



SkillsActive briefing paper on 'World Class Skills: Implementing the Leitch Review of Skills in England', the government's response to the Leitch Review of Skills.

Launching the government's response to the Leitch Review of Skills, Secretary of State for Innovation, Universities and Skills, Rt Hon John Denham MP, said:

"For our citizens, better skills are the path to sustained employment, career progression, and increased income. For our businesses, a more highly skilled workforce is the path to higher productivity, competitiveness and profitability. Increased skills will also contribute to the delivery of better public services."

The content of the plan looks promising. It is the most comprehensive skills strategy ever produced – ranging from basic literacy to high-level technical training – and commits funding to the tune of £1.3bn per year by 2010/11. The success of the implementation plan, however, relies on buy in both from employers and individuals, as well as long term commitment from the government.

The plan confirms that the government is not looking to "either reduce or increase the number of SSCs", although there may be a bit of a shake up when the relicensing process takes place by 2009. The refocused, albeit fairly familiar "new" remit focuses on raising employer ambition and investment in skills; ensuring the supply of skills and qualifications is driven by employers and advising the LSC on which vocational qualifications should receive public funding.

This will undoubtedly benefit employers, as will the new Commission for Employment and Skills, giving employers the opportunity to exert further influence over both the content and delivery of skills and employment programmes. This will include driving the reform and development of vocational qualifications.

Stephen Studd, chief executive of SkillsActive, has said: "We welcome the government's response to the Leitch Review and are pleased that the majority of the key recommendations have been taken on board. We welcome the emphasis on a demand-led system with strong input from employers and are pleased that Sector Skills Councils are recognised as being at the heart of the solution."

There has been much discussion about the future role of the Learning and Skills Council following announcements made in the run up to, and contained in, the Leitch plan around transfers of funding and responsibility. What is clear is that around £7 billion in funding for 14-19 year olds will be transferred from the LSC direct to local authorities, apprenticeships will remain the responsibility of the LSC.

Legislation will be needed and although definitive timings have not been announced, changes will not fully take place until the 2010-2011 academic year, so the LSC will retain responsibility for the next three years. Ministers have stated the LSC "will have a central role in managing the transition successfully" but the steer seems to be towards the LSC as a funding body.

SkillsActive welcomes the emphasis on the view of employers, the focus on a demand-led skills system and are pleased that SSCs and employers are recognised as being at the heart of the solution.

SkillsActive has urged employers to sign up to the voluntary skills pledge to increase training in the workforce and show that there is a strong commitment from within the sector to workplace training.

As skills policy in the UK is a devolved issue SkillsActive will continue to monitor the implications for infrastructure, policies and targets in all of the home countries.

Key points of the government's Leitch Implementation Plan.

- The **UK Commission for Employment and Skills**, chaired by Sir Michael Rake, will have advisory responsibility for skills at all levels across the UK, subject to agreement with the devolved administrations. The new commission will take on the role of Sector Skills Development Agency (SSDA) and National Employment Panel (NEP) and work with “all parties to raise their game on skills” and help “to shift the national culture”.
- In England, the commission will advise the government on skills and employment strategy and targets; assess progress towards achieving our world-class ambition; ensure that employment and skills services are integrated to meet the needs of individuals and employers; and oversee the performance and reform of the Sector Skills Councils.
- **Sector Skills Councils (SSCs) will be reformed** (and re-licensed by 2009), with a refocused remit of raising employer ambition and investment in skills; ensuring the supply of skills and qualifications is driven by employers and leading on labour market needs. Employers will be given a leading role in the reform and development of vocational qualifications for their sector through their Sector Skills Council.
- National occupations standards will be updated for all sectors by 2010. The current statutory **levy on national vocational qualifications will be replaced with a direct grant to SSCs from autumn 2008.**
- In England, the government will consider introducing **legislation to make it easier for SSCs to introduce levy schemes** where employers feels this would improve skills and productivity in their sector.
- It will be made easier for employers to have their own, in-house training programmes accredited.
- “Reshaping the role of the **Learning and Skills Council (LSC)**”. Sponsorship of the further education service as a whole, its post-19 funding will sit with the new Department for Innovation, Universities and Skills. Overall planning responsibilities for 14-19 learners will transfer to the Department for Children, Schools and Families as will all 14-19 funding for with the exception of that for apprenticeships.
- **14-19 funding will transfer from LSC** to local authorities' ring-fenced education budgets.
- The **Skills Pledge** will give employers an opportunity to publicly demonstrate their commitment to investing in the skills of their employees, whilst receiving access to the support of an impartial skills broker, and training for their staff in literacy, numeracy and a first full level 2 qualification relevant to the employer.

- **Union learning representatives** will be encouraged to work with employers to make the Skills Pledge, draw up action plans for delivering the pledge, and to help more employers and employees to access Train to Gain brokerage and funds for training.
- The **Train to Gain** service will be “broadened” to help employers invest in their businesses by improving the skills of their employees. It will support employers to assess and address their training needs at all levels. Funding will increase from £440m to £900m by 2010/11.
- Support for the network of **National Skills Academies (NSAs)**, which will be extended giving employers who invest in them the opportunity to influence the content and delivery of skills training in their sector. The government aim to have 12 NSAs in place by 2008.
- **Higher education** institutions will be encouraged to increase their focus on workforce development and collaborate with employers to deliver training that meets their needs. A “new higher standard for employer responsiveness and vocational excellence” will launch in the spring and replace the **Centres of Vocational Excellence (CoVE)** model, which will be phased out by 2010.
- **Skills Accounts** will give individuals greater ownership and choice over their learning. When an individual opens a Skills Account, they will be able to access a range of adult information, advice and guidance services in the new universal adult careers service.
- Through a merger of the information and advice services of learndirect and nextstep providers in England, a new universal **adult careers service** will offer, in partnership with Jobcentre Plus, tailored employment and skills advice to better meets the needs of low-skilled and unemployed adults.
- **New legislation will be introduced to strengthen the current funding entitlement for adults to free training in basic literacy and numeracy** and to achieve first full level 2 qualifications.
- In 2010 the **progress made towards world class skills ambitions will be reviewed**, and the establishment of a statutory entitlement to workplace training for employees in England lacking a first full level 2 qualification will be considered if sufficient voluntary progress has not been made.

The full text of ‘World Class Skills: implementing the Leitch Review of Skills in England’ is available at:
www.dius.gov.uk/publications/publications-leitchreview.htm

For more information please contact Will Pickering on 020 7632 2031 or email
william.pickering@skillsactive.com