

Professional & Business Services Council (PBSC)

Proposed Sector Deal

DRAFT for discussion

24th May 2018

As a result of the PBSC's last meeting 1 February 2018, this draft has been prepared following two meetings of the PBSC's Sector Deal Steering Committee together with extensive email discussions. It is a draft for discussion purposes only.

EXECUTIVE SUMMARY

1. The PBS Sector wishes to seek a Sector Deal, both in recognition of our importance as one of the largest sectors of the economy but also because a sector deal represents one of the Government's preferred mechanisms for engaging with business and mandate co-operation on agreed objectives across all relevant central government departments.
2. We recognise that the PBS Sector has a symbiotic relationship with the health and growth of the UK economy. It accounts for 11% of UK GVA¹ and has a significant spread of PBS workforce outside of London, with 61% of the PBS jobs situated outside of the South East². Globally, PBS international trade has been at growing annual average rate of 6% since 2010³. The Sector is the largest type of services export, exceeding financial services, generating £66.1 billion in exports in 2016, 36% of which was exported to the EU⁴. Accordingly, the Sector Deal includes proposals that will significantly benefit the UK economy (where PBS skills may have particular application) in addition to proposals of direct relevance to the PBS sector.
3. The PBS Sector has historically played a significant role in developing pools of highly skilled professional and business leaders and workers, equipping them with internationally respected qualifications that benefit UK Plc both domestically and internationally. We have recruited graduates – and apprenticeships – and trained them in business critical professional skills. These individuals have then become business leaders, within PBS firms and in commerce and industry, both in the UK and internationally; as an example the ICAEW shows more than 80 companies in the largest 100 UK listings have at least one ICAEW chartered holder on their board⁵, with 98* of the world's 100 global leading brands employing Chartered Accountants⁶.
4. UK professionals have therefore been widely dispersed across Europe and globally. As well as the soft power gained by furthering the use of English law, courts and language, it has enhanced the UK's reputation as the leading country to acquire and

¹ ONS, UK National Accounts: The Blue Book 2017

² ONS Workforce Jobs 2017 benchmarked to ONS Business Registers and Employment 2016 data

³ ONS Pink Book 2017

⁴ ONS Pink Book 2017

⁵ Key facts about UK-based financial and related professional services, TheCityUK 2018

⁶ *includes parent companies. ICAEW member data at December 2017, Interbrand Best Global brands 2017

develop professional skills, experience and an attractive market to conduct successful business. However, the intrinsic value-add our training programmes bring to the UK and global economies is, perhaps, not well understood. Accordingly there is a clear danger that the importance of our ability to export and import talent – in the broadest senses – may not be appreciated and hence preserved and maximised in Europe as well as globally.

5. We recognise that the UK will soon be at a critical juncture with its approaching exit from the European Union. As such, and given its importance to the UK economy, it is vital that the PBS Sector works with the Government on the key issues and the policy levers, to ensure that Sector's great success for the UK continues, and is not diluted either in Europe or as part of future global trade agreements. Ensuring that the right environment is created to help insulate the sector against political events, socio-economic trends and global protectionism, will be fundamental to maintaining both the UK economy and sector's growth.
6. Along with the potential for restrictions on professionals that may occur as a result of Brexit, the next ten years will also see a change in Britain's demographics with baby boomers leaving the labour market and profound shifts in the types of skills required as a result of technological change. The impact of replacing these skills gaps will be an equal challenge for our clients and the PBS sector. Both government and business will need to collaborate early to understand and build the capabilities we need in our nation, which will be pivotal to generating increased productivity and a more agile workforce.
7. In determining the common denominator that links our "broad church" of the PBS Sector within these concerns, the PBSC's existing Working Groups (WGs) - Skills & Inclusion (S&I), Importance of Place (IoP), Productivity & Innovation (P&I), and Mutual Market Access (MMA) – have identified access to the best talent as the main force multiplier for PBS in nurturing the UK labour market and delivering broader growth for the UK economy.
8. Access to, and the future development of talent is therefore the single most important issue for the PBS sector going forward, and will form the linchpin of the PBS Sector Deal. It is vital that as a sector we protect the environment this "multiplier" operates in, before laying the right foundations to help the sector grow. Consequently, the deal should give further weight to the ability to "move people" (typically for project delivery over a number of months) between markets within the EU and globally, the recognition of Professional Qualifications, and should also cover the needs for lifelong learning and development from a broader and more inclusive economy.
9. As a sector, the effect we should look to achieve therefore within the deal, would be a significant expansion of PBS exports to the EU and internationally, improved social mobility, lifelong learning and development with a dramatic and positive drive on PBS employment (particularly outside the South-East of England).
10. The Sector Deal would thereupon look to achieve the following outcomes by the end of an appropriately agreed timeframe; twice the rate of growth in PBS jobs situated

