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BSA - The Business Services Association

Submission to Labour's National Policy Forum

July 2022

Introduction

The BSA welcomes the opportunity to contribute to the Labour Party's National Policy Forum 2022. This contribution has particular relevance to the commissions on [public services that work from the start](#), [safe and secure communities](#), [better jobs and better work](#), and a [green and digital future](#).

The Business Services Association - the BSA - brings together large and small businesses and VCSE organisations delivering services and projects across the private and public sectors. Members include those delivering ICT and digital services, facilities management, back office and administrative services, construction and infrastructure provision and other project delivery. A membership list is included as an Annex.

This is a hugely important sector, employing over three million people across the UK. 70 per cent of business services are provided business-to-business and 30 per cent for the public sector. The sector employs c.3.3 million people across the UK, accounting for around 1 in 10 jobs. It is therefore right at the heart of issues relating to inclusive and sustainable growth in the new economy, as well as supporting the delivery of service and infrastructure projects.

We would like to take this opportunity to strongly welcome the Labour Party's recent engagement with the BSA and we are keen to work closely with the Party as it develops its policy positions. The economic pressures facing the country are both considerable and wide-ranging. As key suppliers of services underpinning core aspects of our national infrastructure and UK industries, BSA members stand ready to play their part in supporting the growth and resilience of the economy.

In the face of economic uncertainty, it is critical that all sectors of the economy - public, private and voluntary - draw together in common endeavour, just as they did at the height of the coronavirus pandemic. As we emerge from the pandemic, find a new place in the world outside of the European Union and transition to a carbon neutral economy, collaborative working between the public, private and VCSE sectors has never been more important.

That means ensuring that different sectors' goals are both clear and aligned, especially in relation to inclusive and sustainable growth, and that public sector commissioning and other decisions are always taken with that in mind.

Whilst we recognise the need to balance different considerations at this time, the challenges facing business and VCSE organisations operating within the UK must be taken into account. This is particularly pressing in light of the invasion of Ukraine, the impact of the coronavirus pandemic, and labour shortages. It is vital that people and businesses are encouraged to be economically productive, thereby helping drive the economy forward into the growth areas of the future.

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Overview and Questions Addressed

The following points reflect the views of the Business Services Association in relation to the Labour Party's ambition to support a Britain which guarantees security, prosperity and respect for all.

This contribution will not look to address all of the questions in each of the relevant commissions but it has particular relevance to the issues raised by the following questions:

Section 1: [Better Jobs and Better Work](#)

1. How can we help all workers and businesses gain from new technologies and new ways of working?
3. What does 'flexible working' mean for the UK's varied industries and how can it support growth in local economies and for different workers?
4. How can we ensure that innovation contributes towards good work?

Section 2: [A Green and Digital Future](#)

1. Which industries, sectors or technologies present the biggest opportunities for the UK's green economy?
3. How can government support the growth of business and the creation of good jobs in these sectors?
4. What can we learn from current and previous initiatives to create jobs in the green economy?
5. How can we ensure jobs created in the green economy set a higher standard for security, pay and progression?

Section 3: [Public Services that work from the Start](#)

1. What principles should underpin Labour's approach to the provision of public services?
5. How can Labour deliver high-quality vocational and academic training routes?

Section 4: [Safe and Secure Communities](#)

4. How can prisons and the probation service be reformed to reduce reoffending?



Section 1: Better Jobs and Better Work

New ways of working and flexible work

We are entering a new phase of work, in which changes which were already taking place are now being accelerated, and government policy must respond to those changes and help businesses adapt.

It is already clear that the role of the office in the new economy is changing. For some sectors and businesses, it is likely to involve a degree of hybrid working, combining home or agile working with limited person-to-person working in repurposed 'office' environments. The latter will continue to be needed for networking, collaboration, training and mentoring, and 1-2-1 ideas exchange. These are all especially important for young people, those starting new careers or jobs, and for growing a business.

It is important to recognise that there are also real challenges for employees, especially those with different needs and wishes, and employers alike. Policy and practice need to reflect fully the emerging world of work, including in such areas as training and skills development; reward strategies which make retraining and career transitioning pay off; approaches to Net Zero and sustainability; and equitable partnership working between large employers and SME supply chains.

We need also to understand the broader health impacts of the pandemic and the current economic landscape, particularly the likely increased prevalence of mental health issues and associated support requirements for both individuals and employers. Understanding and responding to all these issues makes commercial as well as ethical sense. It is also increasingly an integral part of business strategy. All employers will need to ensure that staff welfare remains a priority as the world of work changes.

These issues also have significant implications for government, both through public procurement and in its wider approach to business.

