

**TRAINING AND EMPLOYMENT PARTNERSHIP: TRANSFER OF RESPONSIBILITY FROM THE
EMPLOYMENT AND SOCIAL SECURITY COMMITTEE TO THE ECONOMIC DEVELOPMENT
COMMITTEE**

**Lodged au Greffe on 5th November 2002
by the Employment and Social Security Committee**



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PROPOSITION

THE STATES are asked to decide whether they are of opinion -

to refer to their Act dated 23rd November 1994 in which they agreed to constitute a new agency to be called the Training and Employment Partnership to promote training and employment matters in the Island, and agreed that the new agency should be responsible to the Employment and Social Security Committee, and -

to agree that responsibility for the Training and Employment Partnership (TEP) should be transferred from the Employment and Social Security Committee to the new Economic Development Committee with effect from 1st January 2003 in accordance with the arrangements described in the report of the Employment and Social Security Committee dated 17th October 2002.

EMPLOYMENT AND SOCIAL SECURITY COMMITTEE

Note: The Industries Committee supports this proposition.

REPORT

Training and Employment Partnership (TEP)

Background

The TEP was established eight years ago following the Policy and Resources Committee's 1994 Strategic Review and Action Plan, in which it was stated that "a single agency - the Training and Employment Partnership - should be better placed to develop and co-ordinate action for the unemployed, and to work in partnership with employers in order to achieve a well-trained, effective local work-force which will meet the Island's current and future needs".

The States agreed on a Proposition of the then Social Security Committee to set up the Partnership "to promote employment and training in the Island" and co-ordinate the work of the then Employment Enterprise Board, the Job Club, the Jersey Training Agency and the Youth Training Board.

Constitution, role and work of the TEP

The TEP is overseen by a Board made up of public and private sector representatives. It was set up as a "Partnership" in order to bring together all interested parties - employers, employees and government - recognising the importance of everyone working together if the declared objectives were to be achieved for the benefit of all concerned. Its role has been one of strategic direction, providing a strong commercial perspective and independent scrutiny.

In its eight years, TEP has pursued its remit vigorously and with considerable success, as fully documented in the Partnership's Annual Reports. Initially its efforts were concentrated on issues of unemployment and setting up an integrated Employment Service which has since proven to be very effective in enhancing employment opportunities and minimising the impact of unemployment. This service is now being fully integrated with the Social Security one in order to provide a one-stop shop.

In recent years, TEP effort has concentrated on training of the workforce and improving business skills. Without doubt, many businesses have benefited from programmes such as Investors in People and Business Excellence and the workforce is better trained, thus enabling the Island to manage its manpower needs better without recourse to excessive immigration. All this has been achieved on a very small budget. The Board has always focussed very strongly on best value and outcomes of all its programmes as well as the future needs of the Island.

TEP Review

In 2001, the Board initiated, with the Employment and Social Security Committee, an independent review of its work and structure. The terms of reference were to -

"review the structure and approach of the Training and Employment Partnership in the light of best practice to determine whether the arrangements are the most appropriate to fulfil the Island's training objectives and meet the needs of employers and individuals".

Completed by the Institute of Employment Studies, the findings were presented to the TEP Board and subsequently to the partner Committees, Employment and Social Security, Industries and Education earlier this year. The Review concluded that there is a need for a body such as TEP to take a strategic overview in order to continue to improve the capability of the Jersey workforce and the capacity for business development, and hence the performance of Jersey businesses, the competitiveness of the Jersey economy, both now and in the future.

The other key conclusions were as follows -

Structure

The review team concluded that some structural change is necessary and that TEP should work alongside Jersey Business Venture, as the two organisations have similar objectives, and that either -

- an independent agency should be created under a Board of Directors or Commissioners, financed directly by the States of Jersey and working with the main Committees (Industries, Education and Employment and Social Security) to deliver mutual objectives against a business plan and reporting arrangements, or
- the reporting line should be repositioned, for example, under a body such as a Department for Economic and

Commercial Development.

Role/approach

The review concluded that the TEP had done some very good work and endorsed current approaches with some modifications. Whilst there is an important role in stimulating demand for training and development by continuing to facilitate programmes which meet the needs of the economy, the review also suggested that approaches could be further strengthened in the following way -

- focus interventions on overcoming other barriers that deter organisations and individuals from taking part in learning opportunities;
- promote the advantages of training and effective management practices among employers through publicity and campaigning, identifying and extolling good practice;
- motivate individuals, again through publicity and campaigning designed to raise awareness, and
- stimulate demand among individuals by improving the provision of information, advice and guidance.

International approaches

In order to consider the outcome of the Review in the context of developments elsewhere, the TEP Board undertook some research on approaches to training worldwide. Not surprisingly, it was found that developed countries have put training and skills on the top of their political agenda, recognising its increasing importance in a more competitive world. (Some case studies are outlined at Annex A.)

