



Leitch Review of long term skills needs: A summary

"In the 21st Century, our natural resource is our people and their potential is both untapped and vast. Skills are the key to unlocking that potential. The prize for our country will be enormous, higher productivity, the creation of wealth and social justice... The case for action is compelling and urgent. Becoming a world leader on skills will enable the UK to compete with the best in the world. I am optimistic." Lord Leitch, December 2006

"The clock is ticking for the one in three employers who fail to train." Brendan Barber, TUC

Reforms were originally announced in the government's white paper on further education last year and have been endorsed by Lord Leitch's report on skills. The report has committed the Government to working towards a demand-led system to put purchasing power for learning in the hands of the employers and individual learners.

Leitch recommends that the UK commits to a compelling new vision - to become a world leader in skills by 2020. By this date:

- **95% of working age adults should have basic skills in both functional literacy and numeracy**, rising from 85% and 79% respectively in 2005;
- More than **90% of adults should be skilled to GCSE level or to vocational equivalents** (at least level 2), rising from 69% in 2005;
- The number of **apprentices in the UK to be boosted to 500,000 each year**, double the current number, with improved quantity, quality and esteem for intermediate skills;
- More than **40% of adults to be skilled to graduate level and above**, up from 29% in 2005.

Wherever possible, skills should be portable to deliver mobility in the labour market for individuals and employers.

Leitch highlights the need for shared responsibility of the three key players. The costs of raised ambitions should be shared between government, employers and individuals. It recommends a new partnership, based on the success of Train to Gain in England:

Government must create an end-to-end system with real clarity and discipline as to who in the education and skills infrastructure does what, ensuring employers and individuals drive the system so that it delivers economically valuable skills.

Employers must respond to the opportunities offered, apply their stronger voice in definition of skills qualifications, focus investment on where this will have most effect in meeting their needs.

Individuals must invest in their own skills development and raise their aspirations and awareness, sustained by high profile awareness programmes on the value of skills to them and their families

Radical change is recommended across the whole skills spectrum by:

- Routing public funding of vocational skills through **Train to Gain and Learner Accounts**;
- Strengthening the employer voice on skills through creation of a new **Commission for Employment and Skills**;
- Reforming **Sector Skills Councils** who will simplify and approve vocational training;
- Launching a new '**pledge for employers to voluntarily train more employees at work**'. If insufficient progress has been made by 2010, introduce a statutory right for employees to access workplace training;
- **Increasing employer investment in higher level qualifications**, especially in Apprenticeships and in degree and postgraduate levels; significantly more training in the workplace;
- Raising people's aspirations and awareness of the value of skills, creating a **new universal adult careers service** to diagnose skill needs with a skills health check available for all;
- Government to introduce **compulsory education or workplace training up to age 18** following introduction of new Diplomas and expanded Apprenticeship route;
- Integrating the public employment and skills services to deliver sustainable employment, enabling more disadvantaged people to gain skills and find work, **developing employer-led Employment and Skills Boards**

As skills policy in the UK being a devolved issue **the Review has worked closely with the Devolved Administrations in Scotland, Wales and Northern Ireland**. Its analysis has implications for infrastructure, policies and targets in each country.

The **Commission for Employment and Skills** will be an employer led body to deliver leadership and influence formed by the merger of the Sector Skill Development Agency (SSDA) and the National Employer Panel (NEP), reducing the number of bodies involved in skills delivery. A network of employer-led Employment and Skills Board would report to the Commission

New remit for Sector Skills Councils include:

- Taking the lead role in developing national occupational standards and approving vocational qualifications (only SSC approved vocational courses should qualify for public funding);
- Leading in the collation and communication of sectoral labour market data;
- Raising employer engagement, demand and investment;
- Consider collective action to address specific sector skills needs.

Skills Pledge

The skills pledge would be a specific promise from employers to its workforce that every eligible employee would be helped to gain basic skills and a level 2 qualification. If by 2010 the skills improvement rate is insufficient, a statutory entitlement to workplace training may be introduced. The LSC is already allocating £10 million to support national employers who 'pledge' to train to level 2. The pledge builds on the recent experience in Wales (currently 10% of employees are covered by a pledge to guarantee them access to training in work).

Apprenticeships

Employers should drive and control the content of Apprenticeships through their SSCs and SSCs should work with employers to increase the supply of high quality places for young people and adults.

Management and Leadership

SSCs and skills brokers should drive up employer investment in management skills. The DfES Leadership and Management programme for small and medium sized enterprises (SMEs) should be extended to firms with between 10 and 20 employees. The Leadership and Management Advisory Panel may report to the Employment and Skills Commission.

Leitch has highlighted the need for an expansion of the skills brokerage service, SkillsActive feel the NSA would be the perfect vehicle for this.