Supporting workers

The emerging world of work provides new opportunities to enable greater socio-economic inclusion, as there may be less need for some people to live near city centre offices if they are able to work for longer periods at or near home. It is important, however, that those less able to work from home can take full advantage of this. Both employers and employees need to work together to ensure that all staff have a safe, adequate, and appropriate place to work.

It is important to ensure that groups previously disadvantaged in the labour market, often including disabled people, care leavers, ex-offenders and the homeless, can take full advantage of the new world of work. Existing employment support provision should be maintained and adapted to achieve this, including tailored provision for those who need it most including learners, job seekers, and those who are unable to work or increase their hours due to disability, a health condition or illness, or caring responsibilities. For some, further in-work support would also be beneficial.

Changes in the use of offices will have particular implications for many of the support sectors which have been the enablers of improved productivity - such as the facilities management and business-to-business services including ICT and consultancy.

Societal attitudes to many of these sectors - especially security, cleaning and wider FM - have improved markedly during the pandemic, with people appreciating such 'key worker' roles. As we have discussed in our recent meetings Labour Party Shadow Ministers, there is now an opportunity for employers and governments alike to build on this and there should be a renewed focus on key workers in support services in particular.



This is partly an issue of making sure pay and conditions specified in service and infrastructure contracts are fit for future requirements, and partly about facilitating career development and improving perception of these career paths. Business has a central role to play, but so does government - including in promoting training, skills and careers.

Supporting local economies and community wealth building

Government at all levels could actively encourage shared remote working workspaces in those areas of the country, especially outside major cities, where they are not yet present. These could be developed with LEPs, local authorities and local businesses, potentially focused on local / regional business specialisms and potentially co-located with other local services or amenities (such as libraries, business advice one-stop-shops, refreshment provision).

Out-movement of young people in particular has long been a key challenge for many places. The new world of work now provides opportunities to address this, with some employers focusing less on offices in major cities. Many employees, however, will still wish to work, live and socialise with and in proximity to their peer groups, especially those working in similar fields.

Partly this is about linking local skills development with local job availability, but it is also about encouraging skilled people not to move away for other reasons - meaning an attractive civic realm, local amenities, affordable housing, and groups of like-minded people. Encouraging employers to locate in and/or recruit from localised hubs with others in the same sector is one way to help achieve this. It also helps with cross-fertilisation of ideas and skills within that sector. At the heart of this, employers, providers, and local government must all work together in partnership to develop skills plans that best support communities across the local economy.

The changing world of work clearly affects different regions in different ways. Just as the pandemic hit those regions with a focus on hospitality and the visitor economy especially hard, so there is potential for long-term adverse effects on those regions or areas with a concentration of employment in the most-impacted sectors. There is also, however, great potential for long-term changes to reduce historic disparities between parts of London / other major cities and the rest of UK.

The new economy will have significant implications for city and town centres and the high streets within them, with an increasing focus on spaces to live and to relax and socialise, with more flexible working environments. There is a big role for inclusive and sustainable regeneration, so these locations become areas where workspaces co-exist to a greater extent with housing and social amenities. Urban areas and towns will continue to play a vital role helping people connect, but in new ways. Some have spoken for example of the '15-minute city', where workspaces, amenities and living spaces are in close proximity.

Key to this will be making sure that areas outside the major cities benefit from these changes and, in turn, key to that is giving local areas more control within a national framework. This includes local areas being fully involved in spending resources through central government's funding streams.

Partnership working between companies to support local economies

All types of organisations have a role to play in recovery and in rebuilding economic and social infrastructure. Different sizes of businesses have different strengths they can draw on. In many areas of the country, smaller businesses and VCSE organisations have been hit especially hard. Larger organisations can have the capacity and reach to help. They can help support and rebuild local SME capacity, by making full use of the external expertise and supply chain management they can bring to the table, while smaller organisations bring their strengths and innovation so that the two learn from each other.



Both now and in the longer term there is a need for fair treatment of supply chains with fair allocation of risk and reward, genuine partnership working, and larger and smaller organisations each being aware of the opportunities available both to contract directly with the public sector and to collaborate with each other.

The BSA has also highlighted the importance of equitable collaboration between different sizes of company, in its [Statement of Best Practice on Partnership Working between larger businesses or VCSE organisations and SMEs](#).

Better partnership working and involvement of SMEs brings benefits to partners and clients, to the economy and to society as a whole. Larger organisations benefit from a healthy and more diverse supply chain, SMEs can benefit from the capacity, support and reach of larger organisations, and together they can achieve more.



