

OPPORTUNITY AND SKILLS IN THE KNOWLEDGE-DRIVEN ECONOMY

A final statement on the work
of the National Skills Task
Force from the Secretary of
State
for Education and Employment

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Department for
Education and Employment



David Blunkett

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Foreword

Our *'Opportunity for All in a World of Change'* White Paper has been published to take the country forward in a new century: to harness the skills needed for individual, business and national competitiveness.

I want to set out in more detail my Department's plans to build on the work of the National Skills Task Force.

Success depends, as never before, on education and skills. Where once we could succeed on the abundance of natural resources, today we depend on full employment and social justice and on the skills and knowledge of our people. The new century brings fresh challenges, and it is the creativity and enterprise of the British people upon which we depend to meet them. In this new century the divide will not be between new industries and old but between those industries and services that have grasped the opportunities of change and those that have not.

I find myself in step with the vast majority of people who marvel at the dot.com companies which appear to make nothing, employ nobody and make no profits; but can still produce millionaires. And while we must recognise that it is this so-called *new* economy that is helping to spearhead growth and change, we must not forget about the *real* economy. Manufacturing and service industries - established and new - still provide for the vast majority of livelihoods that underpin much of the wealth and prosperity of our local communities and nation as a whole.

David Blunkett

Introduction

1. This booklet sets out what we are doing to help people develop the skills that they need. Without these skills people are unable to make their full contribution to our economic prosperity or benefit from the rewards this offers. This is the agenda before us and one that we are determined to meet. Before we came to office in 1997, Britain was a country bedevilled by underinvestment in our key public services, underachievement and wasted human potential. The divide between the *skills rich* and *skills poor* was widening. There was no national strategy for tackling youth and long-term unemployment. A lost generation of young people - 227,000 18-20 year olds - were locked out of employment, training and work.¹ The number of 16 and 17 year-olds claiming hardship allowances doubled during the period 1979 to 1997. Unemployment had reached 1.6 million, including the loss of a million manufacturing jobs. Although many of our schools, colleges and universities could claim to offer a world-class education, too many people were denied the range of opportunities or life chances taken for granted by others.
2. Over the lifetime of this Parliament we have pursued policies for the many. We now have the fourth largest economy in the industrialised world, recording sustainable levels of growth and historically low interest rates and inflation compared to the early 1990s. This has produced a stable economic platform, which, through the spending reviews announced in 1998 and 2000, will allow education spending to increase by a third in real terms between 1998-99 and 2003-04. [Education spending as a proportion of national income will increase from 4.7% in 1996-97 to a forecast 5.3% in 2003-04.] This unprecedented investment has also enabled us to begin tackling the skills and productivity gaps that hamper our competitiveness. Sound economic management has also produced the lowest levels of unemployment for a generation.
3. My first priority upon becoming Secretary of State was to put in place a robust and challenging framework to raise standards in our schools. With the strong foundations of a modern and progressive education system available to all, we will prosper as a nation in the 21st century global economy. I am pleased that our determination to raise standards in our schools is already delivering the fruits of both individual and social success. For the first time in a generation, the number of pupils fully proficient in literacy and numeracy is rising. Infant class sizes have fallen. More parents than ever are able to celebrate the hard won success and rising qualification levels of their children.
4. Following the *Learning Age* Green Paper I set up the National Skills Task Force in 1998. I asked the Task Force to develop a National Skills Agenda to ensure that we had the skills needed to sustain high levels of employment, compete effectively in the global market place and provide opportunity for all.
5. I believe that the outcome of the Task Force's hard work will be its lasting impact on the skills and economic prosperity of our country. During the lifetime of the Task Force an unprecedented coalition of business interests, trade unions, voluntary organisations and individuals contributed to the extensive effort and research that went into producing four main reports. This innovative and impressive co-operation has forged new alliances in the world of education and training. That is why we did not wait for the outcome of their final report before taking action. In particular, the Task Force was instrumental in persuading government to modernise the post-16 education and training system.

1 "Non-participation and disaffection in Education, Training and Employment among 18-20 year olds". (1996) TEC National Council Equal Opportunities and Special Training Needs Advisory Group.

