
The event is aimed at the leadership of large organisations to discuss the Skills Pledge and how to take it forward within their organisation. Speakers include the HR Director of Sainsburys who will present Sainsbury’s journey and the impact of the Skills Pledge on the company. We also hope to present certificates to at least another 5 NES employers and announce that 1.4m employees are then covered by NES pledged companies.

New business coming through in October 2007

New business proposals brought to NES for approval this month included shoe retailer Stilo (brands include Barratts), Phones4U, and Scottish & Southern Electric.

Feedback from employers on the NES service

We recently invited some of employers with whom we work most closely to give us feedback, good and bad, on the NES service.

Steven Davis of Sainsbury’s replied:

The NES have been flexible to our needs, listening to our views related to the bureaucracy linked to qualifications that can switch employers off, giving us advice and guidance to support our understanding of the processes and reducing the paperwork. Since signing the Skills Pledge and recruiting a new Qualifications and Skills Manager the relationship between NES and Sainsbury’s has grown. We are confident that the relationship we have built with NES will guide and support Sainsbury’s as we progress ..in developing qualifications that add value to the individual, business and industry.

When asked how we could improve our service, Steven gave us some excellent advice, to keep it simple:

Overall, it is important for NES to continuously strive to keep things simple, continuing to remove bureaucracy for employers.. [given] the projected volumes that the skills pledge will bring. Despite a marked change there are a lot of complicated processes in place …

NES should be actively promoting to key employers the use of electronic signatures and records…

NES should be fully engaging employers in the future role of Ofsted, and perhaps even challenging the current inspection process and how this will judge employers with large volumes and 'new world' qualification programmes…inspection of the employer in line with colleges and schools seems bizarre….

Work to address these issues is underway.

Hilary Chadwick
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