The key conclusions reached from the research are -

- Government policies are key to the development, targeting and funding of training programmes and government support is key to their success.
- Governments provide input into their training bodies on the future strategy and desired direction of the economy.
- No government has made a single dept or ministry responsible and accountable for ‘cradle to grave’ learning - responsibilities are clearly defined and allied to appropriate ministries.
- Governments have tried various models over the past twenty years in the development of current practices.
- Recent re-organisations appear to support a more ‘hands off’ approach by setting up agencies with statutory powers to deliver this function.

TEP Board’s view

The TEP Board came to the view that there is a need for a body to ‘glue’ together all the interests. However, members felt very strongly that if they were to continue with this important task -

- the Board could operate more effectively if there was a clear high level strategic vision for the Island and strong political support to succeed;
- the TEP and JBV functions could best be delivered in a ‘Business Centre’ environment, ideally in its own location providing a broad range of advice to businesses and supporting the strategic vision;
- there are some advantages to being an independent body but, without statutory backing, there are also drawbacks and, on balance, it was thought that the function at least needed a “toe hold” in government;
- TEP could benefit from repositioning under the States reform, the closest match being the new Economic Development Committee (these two functions are linked together in Scotland under the Scottish Enterprise Council).

Committees' considerations

At subsequent meetings between the Presidents of the three interested Committees, it was agreed that TEP should be positioned under the new Economic Development Committee and this was reflected in P.70/2002 'Machinery of Government Departmental Structure'. However, there was a degree of uncertainty as to how the TEP might sit in the new organisation. In order to progress the change, the current TEP Board agreed to act as a "caretaker body", ensuring that the function continues seamlessly and is properly managed during any transition phase. It will be for the new Economic Development Committee to bring a relevant report to the States in due course if it wishes to change the roles and responsibilities of the current TEP body, or replace it with an alternative. In the meantime, it is proposed that the main role and responsibilities of the TEP would continue to be as follows -

Main role

- To promote a competitive, well trained and flexible labour market by working in partnership with all concerned.

Main responsibilities

- Identify current and future training and business development needs from the perspective of the Island's economic development.
- Develop training and business development strategies to meet those needs, to be endorsed by the Economic Development Committee.
- Oversee preparation and delivery of annual business plans, ensuring best value within agreed cash limits.
- Evaluate and publish outcomes of all training output.
- Produce annual reports to the States.

Conclusion

The Employment and Social Security Committee has greatly valued the work of the TEP and its Executive in driving a change in culture in Jersey on matters of training and skills, and in establishing so many effective programmes from apprenticeship training to high level business skills. The Committee is in no doubt that this function will continue to be of vital importance to the Island. Whilst the Economic Development Ministry may take the "macro view", there are clearly other partners, both public and private, with an interest in this area, not least the employers and the employees but also the community at large.

Training has strong links to the education system and more recently to the 'Lifelong Learning' strategies, it can help lift someone out of poverty and thus minimise social exclusion and reliance, for example, on Social Security, Welfare and Housing Benefits. Above all, it is vital to the viability of businesses, productivity levels and the economy as a whole.

It is important, whatever future model is developed, to ensure that all partners can participate, and thus feel committed to training and development as one of the Island's highest priorities.

Resources

In order to support a smooth transition, the proposed strategic framework for the next period is outlined at Annex B. On the basis of this programme, there should be no additional resource implications. There are currently 4.5 contract and temporary staff employed on this work and a budget of £1,331,000 has been ascribed in the 2003 cash limits which will be transferred to the new Economic Development Committee on 1st January 2003.

17th October 2002.

ORGANISATIONAL APPROACHES TO TRAINING IN OTHER DEVELOPED COUNTRIES: CASE STUDIES

1. England

The recently formed Learning Skills Councils in England is responsible for all post-16 education and training funded by the Department of Education and Skills (DfES), formally DfEE. It works alongside the Employment Service (the new Work and Pensions Department), Small Business Service, National Training Organisations, further education, six form colleges and community groups to understand and define and then meet training and education needs. Each council is made up of 12 members representing employers, unions, learning providers and community groups.

The 47 councils focus on individual leaning but also fund the Small Business Service (Business Links) to focus on workforce learning. Business links also receive funding from the DTI and the European Union for specific regional objectives.

2. Scotland

The Scottish Parliament has a Minister for Enterprise and Lifelong Learning, and a Minister for Children and Education. The Enterprise and Lifelong Learning Department (ELLD) of the Scottish Executive is responsible for economic and industrial development, tourism, further and higher education, student support and skills and lifelong learning in Scotland. The Scottish Executive for Enterprise and Lifelong Learning Dept was created on the formation of the Scottish Parliament elections in May 1999 from the pre-devolution Scottish Office Education and Industry Department.

The ELLD has statutory powers and the Executive are accountable to the appointed Scottish Minister.

3. Isle of Man

The Department of Trade and Industry (DTI) administers and funds vocational training and business development. Primary, secondary, further and higher education is administered and funded by the Education Department. Both bodies work together, agreeing strategies on an annual basis, but there remains a crossover in the provision of some vocational training.