6. The Learning and Skills Act 2000 tackles a number of fundamental weaknesses in our levels of skills and productivity performance. The new Learning and Skills Council (LSC) has a century of relative economic under-performance to put right, and will play a leading role in meeting the workforce development needs of individuals and employers.
7. I have asked the LSC to take forward the findings of the National Skills Task Force. Key objectives are to raise the sustainable level of employment through the updating of skills and embracing of new technology; and to reach out and draw into learning those who were previously economically inactive or have been victims of industrial or economic change. The Council will update and develop the information provided by the Skills Task Force (STF) on current and future skill needs and skill gaps in the workforce; and will work in partnership with others to produce a clear agenda for action. This will include strengthening the commitment of employers to the development of the workforce, and promoting new and innovative approaches to learning in the workplace.
8. We must overcome the false divisions between our foundation learning and the post-compulsory system. A new era of learning and skills will put the old distinction between academic education and work-related training behind us. In the knowledge economy academic courses must give people the essential skills for success in an increasingly competitive labour market. Put simply, schools, colleges and universities must get much better at responding to business needs. Similarly, workplace training must expand to provide people with the knowledge and skills to sustain their long-term employability. The LSC will have a key role in raising the profile of work-based learning for young people and learning in the workplace by adults.
9. Higher skills lead to higher earnings. The historical differences between the qualifications and experience of women and men have had an impact on average levels of pay. The Equal Pay Action Plan, which the Government will publish shortly, will set out the range of measures we are taking to tackle these disparities. We have asked the Learning and Skills Council to draw up an equal opportunities strategy and action plan with targets and performance indicators to tackle underrepresentation and underachievement. It will encourage wider participation in all forms of education and training and will ensure that both men and women have an equal opportunity to realise their potential. In drawing up its national framework for workforce development we have asked the LSC to ensure that its strategy will deal with inequalities such as too little learning amongst part-time workers (where women comprise 80% of the workforce and where too little learning has a damaging impact on subsequent earnings), low-qualified or disabled workers and those from ethnic groups.
10. In my initial response to the Task Force, I endorsed their concept of a national skills agenda. We also set out the Government's strategy for achieving a high-skills, high value-added economy. The four key elements of our strategy remain:
 - strengthening links between what people learn and the jobs they will do;
 - creating excellence in vocational learning so everyone can achieve their potential;
 - reaching out with basic skills training to those the system failed first time within a flexible system of lifelong learning for all;
 - working with employers to give everyone the chance to boost skills and productivity.

My vision

11. My vision is of a society where high skills, high rewards and access to education and training are open to everyone. Other advanced nations have shown that an inclusive society will also be a prosperous one. We must put behind us the false trade-off between economic efficiency and social justice. In tomorrow's economy there will be nothing to gain from paying people poorly, failing to provide them with the necessary skills or leaving whole communities cut off from the rest of society.

My priorities

12. Delivering the National Skills Agenda means targeting public resources where they will achieve our vision of a high skill, inclusive economy. We must challenge employers and individuals to invest alongside government so that we can achieve the best return for our joint efforts.

13. My main priorities are to:

- encourage the Learning and Skills Council, a strengthened National Training Organisations (NTOs) Network, the Regional Development Agencies (RDAs) and others to meet skills needs;
- improve the efficiency with which we match people and their skills to jobs throughout their working lives including tackling the impact of redundancies and industrial change;
- open up a ladder of vocational opportunity for young people, offering parity of esteem with more academic study and progression to higher education;
- ensure that there is a coherent and strong support for learning in the workplace, and a strategy for gaining commitment and action from those employers who have not been interested in the skills of their employees;

- increase the employability and basic skills of adults as part of a pathway to lasting employment;
- ensure equal opportunities for both men and women in their search for jobs, skills and learning, acknowledging differences they experience in the labour market;
- ensure we have a set of clear targets against which to measure our progress and that everyone is clear about their role in taking forward the skills agenda.

The action plan for a highly - skilled, inclusive economy

Strengthening the link between learning and employment

14. The UK has not succeeded in developing its productivity, competitiveness or qualification levels to anything like those of its main competitors. This has to change. Over the next three years we will work closely with partners to strengthen the link between learning and employment.
15. Matching people's aspirations to the skills employers need will be a key priority. It is critically important that we strengthen the link between learning and employment, starting in the schools, and that young people are properly informed about all the available choices open to them. I plan to take a number of further actions in this area to respond directly to the Task Force's recommendations.
16. Work-related learning in schools improves the range and quality of opportunities available for 14-16 year olds. Over 98% of pupils of this age undertake a period of work experience. Vocational A-levels were introduced from September 2000, and from 2002 we will introduce new vocational GCSEs. These will be important elements in the vocational ladder of opportunity, leading to employment or higher education, including new vocational foundation degrees.