outside of the South East as inside, a rise to 8 % rate of annual growth in our exports to the EU and globally, and doubling the PBS GVA within [five] years, relative to the growth of the UK economy. *Social inclusion and mobility would also rise upon aiming for these targets which we would be keep under review and modify as appropriate to achieve our outcomes.*

11. Given the Sector's key requirements, we assess the Sector Deal focus areas for talent should be: Accessing the Best Talent to Nurture the UK Workforce; Driving Increased Exports to the EU and Globally; and Transforming Talent Development and Social Mobility of Talent. Within these areas, the MMA WG will give specific attention within its own work to deliver the recognition of professional qualifications and development with the departments for Business, Energy and Industrial Strategy (BEIS) and Exiting the European Union (DExEU) - this is critical given the qualifications already represent a global standard by EU and internationally.
12. In light of the Sector's concerns around free movement of people, qualification recognition, life-long learning and social mobility, our main 'ask' of the Government is for deep involvement in policy setting and implementation, in order to support the build of the Industrial Strategy foundations for future growth of UK plc [This would be in lieu of a direct request for funding, however there may be supporting Sector Deal elements like the Importance of Place pilots where funding will be needed]. This orientation towards policy will be a distinguishing feature of a PBS Sector Deal compared to other sectors.
13. In summary, in order to achieve the desired outcomes, our core ideas for a PBS Sector Deal fall primarily into those that aim to set the right environment for free movement of professionals and recognition of qualifications, and to work collaboratively with government departments such as BEIS, DfE and DCMS on policy. We have therefore grouped a set of recommendations that we believe will not only support the transformation of talent development from the grass roots up through life-long learning, but also support the government to manoeuvre the UK into a strong position to secure future growth and prosperity across the UK and beyond. Our recommendations would be:
 - An environment for free movement of professionals - to include a new "Trusted Employers" immigration scheme and a "Services FTA" within EU/global trade negotiations that recognises professional qualifications
 - An environment for life-long learning - A "Re-purposed Apprenticeship levy" and expanded entry level training
 - "Social Mobility Pathways" - explicit targets to support diversity and facilitate wider participation in PBS hiring outside the South East
14. The following sections of the document are set into five constituent parts; Part 1, the PBSC's working group contribution towards delivering the Sector Deal and how we intend to resource its construction, and Parts 2-5, detailing the respective concerns, preferred outputs and solutions for each of the PBS focus areas: Accessing the Best Talent to Nurture the UK Workforce; Driving Increased Exports to the EU and Globally; and Transforming Talent Development and Social Mobility of Talent.

PART 1 - PBSC WORKING GROUP INPUT

15. Our Sector Deal should encompass the S&I Working Group, the MMA Working Group will look to take forward the ideas on recognition of professional qualifications with BEIS and DExEU, but collectively we will also build on their respective work and facilitate cross-fertilisation of ideas. We have also received a strong steer from the BEIS Minister that the IoP Working Group should also be included within the Sector Deal, which would become an additional focus area within Social Mobility, running in parallel support of the Talent initiatives.
16. Whilst recognising that the P&I Working Group has done some good work to date, it is felt to have largely fulfilled its remit. Going forward, it seems most sensible to align ourselves with existing and more established initiatives - such as the Blakett Review or the newly proposed Artificial Intelligence organisation - rather than including P&I in the Sector Deal in its own right. Aligning with existing initiatives should position the PBS Sector as an agent for positive change, both as it affects the professions and the wider economy.
17. Finally, the PBSC needs to create dedicated Sector Deal resource, recognising the scale of the task ahead of us. PBSC Member firms will be called upon to provide secondees to work on the Sector Deal, should the PBSC decide to go ahead with one. The Member firms will not be called upon to provide cash.

