

The Lyons Inquiry into Local Government

Promoting economic prosperity: considering the implications of Eddington, Barker and Leitch

Submission by Microsoft Ltd

Leitch Review of Skills

The key findings of the Leitch Review are:

- The UK needs to enhance the skills of its current workforce in order to compete with emerging economies
- Much more is needed to encourage basic skills beyond age 16
- Commercial companies need to get involved and play their part
- Employers will be expected to enhance workplace training and a review in 2010 will determine whether this has happened. If not, then an entitlement to workplace training will be created

Microsoft is very supportive of the Leitch Review. We believe passionately in skills and skills for life. One of the six key values we hold as a company is: “**Constructive self-criticism, self-improvement, and personal excellence**”, that is, a commitment to continuous learning.

Delivering the aspirations outlined in the Leitch Review will be a challenging task for industry and government, but also a test of all parties’ ability to form a genuine partnership for the national good.

The test will be whether SMEs in particular can be encouraged to engage more with workforce development. As an organisation that works closely with the SME community, Microsoft believes that four areas will need particular focus:

- Flexibility
The system of workforce development needs to be more flexible in order to enable SMEs to be able to engage more effectively on their terms. Choice of provision, in terms of full or part time, twilight sessions, E-Learning all need to be available and accessible to SMEs to enable them to develop their workforce without impacting their ability to do business. The smaller a business the more this is an issue. Funding will also need to be able to follow the training; inflexible funding regimes will drive away the very businesses that most need assistance.
- Technology enabled mass customisation
A large business can sit down with a training provider and create a bespoke training programme for their workforce. Small businesses have an even stronger need for a bespoke solution to meet their needs, yet their small scale means that they tend to have to take off-the-shelf solution. Technology must be used to develop solutions that enable SMEs to build and implement their own bespoke training solutions by bringing together all the available options and enabling them to be linked together into a custom package for that building.

- Qualification and provider credibility
Progress has been made on ensuring greater visibility of and credibility for vocational qualifications, through initiatives such as Train-to-Gain, ITQ and the Credit Transfer frameworks. However the case for workforce development has not been strongly enough made to businesses sufficient to make clear the clear business value of investing in the workforce. A clear articulation of the business case for workforce development (which there is already much existing research to support) will be a far more effective approach than coercion. Microsoft would be happy to participate in such a campaign.
- Fixing the future
Whilst Leitch necessarily focuses on skills development of the current workforce, if we do not create a culture of lifelong learning and skills development during formal education we will always struggle to catch up later on. Microsoft would therefore like to see the implementation of 14-19 reform within formal education as a way of ensuring that the long-term future is secure as we implement the nearer term proposals.

When viewed from a local and regional perspective, diverse skills development solutions are in place across both commercial and academic training providers, but are typically ad hoc and provide unfocussed ICT training to a wide community of differentiated learners. In particular, vocational and workplace provision is fragmented and awareness by learners and employers is low.

And yet, for cities and regions that are particularly interested in understanding how to become knowledge economies and build economic strength from further developing their ICT and creative industries, a strong base of ICT skills (both user and professional) is a crucial component to their success.

Microsoft believes that integrated ICT skills training/education and development solutions need to be created aligned to the specific needs of a region that are scalable and focussed on the RDA's skills agenda (which in itself should be very clearly aligned with their Regional Economic Strategy) and/or local authority/region's Sustainable Community Strategy.

The long term success of the Microsoft in the UK is inextricably bound to the success of the UK as a modern knowledge economy and therefore to the successful implementation of Leitch. Working with govt, industry and NGO partners, Microsoft is investing in a comprehensive approach to skills training partnerships that aim to support and assist today's untapped workforce to gain ICT skills for work and life and to build higher level skills for innovation and productivity. Our activities include:

- Partners in Learning investment to improve access to – and use of – PCs to help eradicate the “digital divide” (Global investment of \$250m)
- Support for tomorrow's Knowledge Workers by bringing IT skills into the mainstream of schools with an emphasis on support and training for teachers, students and their communities. 600 Microsoft Academies offer desktop and technical training at academic rates
- Support for tomorrow's IT professionals – by supporting universities and training colleges across Europe to provide first class IT diploma and degree education on the latest technologies
- Supporting the UK's SMEs – the heartbeat of the UK economy – by widening their recruitment base of local people who are able to use ICT as tools for business growth and innovation
- Working with awarding bodies and qualification authorities to:

- develop new qualifications such as the new Business and IT Diploma for the 14 – 19 year olds – key to giving equal status to vocational and academic routes
- integrate our curriculum into the National Qualifications Framework
- use our digital literacy materials to support the DfES Skills for Life curriculum. Our materials map to their curriculum and can be accessed free online or downloadable. They:
 - Deliver the Skills for Life IT learning objectives
 - Provide 20 – 30% of the learning for Literacy and Numeracy
 - Will be available in UK Online centres and Learn Direct Centres
 - Will be an accredited exam by this time next year – part of the journey towards an ITQ level 2 award (key target for DfES)
- develop Foundation Degrees which support the development of a vibrant local software economy in the UK

Barker Review of Land Use Planning & Eddington Transport Study

Whilst the role for technology was not a feature of this review and study, Microsoft believes that technology is increasingly going to impact on our work patterns and behaviours, and therefore impact planning and transport. Microsoft does not have a formal response on these reports at this point, but the following three examples indicate the way in which technology is and will have a profound impact on both transport and planning.

Smart Homes: using a set of configured and manageable devices in someone's home, adapted to their unique needs and capable of providing

- Energy metering & management and home control system
- Tele-care/tele health
- IPTV/broadband and/or wireless entertainment solutions
- Learning and education offerings

Independent living: a primary focus for many of our health and Local Government customers, who are looking to exploit existing and emerging technologies to improve the lives and wellbeing of citizens and reduce the costs and overheads in delivering support services. By joining up across government boundaries (health and social care) at a local level it enables the technology to be coupled to wholesale cultural and organisational shift in government, and for large scale regeneration schemes to embed the technology at build

Flexible Working: New legislation in the UK means that parents of children under the age of six have the right to request flexible working hours. According to the Office of National Statistics, one quarter of parents have requested flexible working options since the legislation was introduced. And increasingly employers are recognizing that modern workforces require flexibility – and flexible working practices can help smaller firms become employers of choice. A recent report by think-tank The Future Foundation claimed that within 15 years, companies will be transformed by 'free working', where employees use mobile and wireless technology to work at multiple times and locations. People will work where and when it suits them, believes Paul Flatters, chief executive of the Future Foundation. This has the potential to significantly impact in a city, region or community where demands for services, road usage and commuter periods have the potential to change dramatically.

Microsoft is in the process of developing a White Paper on these areas as a blueprint for how policy makers can use the ubiquity and availability of digital technology to improve the quality of people's lives through flexible working and independent living in a sustainable way.