17. The number of specialist schools providing academic and vocational excellence has doubled in recent years, giving more choice and responding to the needs of young people. These schools, with the strong backing of employers, aim to strengthen the link between learning and employment. My Department plans to recognise up to 800 specialist schools, nearly one in four of all secondary schools, by 2004.
18. But we must also respond to what the Task Force has described as ensuring better and more informed choice. Our Connexions Service is a radical attempt to modernise the quality of advice, guidance and support received by 13-19 year olds. A budget of £420 million by the end of 2002-03, together with the wider resources that partnerships will secure locally, will ensure that all our young people gain access to high-quality support and guidance, according to their needs. This funding will allow Connexions to be a truly inclusive service, supporting the decision-making that all young people undergo and the development of skills that they all need for success in learning and work.
19. Establishing an integrated and coherent approach to the availability and promotion of learning and work opportunities is essential. For young people and adults we are providing high-quality web-based information and online support. We will build on and improve the Learning and Work Bank, which offers Internet access to the Employment Service Job Bank. University for Industry's **learndirect** information and advice helpline has handled over 2.3 million calls since its launch in 1998. The 800 **learndirect** centres and Capital Modernisation Fund UK (CMF UK) will offer flexible, accessible opportunities to learn online to a wide audience including some of our most disadvantaged communities. The service is also available online at www.learndirect.co.uk and we expect to have over 1,000 centres operational by April this year. Career education, information and guidance in higher education will be strengthened through the implementation of recommendations for the recent sector-led review of Higher Education careers services.
20. I am extremely proud of what the Government's *welfare to work* policies have been able to achieve in a short period of time. The key to their success is the focus on the individual to raise their employability and skills. By extending the New Deal we will continue to open up opportunities for everyone who can work. The Job Transition Service will provide a framework for flexible, intensive and demand-led local and sectoral action, which focuses on those affected both directly and indirectly by large-scale redundancy, by helping them with the transition into sustainable employment.
21. Getting a good match between individual skills and jobs is not only about helping people into work. We must have workforce development strategies that improve the ways skills are used. Too many people say their skills and talents are not being used fully in their jobs. This waste of talent and skills is unhealthy for individuals, their employers and the nation. Too many women are going into too few occupational areas and often these are not highly-paid jobs. We will, explore with the NTO National Council the role for sector workforce development plans in addressing the specific issue of gender-stereotyping. We will stress the importance of encouraging women to train and take up jobs in non-traditional areas as an effective way of dealing with skill shortages.
22. I am concerned about the information that employers receive on skills. It is one of the reasons why we need to strengthen NTOs, working more closely with Ufi and the Small Business Service (SBS), to help plug this important gap. Up-to-date and accessible labour market intelligence about current and future skill needs is critical to achieving a more demand-led education and training system.

23. My Department, working with the LSC, RDAs and NTOs, will take an important lead on this over the next two years. Above all, we must be clear about the roles of the various agencies to ensure that their work is complementary. I also want to see a much closer fit between the skills and labour market assessments provided by industry, regions and occupational sectors and the funding and planning of post-16 learning and skills now being drawn up by the LSC. This will help ensure that the £5.5 billion of investment in skills through the LSC, and the £15 billion total that it is estimated is spent on training by employers in the UK each year, are used wisely.

Case Study: The Sector Workforce Development Plan for the Land-based Sector

Lantra is the National Training Organisation for the land-based sector, representing the interests of 1.5 million people and 360,000 businesses engaged in the land-based industries, comprising agriculture, animal care, environmental conservation, equestrianism, fencing, fish farming, floristry, game conservation, production horticulture, landscaping and professions allied to veterinary science.

The aim of Lantra's Sector Workforce development plan is to inform, advise, influence and persuade key partners to take effective action to raise the skills levels and capability of all those involved with the land-based sector.