In an attempt to provide a more cohesive co-ordinated approach a sub-committee was established in 1997-99 with representatives of Education Dept, DTI, industry and training providers. This committee model was abandoned, and returned to the structure described above, due to the difficulties in obtaining agreement over provision from the training providers and concerns over the scope of representation from the industry representatives.

4. Europe

There are varying models within each country. The two extremes being the French system funded through a training tax with a strong emphasis on the importance of individual qualifications and the German model of an employment based training frame work, 'apprenticeship scheme' funded by employers and supported by the Chamber of Commerce. However, all the countries' structures and approaches are clearly set within economic, social and employment policies. The interaction between these policies is at the heart of the new European social policy agenda. Signed in 2000 the European leaders have set the target within the next decade to be -

"the most competitive and dynamic knowledge based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion".

5. New Zealand

A "Review of Industry Training" in New Zealand, published in 2001, focused on the industry training system and its future shape, focus, funding and priorities.

There was an overwhelming call for industry training to take place along side other learning pathways in a much more cohesive way. The Government proposed an independent Tertiary Education Commission (TEC) to provide an overarching strategy for all tertiary education, including industry training, with appropriate statutory powers.

The new Commission will have responsibility for New Zealand's present policy and operational responsibilities and will incorporate some of the existing functions of the Ministry of Education. The newly appointed minister to the

Commission is also a member of the department for Economic Development. The TEC will work very closely with government departments such as the Ministry of Economic Development, Ministry of Education, Department of Work and Income and the Department of Labour.

The Commission will be prioritising skills development through Industry Training Organisations (ITO). Through improved co-ordination of the ITOs' activities, the Commission will be strengthening employee and employer involvement.

6. Singapore

In the Singaporean approach, the operation of the labour market is influenced by government co-ordination of the demand for supply of skill. The government uses its vision of where the country is heading, the type of industries it wants to attract and develop, together with knowledge derived from employers about their immediate skill demands, to identify national skill needs.

Once identified the information on the country's skill needs is fed into the Council for Professional and Technical education (CPTE) within the Ministry for Trade and Industry. The CPTE also receives information from employers on their skill demands and from education and training institutions on the current supply of skills. The CPTE also uses a model for forecasting future skills needs. All this information is then used to decide the supply of skills, both for those entering the labour market and those already in employment. The Ministry for Trade and Industry is responsible and accountable for all industry training.

The Government uses three main levers to influence the process of skill formation -

- through its control over the education system, both academic and technical, it can influence the supply of skill flowing into the labour market;
- through the Productivity and Standards Board it influences the training of those workers already in the labour market. This board has a direct reporting line to the Ministry for Trade and Industry;
- through its vision it attempts to shape the cultural attitude towards training and workforce development.

These levers ensure that the supply of skills not only matches current demand but also prepares for future demand. This has enabled the country to avoid serious skills shortages and has facilitated rapid economic growth over a period of thirty years. The market still operates but within a framework in which the government influences both the demand for and supply of skills.

This 'shaping' of the market has helped speed up the adjustment of the education and industry training system to the immediate and medium term demands of the economy. The challenges have been around securing employer buy in and ensuring the right sectors are targeted. The Economic Development Board, within the Ministry for Trade and Industry, constantly communicates with other government departments responsible for skills supply ensuring the correct sectors and skills are targeted.

7. Finland

In international comparison, the participation rate in adult learning in Finland is high. Approximately 57% attend some kind of organised education or training, work or career development being the main reason behind participation.

As the government's planning machinery grew, adult education was adopted as an instrument of general social policy in the 1970s. The supply and organisational structure of adult education was underdeveloped. Further assessment in 1975 and 1999 of the structure recommended that the government should accommodate production, economic, cultural and self improvement within a single framework.

The Ministry of Trade and Industry is the body, responsible for the purchasing and administering, of continuing and further education, covering a wide range of training opportunities for competence based qualifications, and apprenticeship training. The Ministry also supports a grant aid programme for small business, and tourism development. The Finnish Ministry of Education is responsible for the education system in Finland comprising primary education, upper secondary school and tertiary education including polytechnics and universities.

The Ministry of Labour defines the total amount education and training purchased when the State budget is prepared. Further more, the Ministry of labour gives general guidelines for targeting education and training based on estimates on

the development of the labour market.

TRAINING AND EMPLOYMENT PARTNERSHIP STRATEGIC FRAMEWORK 2003 TO 2005

Aim

To be recognised as having a positive impact on the economic and social development of the Island through working to raise skill levels and improve business performance.

Objective

To work with employers, employees, and the community to -

- raise participation and achievement rates in vocational training, post compulsory learning;
- improve competitiveness by raising skills;
- reduce 'marginalisation' of the present and future workforce, and improve access to training;
- monitor the quality of training delivery, and support improvements;
- encourage local organisations to review current business practices and improve effectiveness and efficiency;
- research and monitor trends to ensure the appropriate skill improvement and business development support programmes are correctly prioritized.