PART 2 - ACCESSING THE BEST TALENT TO NURTURE THE UK WORKFORCE

Concerns

18. Our ability to recruit staff within the EU28, and attract talent more widely internationally - whether to service short term client needs as Short Term Business Visitors, or for longer term secondments and transfers - is facilitated at present by the Free Movement of People. This will end post Brexit.
19. Since the removal of the Tier 2 ICT Skills Transfer and Short Term visa categories, and impending further changes to the immigration system it is becoming ever more challenging to attract and sponsor/employ foreign talent, which will be exacerbated by the end of free movement of people post Brexit.
20. It is incredibly important that foreign students are able to continue to live and work in the UK after they finish their graduate degrees to be able to complete further studies or take up PBS employment and training. The strength of global standing for UK qualifications is significant; as an example, half of those studying towards the Institute and Faculty of Actuaries qualification are based in India, which is why it is enhanced access to training and shorter term employment would be welcome.

Preferred outputs

21. The UK's immigration system must be fit for purpose by the time that the UK exits the EU. ***We will work with the Home Office and the Departments for BEIS and Department of International Trade to design a new Immigration regime recognised as world-leading.***
22. UK businesses need an apolitical, independent advisory board to define and implement policy decisions on how to identify and fill skills shortages in the UK. ***We will work with the Home Office and the Departments for BEIS to establish a new Skills Advisory Board***, which will be made up on a cross party of MPs, business and education representatives, accountable directly to parliament.

Possible solutions

23. Immigration policy should enable getting the best talent from across the world to the UK. The underlying immigration system should treat European citizens and non-European citizens in the same way after any transition period.
24. Immigration policy should account for regional bias by compensating for lower average salaries outside of London and the South East, to avoid prioritisation of London over an identical role in the regions, merely because of regional pay differences.
25. Immigration policy should provide exemption from the requirement to conduct a Resident Labour Market Test where a role requires specialist overseas expertise including experience in overseas regulatory systems or financial markets.
26. We could further work with government on new targeted visas intended to meet skills gaps in key areas, such as Post-Study Visas targeted at individuals from certain institutions, Youth Mobility Visa targeted at individuals from specified countries aged 18-30 or Digital Skills visas that fulfil the identified skills shortages and require an endorsed employer.
27. The existing Government's Shortage Occupation List ("SOL"), remains extremely limited, despite skill gaps in existing key areas and new markets. A more formal, dynamic, transparent and regular review of the SOL by partnering with businesses would be beneficial. This would ensure the SOL better meets the evolving needs of the labour market, whilst also catering for new and emerging markets. There needs to be a greater set of collective investment in developing the SOL list and it should be updated no less than every six months by an independent apolitical **Skills Advisory Board**. The SOL list should include not just the highest skill roles, but also the medium skill roles such as multilingualism or a degree in a Science, Technology, Engineering or Mathematics (STEM) subject. This would ensure that we have a better, more relevant and more effective list than we currently do.
28. Additionally, we could partner with government to discuss the prospects of implementing two different types of SOLs: (1) a Long Term Skill Shortage List; and (2) an Immediate Skill Shortage List.