The development plan has been produced after extensive research into the sector's skills needs, undertaken through a comprehensive *Skills Foresight* programme. To date, over 8,000 employers have contributed to the research, allowing a clear picture of current and future skills needs to be developed.

Creating excellence in vocational learning

24. The relative weakness of our vocational education and training system has long been the subject of major concern, dating back to the establishment of the Samuelson Royal Commission on vocational training in 1884. The authoritative research conducted for the Task Force confirms an-all-too familiar trend in terms of our economic performance. Over a quarter of businesses report significant skills shortages. Other surveys have consistently highlighted a declining number of people taking traditional technician and associate level qualifications.

25. It is why we will act in this new century to avoid falling further behind our international competitors. Beyond compulsory school age, we are determined to build a coherent and high-quality vocational education and training system that is the envy of the world. My Department, working with the new Learning and Skills Council, is committed to developing an integrated vocational learning pathway for every young person, on a par with the resources and prestige afforded other types of post-16 provision.

26. The Task Force's second report estimated that between 65% and 70% of employment opportunities will require Level 3 qualifications by 2010. Only 48% of UK 25-28 year olds held such qualifications in 1999, and the figure for 19-21 year olds was only marginally better at 50%. My message is unambiguous. We must set our sights much higher if we are to secure both individual and national prosperity in future. To fail in this task is to condemn future generations to low skills and consequently, ever-decreasing living standards.

27. That is why I have decided that there is merit in the Task Force's central recommendation that there should be an extension in the entitlement for young people and adults to free education and skills training and for this to be underpinned by additional financial support, including income-contingent loans. We are now looking at the options available in this area and will announce a decision shortly. These important new entitlements will build on the right to study for 16 and 17 year olds. They will also take account of lessons learned from the Education Maintenance Allowance pilots which I introduced specifically to test the extent to which additional financial support encourages more young people from low-income families to stay on in education.
28. To achieve our ambitious goal of vocational excellence for all, we must modernise our further education colleges. In *Colleges for Excellence and Innovation*, I set out an ambitious agenda in England to rebuild the technical instruction that once symbolised the very best of our industrial training system.
29. Our goal is to have up to 50% of general Further Education colleges specialising in a specific vocational area by 2004/5. The Learning and Skills Council will make £100 million of new investment available over the next three years, to those colleges which can demonstrate that they are at the forefront of addressing the skills needs of industry and commerce, locally, regionally and at the sectoral level.
30. The development of a world-class vocational system ultimately rests on the quality of the apprenticeship system. I do not support the view put forward by some that apprenticeship training is the best alternative for those not succeeding in academic education. I am pleased that both Foundation and Modern Apprenticeships have delivered more success in recent years, but we still have some way to go to build the kind of system envisaged by the Task Force.
31. The Apprenticeship Diploma will be a single and recognised award bringing together underpinning knowledge, key skills and vocational specialisation, which will demonstrate that the holder is qualified for skilled work and capable of further learning.
32. Technical certificates will accredit the underpinning knowledge required to work in a particular sector, complementing the practical training of the related NVQ.

Case Study: Christopher Eastwood

When Christopher Eastwood finished his Modern Apprenticeship he had plenty to celebrate. Not only was he one of the first people in the country to complete an apprenticeship in Heavy Goods Vehicle Maintenance, but he was also voted Student of the Year by Accrington and Rossendale College.

Christopher works for Gilbraith Tankers in Clayton-le-Moors, Lancashire, where he helps to keep the company's fleet of chemical tankers fit for the road. When he was at school he had an ambition to become a car mechanic, but a couple of weeks' work experience at Gilbraith's convinced him that working with heavy goods vehicles would make a better career. After taking his GCSEs, Christopher signed up with local training providers, Training 2000, who matched him up once again with Gilbraith Tankers, who happened to be looking for an apprentice mechanic.

Christopher is proud of the many qualifications he has gained in the course of his Modern Apprenticeship. These include an NVQ Level 3 in Passenger Carrying Vehicle Maintenance (Mechanical) and Key Skills at Level 3. He has also passed courses in Vehicle Inspection and Heavy Vehicle Recovery.

Christopher's next step will be to study for an HNC in Motor Vehicle Technology. He hopes to become a manager and may even set up his own business one day.