Section 2: A Green and Digital Future

Opportunities for the UK's Green Economy

Across all sectors, the new economy presents new opportunities in areas such as sustainable energy, digital and cyber-focussed roles, retrofit, and sustainable waste management. There will also be challenges in helping existing sectors adapt, including adapting existing skills to the digital world or adapting construction and engineering skills to new Net Zero requirements.

The experiences of those who have been studying and working from home at one point or another over the past two years have highlighted how crucial our digital infrastructure is and its importance to the functionality of our wider economy.

Investment in infrastructure will be crucial to our economic recovery and to unlocking the country's potential. In particular, large-scale transformational infrastructure projects not only encourage investor confidence in our economy but also in turn stimulate investment, jobs, and regional growth that are felt throughout the country. As the UK moves toward economic recovery, there is a clear opportunity to build resilience and sustainability into the heart of stimulus packages including infrastructure projects.

Digital Inclusion and the Role of ICT

Digital inclusion is clearly of central importance to facilitating employment, access to services, and general wellbeing. It will also be central to people's ability to connect with others at all levels, reducing any sense of isolation, including in the new world of work.

The 'digital divide' is complex and multi-faceted. It involves both those who cannot become fully digitally enabled (owing to lack of resources, information about upskilling, or adequate connectivity) and those who may, for whatever reason, choose not to do so. The first is about addressing all forms of digital poverty, including lack of access to the most up to date devices, and addressing coverage issues in the most remote areas. The second is partly about education and partly about reducing genuine fears on issues such as digital security and privacy.

As the use of digital rightly increases, opportunities for its use in driving service provision also increase. That reinforces the need for adequate controls on data ownership and sharing.

Meanwhile ICT services organisations were vital in keeping the economy going during the lockdown periods. Digital innovation has made great advances as a consequence of COVID-19 and there is now an opportunity to secure and build upon it, especially through investment to ensure that its benefits are spread and are available equally to all. This means adopting a human-centred approach, in which digital is harnessed to support wider goals rather than being seen as an end in itself.

As we look to grow our economy and navigate the economic challenges ahead, a focus on ICT can be used:

- as an enabler of economic growth across the board. Government policy can help businesses to build on those digital transformation projects which were accelerated in response to COVID-19 and which will need to continue to do so if businesses are to be future-proofed;
- to improve sustainability and industrial resilience in areas such as 3D printing or additive manufacturing, which are becoming a core need and can play a greater role in any industrial strategy going forward;
- to help ensure that regional inequalities are overcome rather than entrenched during the recovery from lockdown, by enabling business to use the power of big data to overcome local



challenges and restrictions, and by extending access to training and other services for those who may long have lacked the means to travel long distances to access them; and,

- within government itself, with an acceleration of digital transformation programmes to help to ensure continued and improved access to essential services.

Meanwhile all stakeholders need to work together to improve digital access and education for left behind groups as a matter of urgency. It is important that investment in digital infrastructure is appropriately prioritised in order to deliver inclusive and sustainable growth.

Support for growth and a green recovery

Climate change and sustainability remain a high priority for BSA members and we have seen many organisations from all sectors commit both to achieving Net Zero carbon by 2050 at the latest, as well as to playing their part in tackling the effects of climate change. For BSA members, actions towards Net Zero are two-fold: as well as reducing the environmental impact of their own organisations, many members deliver services to private and public sector organisations to help them become more energy efficient and act more sustainably.

As we look towards a green and digital future, many businesses may not have the funds readily available to invest in green capital projects in the short-medium term. Financial stimulus may therefore need to be available to support low carbon technologies, in order to ensure that our economic recovery does not have further impacts on the environment over the short term. A low interest loan for green capital investments, supported by Treasury, would enable businesses to make vital energy efficiency upgrades to their sites.

There is also the opportunity for the public sector to lead by example, as one of the largest occupiers of commercial buildings in the UK, by investing in its own property portfolio. Investing in energy efficiency across the commercial property estate, scaled up across the UK, would result in a huge reduction in carbon emissions, enabling business to drive a green agenda and support the Race to Zero. These capital projects would also create jobs across the UK, from low to high-skilled, often in STEM areas, and would be well-suited to apprenticeships. Moreover, some of the UK's biggest energy users are in areas of economic disadvantage, so such action would support the inclusive growth agenda.



Section 3: Public Services that work from the Start

Delivering high quality vocational and academic training

Championing learning throughout people's lives and encouraging a joined-up approach to careers, skills and employment support, will be key to supporting our economy going forwards. Ongoing lifelong career change is likely to be a core feature of the new world of work and therefore the principles of flexibility of skillsets and adaptability of careers need to inform education from Key Stage 2 onwards. Further work is also required to adapt skills provision to the changing local needs of employers.