29. The Long Term Skills Shortage list would potentially identify the occupations that have a shortage of skilled workers both globally and throughout the UK and perhaps offer incentives such as, a fast-track route to Indefinite Leave to Remain after three years if other standard requirements are met.
30. The Immediate Skills Shortage would prioritise the urgent occupation skills gap, which could be particularly beneficial to the PBS sector's new and emerging markets or those professions that are in critical shortage at the particular period of time, for example nurses and doctors during winter flu epidemic. The Immediate Shortage Skills List should fall outside of the monthly restricted certificate of sponsorship quota. The eligibility requirements should also be made more flexible to help accommodate faster lead times. The system should also enable international staff to transfer to their employer's UK office for up to six months without needing to apply for a visa before travel where they are a non-visa national.
31. Diversity is critical to the success of the PBS member firms and the development of our economy. The options for entry to the UK for foreign nationals have now become extremely limited. We could partner with the government to design a system to help diversify the immigration system. For example, the introduction of a Diversity Visa Scheme, which would allow a person on a UK visa who would not ordinarily qualify for Indefinite Leave to Remain on their existing UK visa, apply. It would, perhaps, be open to applicants who are legally in the UK on a visa / permit, valid for more than six months, who have met certain eligibility criteria i.e. a minimum three years lawful residence in the UK with proven contribution to the UK economy e.g. study, work, investment, entrepreneurship etc. The eligibility requirements should be reviewed and consulted annually.
32. Additionally, PBS members firms could partner together to support and encourage refugee employment in the UK and globally. For example, running pre-employment courses to cover interview skills, communication, client relationships and an office visit. If all modules are completed successfully, the candidate would be interviewed at the end of the course.

PART 3 - DRIVING INCREASED EXPORTS TO THE EU & GLOBALLY (To be delivered by MMA Workstream with BEIS and DExEU)

Concerns

33. In addition to its economic weight, the soft power that the PBS sector has globally for the UK should also not be understated. The prevalence of the English language and English law and courts chosen by businesses across the world to conduct their commercial relationships and disputes, underpin the governance of many of the world's systems and procedures. This reliability and predictability has facilitated a network effect, cementing trust in UK PBS firms and therefore increasing their attractiveness as services providers with whom to do business.
34. Our services exports are currently facilitated by the Free Movement of Services and Capital. Market access post Brexit is most likely to be driven by a future EU-UK Free Trade Agreement. Trade agreements are designed to reduce or remove barriers to

trade between countries. They largely build on the work of the World Trade Organisation, much of which was undertaken in the decades after World War II. As such, their focus is oftentimes dominated by so-called border barriers such as tariffs on goods movements. By contrast, barriers to trade in services are often encountered behind borders, for example through domestic legislative requirements, which make them both harder to understand in the first place, and then harder to resolve.

35. Ensuring that the PBS sector remains internationally competitive and continues to grow after the UK exits the EU, will rely on PBS firms retaining recognition of their professional qualifications throughout the EU and beyond. Without a sufficient mechanism in place, individuals will not be able to travel and provide services, impacting the ability of UK firms to conduct business overseas and consequently, their attractiveness to clients. This could also have a knock-on effect on the UK's global reputation as a leading place to professionally qualify, with the best of global talent potentially looking elsewhere to gain their qualifications.
36. For the UK to retain and grow its global position as a competitive hub for business, it will need the multicultural and multinational teams that have the depth of understanding of global markets, both economically and culturally, that allow PBS firms to service its clients worldwide with high quality service.

Preferred outputs

37. The MMA WG ***will work with BEIS, DExEU and DIT to secure the best possible services access to the EU single market***, with a view to ensuring that the free movement of services is treated equally to the free movement of goods as part of trade negotiations. In particular, the following aspects of trade-in-services are of particular relevance to the PBS sector:
 - a. Creation of a mechanism in any EU-UK free trade agreement that has sufficient flexibility that clients in the UK and EU-27 are able to choose how and where they receive PBS services, particularly from PBS providers flying-in/flying-out and those established locally.
 - b. Provision for the mutual recognition of:
 - i. professional qualifications (e.g. auditing and accounting, architectural, engineering and legal qualifications)
 - ii. products (e.g. advertising, construction materials and audits)
 - iii. operating licences (e.g. broadcasting licences).
 - c. a system which allows UK and EU-27 PBS businesses to continue to use their current corporate forms to serve clients across EU-27.
 - d. The mutual recognition and enforcement of British jurisdiction clauses and judgments in the EU-27 and vice versa.

