

1. What are the most appropriate targets, measures and incentives to ensure that publicly funded employment and skills services deliver sustainable outcomes in jobs, skills and productivity?

Semta supports the development of targets, measures and incentives which are consistent with a process of responding to identified business needs rather than a product or provider -led service.

Semta's sector skills service to employers applied through the Train to Gain Sector Compact has demonstrated that companies across their footprint have responded positively to a sector specific-led system and this process has proven to be an effective and efficient way of delivering the skills services which deliver outcomes of improved productivity and job retention.

The Semta approach used on the Compact is applied in Scotland Wales and Northern Ireland and has targeted those companies identified as being within the Government's New Industries, New Jobs paper and as priority sectors targeted for BIS investment. Semta has developed a diagnostic tool which links business objectives to skills investment. The use of this ' Business to Skills' diagnostic tool ensures that the investment in training delivers bottom line business benefits which improve the company's performance and supports employment and jobs within the UK as well as up- skilling the individual in the workplace.

Semta's experience across the UK of a sector led approach has demonstrated that Sector Skills Councils are often the preferred specialist advisor of employers, particularly SMEs as through their networks they are able to deliver a far more cost effective, efficient skills information, advice and guidance service. Semta can also for example provide data covering, the employer, the training provider, the individual, their occupation and the business improvement and growth for all the companies they have engaged creating a valuable source of qualitative and quantitative data.

2. Given significant pressure on future public expenditure, how can we simplify public funding streams to lever substantially greater investment in workforce development from employers and individuals and reduce administrative costs within the system?

Better utilisation of existing organisations needs to be considered as the preferred route before creating new organisations to deliver new initiatives. Consideration should always be given to organisations already in existence and with the same remit who have demonstrated their effectiveness and value for money.

Semta recommends that the Business Link Service should continue to provide business support services such as advice on capital, premises, inward investment, R&D, and regional priority grants etc. Sector Skills Councils whose role it is to engage and support employers to address their skills and training issues should become the single route for this creating a complementary and cost effective process. Sector Skills Councils who have achieved at least a 'good' or 'satisfactory' score in their Relicensing bid have already demonstrated this and had their performance independently assessed

Serious consideration should be given to providing funding for training directly to employers through their Sector Skills Council. As custodians of the quality of national standards and qualifications, an SSC is ideally placed to act as a conduit for funding. SSCs are UK-wide, which would reduce the regional disparities and address as appropriate those between the four nations. SSCs are employer-led organisations and this would effectively give employers direct influence over funding for their sector. Through the National Skills Academy for Manufacturing for example, Semta can access quality providers who can deliver publicly funded training to a high standard.

3. What three measures are most likely to simplify complexity of organisations, processes and initiatives in order to maximise the value of public investment in frontline delivery?

Measure 1: utilise existing organisations better

Before introducing any new initiative or creating a new organisation, serious consideration needs to be given to those organisations already effectively engaging employers and who have demonstrated their value and effectiveness. Once all the SSCs have successfully been through the relicensing process, they must become the focus for sector-led initiatives and government support.

Measure 2: reduce the number of steps required to access funding through Train to Gain

The early experience of Train to Gain for vast numbers of employers in the engineering and science sector did not inspire great enthusiasm. Brokers in the main were not expert in the needs of the sector. Companies did not have confidence in their assessment of the training needs or in the recommended Training Provider. Many companies were interested in the offer of funding support to train their employees but did not carry this through to effective training plans or the up-skilling of their workforce. Often companies are encouraged to agree to the training that a given provider can offer rather than having help to diagnose their priority requirements in relation to the Business needs.

Since Semta has introduced its Compact activity, we are confident that companies are moving forward far more strategically with training activity. However Semta has to pass all of their analysis and recommendations on to the regional Brokerage Services which creates a delay in the system and increased bureaucracy which employers find difficult to understand. Semta's Compact engagement could lead seamlessly into training provision, without the need for the additional broker interaction.

Measure 3: reinforce the sector-led support process to plan strategically for skills

Semta's sector led approach as demonstrated through their Compact has provided science, manufacturing and engineering companies with sector-specific information, advice and guidance on the skills and training they need. By utilising a sector specific diagnostic process which links training to the business's requirements, it is providing a return on investment far greater than training which is ad hoc and unplanned.