33. To complete our new vocational ladder of opportunity, I am committed to the modernisation of our higher education system. Many of our universities are already the envy of the world, offering high-quality academic and postgraduate study. But not enough are building the kind of bridges between the campus and employers, which could substantially improve on our levels of workforce skills, productivity and innovation. Responding to the Task Force's original conception of an associate degree, we introduced the new Foundation Degree.
34. The Foundation Degree is intended to provide a clear progression route of vocationally relevant study for those already in the workforce or those young people who have perhaps taken vocational A-levels. Above all, the aim of foundation degrees is to appeal to employment sectors and local businesses which want to reskill or upskill their people beyond Level 3. A prospectus inviting consortia to bid for the development of the prototype foundation degrees was issued in July 2000.
35. As recommended by the National Skills Task Force, Graduate Apprenticeships (GAs) are now being extended to cover a wider range of business and industry sectors. Nine frameworks are already available and a further five are expected by April 2001.
36. DfEE has made £5m available to the Higher Education Funding Council for England (HEFCE), to be used over two years starting in September 2000, to support the further development and delivery of GAs. HEFCE has invited HE institutions to bid for this funding.

Case Study: Foundation Degree in Creative Digital Broadcast Technology

The foundation degree in Creative Digital Broadcast Technology, awarded by the University of Sussex and offered from autumn 2001 through Ravensbourne College of Design and Communication, is one of three new foundation degree programmes that are being developed through the Consortium of Arts & Design Institutions in Southern England (CADISE) with an impressive range of employer and industry support.

The foundation degree programme, available both part-time and full-time, is expected to attract mature and experienced professionals in broadcast-related employment without formal qualifications; mature returners seeking a career change or who are currently unemployed; as well as young people who are clear about their career aspirations and want a qualification which will quickly get them into their chosen field. The course is well supported by employers, NTOs and professional bodies.

The foundation degree in Broadcast Technology will enable students to progress seamlessly into employment within the broadcast industry equipped with the knowledge and skills required to be immediately effective in an employment environment characterised by rapid technological change.

37. In the coming years we will take further steps to ensure that higher education continues to deliver on our vision. We have introduced the £150m Excellence Challenge programme to encourage those school students from disadvantaged backgrounds who are capable of benefiting from higher education to be able to do so. We want to support our universities - physical and virtual - to develop new ways of learning, with different models based on the way people live their lives. Part-time learning, returning to study in later life and distance learning using new technologies will be particularly encouraged and will provide increased flexibility of provision for mature students.

Case Study: South Kilburn INNIT Project

The project opened on 23 February offering free community access to high-specification computers, software and digital equipment. The project is run with a number of specialist sessional staff using Information Communications Technology (ICT) to encourage local people in video production, digital arts, music writing and web design. There is a particular focus on older people and disaffected young people.

The project also works in partnership with the local community and voluntary sector, with the centre acting as a 'community hub' for ICT-orientated community development work and initiatives. The project is also helping to develop a local 'community identity' and is examining the feasibility of a computer recycling initiative in the area. Developmental work on forging community-based partnerships in the context of a wider ICT development strategy is seen as an important next stage locally, extending the focus beyond the South Kilburn.

Qualifications to Fill the Gap

The challenge facing the IT sector is how to provide a consistent flow of skilled people. Only the concerted efforts of government, industry and education will generate this level of new recruits and there is evidence that this is happening. A notable example is the linking of government and IT vendor qualifications.

The UK Government offers Scottish and National Vocational Qualifications (S/NVQs) to prove candidates can do their job. In parallel, IT vendors, such as Microsoft, Cisco and Novell also offer qualifications that are highly technical and well recognised by the IT industry.

E-skills NTO and IT vendors are now working to bring these parallel tracks closer together. They have found that the optimum way to qualify the workforce is to combine the technical skills of a vendor qualification with the soft skills and measure of competence offered by a S/NVQ.

Each vendor qualification is mapped onto the National Standards and the results published on the e-skills NTO website. Individuals, employers and assessors can see exactly how the different types of qualification work and how they sit together.