38. Continued cooperation in areas that facilitate cross-border trade, including the exchange of personal data between the UK and the EU-27, ideally through an 'adequacy' decision by the Commission with regard to the UK's data privacy regime
39. Similar to trade negotiations that will take place with the EU, looking globally we should also seek to negotiate FTAs with other countries that provide deep liberalisation in services, in order to be create the best environment to continue and expand upon PBS success in winning global business.

Possible solutions

40. The MMA has pulled together some of the most trade-literate people in the UK. Our work to date with BEIS has moved the dial on how well Government understands the needs of the PBS Sector in the context of facilitating smooth trade flows in services.
41. Going forward, the MMA (and in particular its Trade Technical Group) will work closely with the Departments for International Trade and Exiting the EU in the context of both 'horizontal' (the parts of trade agreements which apply to the whole economy, such as intellectual property protection, data flows and localisation, and dispute settlements) and PBS-specific Annexes. Indeed, this work has already started.
42. Separately, the Sector Deal will validate the work already being done by the MMA to engage with stakeholders in both the UK and the EU-27, as it seeks to ensure that PBS is appropriately recognised in the outcome of future trade negotiations with both the EU and non-EU countries.
43. In addition to building the right trade framework to encompass PBS requirements, the Sector Deal will look to create a collaborative marketing plan to frame a forward and outward-looking PBS narrative for both the EU and globally, aligned to the GREAT Britain campaign, that showcases the diverse values of working in and with the PBS sector.

PART 4 - TRANSFORMING TALENT DEVELOPMENT

Concerns

44. Whilst we applaud the intent behind the government's policies on apprenticeships and their funding, it is clear that there are opportunities to enhance the impact of the policy to better reflect and appropriately respond to the current reality on the ground. Employers view the apprenticeship levy as a tax, and the number of new apprenticeship starts has fallen dramatically since its introduction. From responses to recent surveys, it is clear that there is a general misunderstanding of how the current apprenticeship scheme works in many firms. We could explore how the scheme can be explained and promoted. SMEs in particular often seem to view the scheme as burdensome and hard to access.

45. The World Economic Forum estimates that by 2025 AI technology will be the mainstream in white collar jobs⁷. With 54% of legal firms likely to use AI in the next ten years⁸ as an example, PBS firms will increasingly require employees with greater digital and tech skillsets. These new technologies should be key drivers to enhancing productivity and so both business and government will need to continually collaborate to ensure there is the right level of investment to generate the capabilities required. While secondary education will need to undergo significant review to develop the technology and digital curriculum for the future workforce, it is assessed that mid-tier jobs will be hardest hit.

46. **Planning for the 100 year life.** It is no longer the case that the skills learned by individuals at school and at the start of their working lives will serve them throughout their careers. Rather, it is becoming the norm that employees of all ages will need to rejuvenate their skill sets on a regular basis. Many employers lack the capacity to recognise capability gaps in their workforce and then facilitate training to meet identified needs.

Preferred outputs

47. **Growth in Apprentice Levy Starts.** We will work with the Department for Education to ***identify and implement adjustments to the apprenticeship levy that support and grow the uptake in both new apprentices and lifelong learning***. Exploring the barriers here may open up new opportunities for all organisations to use the scheme as well as increasing social mobility.

48. The PBS Sector, with its heavy focus on training, is an exception to the general rule that employers do not facilitate lifelong learning – although we recognise that more can be done. ***We will work with the Department for Education to establish recognised means of facilitating lifelong learning in both PBS firms and across the wider economy.*** In order to ensure there is a consistent message across government departments on our direction of travel, we shall also look to create further linkages with BEIS and the Department for Digital, Culture, Media & Sport (DCMS).