BSA Members have discussed a range of potential policy responses including:

- increasing investment in pre-apprenticeship functional skills and core GCSEs (level 2 qualifications) in Maths and English, as well as courses of under a year;
- allowing more flexible use of training and apprenticeships provision for employers in sectors where jobs are available (including simplifying the process of becoming an apprenticeship provider and potentially allowing more bespoke apprenticeships);
- launching a review and reform of the apprenticeships 'offer' and system, which should aim to make it more dynamic, relevant, and flexible;
- exploring flexible delivery models and giving people a holistic support package that covers areas such as digital;
- creating funding to help with travel costs for those in more remote areas whose local providers may no longer be functioning;
- ramping up business-led careers advice focused on high-growth opportunity areas such as sustainability, digital, civil engineering, and construction;
- encouraging students into vocational training where this is most appropriate to them, including through making sure schools are not simply focused on numbers going to university; and,
- focusing from an early age on gender equality in relation to STEM subjects. This includes ensuring that technology and computing teaching aligns fully to the future skills agenda, such as AI, and covers both using and creating such technology appropriately.

Public Procurement and the principles underpinning the provision of public services

In addition to the questions set out in the policy commission, we would also welcome an opportunity to input into the Labour Party's public procurement policy development. Robust, fair and strategic procurement has a central role to play in driving a fairer and greener economic recovery, supporting jobs across the whole country and enabling more SMEs and charities to become involved in providing services.

We would welcome the opportunity to continue our recent positive discussions with the Labour Party about how public procurement can help to deliver inclusive and sustainable growth throughout our local economies and communities across the country, as well as the national economy.



Section 4: Safe and Secure Communities

Investment in the prison estate and reducing reoffending

Reducing reoffending requires an innovative and forward-looking vision of an effective prison system. Policy must remain pragmatically focused on the challenge of service delivery, but also the principles of fairness, decency, and respect which are, of course, central to the delivery of excellent prison regimes.

A commitment to strategic investment which both modernises and improves the prison system's capacity should be coupled with sufficient funding to support both the regimes and reintegration programmes operating across the justice estate, including training and employability services. This investment facilitates better provision of purposeful activity for prisoners and improved security, both of which contribute to safer and more productive environments for prisoners and staff.

Much of the challenge of improving prison regimes concerns the existing estate and its capacity pressures. Prison maintenance, including day-to-day estate inspection, minor repairs, and large-scale refurbishment, is vital to preventing cells being taken out of use and providing decent environments for prisoners and staff.

The second area of modernisation is the necessary investment in digitalisation and digital innovation, central to the delivery of modern regimes. Too many prisons operate without basic digital infrastructure, which in turn prohibits efficiency. Secure ICT and in-cell learning will facilitate access to training and employment resources for prisoners, supporting rehabilitation.

Digitalisation and streamlining encompass the necessary changes and improvements to sharpen up burdensome administrative processes and transform outdated legacy data systems so that staff can see the right data at the right time and in the right format, improving their ability to make informed decisions. Digital innovation in these areas will eliminate repetitive administration, improve communication, increase the amount of time available for working directly with prisoners and facilitate improved partnership working.

Supporting ex-offenders

By employing ex-offenders, employers benefit from securing committed and skilled people to fill gaps in our economy and we would encouraged further emphasise on policies which place business networks, employers, and training providers at the heart of employment workshops and sector-specific skills training delivery.

Key to ex-offender employment is investment in skills and training provision, which can be enormously beneficial to prison leavers if they are able to access it at the right time. In order to drive meaningful employment and life opportunities for prison leavers, and to facilitate a smooth transition, eligible participants should be able safely to access community programmes and innovative skills-based learning, whilst still in prison. This could be achieved through in-reach services from programme staff and allowing prisoners to access funded support leading up to their release in every prison.



Annex 1: BSA Members, July 2022

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3SC
AECOM
Alvarez and Marsal
Amey Plc
Aramark
Atkins
Atos
Baachu
Balfour Beatty Plc
Barclays Corporate
Bellrock
Bevan Brittan LLP
Bouygues E&S
Browne Jacobson LLP
BT Group Plc
Business 2 Business
Capita Plc
Catch 22
CBRE Ltd
CGI
CH & Co Group
City FM
Clyde & Co LLP
CMS Cameron McKenna Nabarro Olswang LLP
Community Models
Compass Group Plc
Corndel Ltd
Costain
Deloitte
DWF LLP
DXC Technology
Elior UK Ltd
Eric Wright FM
Fujitsu UK
G3 Systems Ltd
G4S Plc
Glaston Consulting
GoodPeople
Grant Thornton
Hinduja Global Solutions
HP
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Incentive FM
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Reed in Partnership
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