Second chance opportunities for adults

38. If we are serious about creating a learning society, where everyone has the opportunity to learn and to upgrade their skills throughout life, we need to give adults the opportunity to learn in a wide variety of different ways and settings - from the local community to the workplace. We have given priority to the development of more accessible learning opportunities for adults at community level through a wide variety of routes, including the work of local education authorities in the provision of adult and community learning and the Adult and Community Learning Fund. The resources available to the LSC to widen the learning opportunities available to adults in the community will increase by 9% from 2002-03.

39. At the heart of the Government's approach to boosting skills is a single-minded determination to improve basic levels of adult literacy and numeracy. It is a shameful legacy that up to seven million adults lack basic skills in England alone. Research carried out for the Task Force shows that if we were able to raise numeracy skills to the standard we expect of 11 year olds, we would increase our gross domestic product by up to £40 billion. This demonstrates that tackling basic skills is not just a social issue, but an economic imperative too.

40. Building on the recommendations of the Task Force and the pioneering work of Sir Claus Moser's report - *A Fresh Start* - I am consulting on a national strategy to improve basic skills. In *Skills for Life*, we set out a number of proposals to take forward our drive to boost adult basic skills. Our proposals include:

- family literacy programmes in which parents and their children learn together;
- tailor-made strategies for targeting resources on disadvantaged areas;
- targeting of groups at risk of sustained social exclusion;

- more opportunities for workplace basic skills training;
- basic skills screening for Jobseeker's Allowance claimants.

41. Over the next few months, we will be launching ten pathfinder projects in each English region. Each pathfinder will use new adult basic skills standards, the new national curriculum and national tests.

42. In 1998 we promised to double the numbers taking part in basic literacy and numeracy programmes to 500,000 by 2002. I am pleased that we are on course to meet that target with 390,000 adults participating this year. We have now set a target to reduce the number of adults who have difficulty with literacy and numeracy by 750,000 by 2004. Current DfEE expenditure on literacy and numeracy is £241 million in 2000-01. This will rise to £313 million in 2001-02, £366 million in 2002-03 and at least £403 million in 2003-04. This work will be overseen by a new Cabinet Committee which I chair, supported by an Adult Basic Skills Strategy Unit, which will lead the development and implementation of policy, in partnership with the Learning and Skills Council and others.

43. I also want to build on the exemplary work of the Union Learning Fund by expanding the role of union learning representatives. Experience so far has shown that union learning representatives provide vital encouragement to those who missed out when they were younger to see the benefits of learning as the route to security and progress at work. As set out in our White Paper, we will shortly come forward to consult on detailed proposals for strengthening the role and status of union learning representatives in the workplace.

44. I believe that this will help kick-start the beginning of a meaningful process, which will redeem generations of neglect. It signals a new settlement for lifelong learning that will be good for individuals, business and communities as they strive to cope with the competitive pressures of a new global age.

Engaging employers in the skills challenge

45. Our *Opportunity for All in a World of Change* White Paper has identified the need to achieve a step change in investment by employers in training. Although our overall training performance has improved in recent years we are still concerned that our country is not improving at the rate we need to compete successfully in a global economy.

46. The Performance Innovation Unit (PIU) in the Cabinet Office is currently undertaking a review of training and development provided by business and the options for change in government policy, building on the analysis and recommendations put forward by the STF. We expect the Learning and Skills Council to take on board the findings of the PIU's review and the STF, when putting together the Council's first national workforce development strategy

47. As I noted in my initial response to the Task Force, we must also engage more employers, and more informed employers in the skills agenda. I am looking to the Learning and Skills Council, with over 40% of business interests serving on national and local boards, to make strong links with employers, their representative bodies, and their sector-based NTOs, to ensure that they are actively engaged in shaping our education and training system, and to ensure a proper balance between the labour market needs of regions and localities and the skills needs of employment sectors. A rolling programme of biennial Skills Dialogues within 15 broad sectoral groups has been implemented. Each dialogue will produce a report providing assessments of skill needs within the sector and will be of

use to a range of partners, such as the RDAs, the LSC and careers companies and will help inform the assembling of Sector Workforce Development Plans.

48. I do not propose, and the Task Force did not recommend, the introduction of a stronger statutory framework or obligation on employers to train. I believe that in a modern economy, we must look at a more imaginative set of levers that help ensure employers make the right decisions about the importance of skills and developing people to their business.