Possible solutions – Apprenticeships

49. **Flexible delivery.** Our Sector Deal could involve working with the Government to rejuvenate apprenticeship schemes across all industries by committing to flexible adjustments to the apprenticeship levy that support both new apprentices and lifelong learning. Currently employers can offset the Apprenticeship Levy against their training costs. A more flexible approach for example, would be to let employers offset against the employment costs of the apprentice.

50. A premium payment from government directly to training providers for working with smaller employers. Within the legal sector, the small size of employers is a significant barrier to being able to attract interest from apprenticeship providers, which in turn restricts use of the levy.

⁷ Machines with purpose: AI in professional Services, Deloitte 2018

⁸ Machines with purpose: AI in professional Services, Deloitte 2018

51. **Employer-led strategies to upskill local workforces.** We could also explore mechanisms by which businesses are encouraged to move economic activity out of London/South East, to areas of low productivity and economic growth through targeted apprenticeship incentives. As an example, we could look at the Department for Education's 12 Opportunity Areas and allow the apprenticeship levy to offset against more than just training costs, but also offset against the creation of skills hubs. This would facilitate a joined-up approach for local employers in sharing training and development costs of employing apprentices. Deployed effectively, this would support employers in bridging the social mobility gap by targeting communities with engagement and capability challenges.
52. We could partner with Universities, Educational and Professional Institutions as well as DCMS, ensuring that the Further Education and Higher Education courses are in line with the sector needs and the growth areas. In addition we could look at how we might support creating Centres of Excellence, e.g. in Blockchain, IoT, AI, near to regional Universities.
53. With regard to the PBS sector specifically, we could explore the conversion of existing professional qualifications to apprenticeship programmes. The sector has been a heavy investor in skills training for a long time, yet its take up of the levy so far has been low. Exploring how the existing training programmes can fit with the apprenticeship levy scheme may be worth looking into.
54. Finally we could work with the Institute of Apprentices to identify how the apprenticeship programmes can be better explained and promoted, how they can enhance working practices in the sector, and lastly, ensure that PBS apprenticeships are approved on a timely and appropriate basis.

PART 5 – TRANSFORMING SOCIAL MOBILITY OF TALENT

Concerns

55. We believe that a fair society is one in which all people, irrespective of their background, can achieve their full potential. At the moment, it is clear that people from disadvantaged backgrounds are far less likely to achieve the same levels of success as their more privileged peers. There is evidence to suggest that those from disadvantaged backgrounds who attend higher educational institutions and have required additional welfare support, have higher non-completion rates than those from non-disadvantaged backgrounds [require defined source]. There is therefore also a practical challenge of how are managed and supported when they join the PBS working environment. PBS firms will need to develop their understanding of these dynamics and explore the appropriate mechanisms to continue the pastoral care received when studying for respective PBS qualifications to avoid non completion.
56. It is well established that regional disparities in growth, productivity and outcome are deep-rooted. While London and its commuter belt are pulling away from the rest of the country, coastal areas and industrial towns are becoming economic cold spots. Very similar areas that are only a few miles apart perform very differently despite

seemingly having similar challenges and opportunities. Failure to address this disparity hampers the economic and social well-being of the country.

57. There is also a need for improved measurement of Social Mobility and we should look to identify clearer methods and benchmarks in collaboration with relevant government bodies to ensure consistency in approach and understanding.

Preferred outputs

58. ***We will agree improvement indices for the PBS sector with the Social Mobility Commission for the next [5] years***, across all four modes of mobility (inter-generational; intra-generational; absolute; and relative social mobility).

Typical measures relevant to the PBS Sector might include:

- Increased recruitment, retention and promotion of BAME, female and LGBT employees so that recruitment appropriately reflects the diversity of the UK;
- Increased recruitment, retention and promotion of employees who were in receipt of free school meals and/or where they represent the first generation of their families to attain certain levels of educational attainment; and
- Increased availability of non-graduate entry routes to the professions.

59. The IoP WG is doing important work to drive economic growth (and hence PBS uptake) in five pilot disadvantaged areas of the country (the PBS5 areas). ***We will work with the Department for Business to grow the scale of the PBS sector in the PBS5 areas to create more sustainable and high value jobs for UK plc*** (e.g. a total of 4,500–9,000 net new PBS jobs in 24 months in the disadvantaged project areas, increasing economic growth in their local economies, above [2% per annum] above the average sectoral growth rate).

60. Doing so will increase the demand for and use of PBS services by all local firms to help the local economy to grow and increase exporting.

61. The outcome leverages the knowledge and skills of larger private sector PBS firms from across the UK and a wide range of sector bodies. The PBS provides a trusted voice that can help with awareness and adoption issues beyond the ceiling of public sector advertising. It will embed a locally focused delivery plan supported by large and small firms from the private sector.

Possible solutions – PBS best practices

62. Many, if not all, of the PBSC member firms have social mobility programmes designed to give access to the professions to individuals from disadvantaged backgrounds. We could collate and promote the best practice standards that already exist from across the PBSC, and identify mechanisms to socialise that best practice through the UK economy. This could include exploring how connected bodies such as the Careers Enterprise Company, can support with co-ordinating passage of best practice across sector or individual areas.

63. **Mobility Pathways.** In order to attract recent school and college leaver PBS member firms could also explore the UK Fellowship program. Here the suggestion would be for the eligible candidates to complete an 18-month fellowship appointment during which they may complete three six-month rotations in different offices located throughout the UK. In addition to on-the-job training in their host offices, the Fellows would be given unique opportunities to participate in educational and professional development training and seminars. The program would prepare Fellows to meet the challenges locally and potentially help develop and further distribute talent to the regions and countries across the UK. Focus here could be on the Northern England, Wales and Scotland.
64. **Importance of Place.** Local areas would bid to be involved in the IoP programme to ensure local buy-in and commitment. Targets would be agreed with local stakeholders and LEPs linked to initial baselines for various indicators in the local economies (e.g. knowledge and use of PBS). Initial survey work would give some early indicators of change/impact as well as more medium term BEIS indicators such as GVA and employment.
65. Customised package of support will be designed, based on local needs assessments covering both information (e.g. public sector opportunities, exporting, supporting young leaders, how to secure major PBS investments) and delivery (e.g. masterclasses to local SMEs, supply chain matching, mentor senior leaders of local organisations, secondment of PBS champion, growth mentoring for PBS firms, PBS prize for innovation).
66. Doing so will require funding for each PBS5 area from the government (note that the funding will go to the local areas, rather than to the PBSC or other service providers; we envisage that our work will be performed on a pro bono basis), with the potential for local match or in-kind contributions.
67. We would also suggest that previously popular Training and Work Experience Programme is reinstated to become the Skill and Knowledge Exchange Programme. The purpose of this programme would be for the individual to gain UK experience whilst imparting their knowledge and capabilities. A UK employer/company would look to bring an overseas / non-EU citizen to the UK for a limited period of work experience or professional training with the focus being on shortage occupation industries e.g. STEM sector. It should be linked to the individual's educational or professional qualifications within a detailed Programme covering the training content and duration. Visas should be issued for a maximum two year period with an option to retain top talent at the end of the programme by converting to a longer term employment visa.

CONCLUSION

68. Access to the best talent represents the key multiplier for PBS firms as we look to build on its great success and continue to support the growth of the UK economy. We recognise that events like Brexit, technological innovation, socio-economic changes and global protectionism, may well have impacts for the sector, but there are practical steps that can be taken to help insulate against these challenges and put

the sector on a forward-looking course. Creating a dynamic environment that recognises professional qualifications and movement of professionals, enhancing the foundations for an inclusive environment that drives life-long learning and broader social mobility pathways, are all critical elements for the PBS Sector and its symbiotic relationship with the health and growth of the UK economy.

69. A collaborative Sector Deal is therefore vital for both business and the UK Government as we look to secure future growth and prosperity across the UK and beyond. By enabling mechanisms that protect the environment which has already made the UK an attractive and successful place to do business, we will then be able to grow the capabilities in our people, so they better equipped to adapt to change and rise to the challenges of the future.

DRAFT - FOR DISCUSSION