49. As part of this I am ready to use existing powers, in consultation with my ministerial colleagues in Scotland and Wales, to provide statutory backing for proposals in any sector for collective skills investment, provided the social partners agree there is a clear evidence of a skills deficit and that this is the best way forward. This already happens, for example, in the construction and engineering construction industries, where employers support the raising of collective funds to support the sectors' training needs through Industry Training Boards (ITBs). It is why we will continue to provide the necessary statutory backing to underpin their work.

50. To achieve more effective sectoral skills development within existing voluntary arrangements we have launched a consultation about the development of a smaller, stronger and more effective NTO network. I am working with employers, trade unions and my ministerial colleagues in Scotland, Wales and Northern Ireland to further develop their role over the next few years. Our combined proposals for NTOs are set out in the "Building a Stronger Network: Developing the role of National Training Organisations" consultation document.

Collective Funds

There are currently two Industrial Training Boards, covering the construction and engineering construction sectors. They are Non-Departmental Public Bodies (NDPBs) operating under the Industrial Training Act 1982 and their scope is defined by statutory order. As NDPBs they are subject to periodic and challenging review, taking into full account the views and needs of their customers, staff and other stakeholders.

Their primary role is to set standards for training and to ensure the adequate provision of training to meet the current and future needs of their industries. Both operate a grant scheme and a wide range of centrally funded training initiatives.

They have statutory powers to:

- raise a levy from employers in the industry to fund their training activities and operating costs;
- provide or approve training courses and facilities;
- publish recommended training standards and assessment methods;
- assess and certificate the achievement of those standards;
- pay grants and FE fees for approved training.

Each Board is also recognised by the Government as the NTO for their industries.

Skillset, the NTO for broadcast, film, video and multimedia, operates a **voluntary training levy**. The levy's main aim is to improve the supply of skilled labour and secure the sector's competitiveness. It is based on the voluntary payment of 0.05% of turnover. The target is over £1m per year.

One aspect of this levy is focused on film production (Skills Investment Fund). The funds are managed and distributed on behalf of the sector by a Skillset Training Committee.

51. We will be making an additional £45 million available to invest in the network over the next three years. We believe that in future, sector-based bodies should concentrate on three core roles: assessing and articulating the current and future skills needs of their sectors; leading action on addressing sectors' skills needs; and actively reviewing progress with employers and others on how the sectors' priorities are being met. Government recognition of NTOs will depend on the impact NTOs make on the quality and level of skills in their sectors.

52. At the launch of the final report of the Skills Task Force, I announced a £2.5 million challenge fund to encourage innovation and best practice in collaborative working among networks of employers. Eighteen projects are being funded all of which will be completed between 31 March 2001 and 31 July 2001. These projects will be fully evaluated to inform how best to foster further collaborative action by employers. These are just some of the new forms of service delivery that we are keen to encourage. I welcome the work of the NTO National Council working with Ufi in developing new learning models, based on the notion of sector learning partnerships in which employers and individuals access high-quality web-based support.

53. I want to see firms - particularly small companies - regularly update the skills of their people. The government recognises that most small firms have limited personnel resources, in-house training facilities, or lack the obvious links with local and sectoral bodies. A major strategic objective of NTOs working with **learnirect** will be to engage with these businesses by promoting the business benefits of online learning at times and places that suit the needs of the employer and individuals.
54. But individuals in the workplace must also share some of the responsibility for skills training with their employers. It is why we introduced Individual Learning Accounts (ILAs). We must build on this success by mainstreaming ILAs across the entire workforce. I believe that the full potential of ILAs is yet to be realised in encouraging the individual to take more responsibility in terms of purchasing their own learning. Similarly, we must look at innovative ways of enabling employers, unions and individuals to contribute to these accounts.
55. We must ensure more businesses, especially small firms, achieve Investors in People (IiP) recognition. IiP has recently been updated and made more accessible for use by small firms. My Department will work with IiP UK, the Small Business Service and the Learning and Skills Council to ensure progress towards the target of 10,000 small firms achieving the IiP standard by 2002. The LSC will give a particular priority to the promotion and take-up of IiP, as part of its overall workforce development strategy. I do not, however, intend to pursue the Task Force's recommendation that tax relief should be given to small firms achieving the Standard.

Conclusion

56. The combined resources of Government, business and individuals are poised to achieve the goal of a highly-skilled, inclusive economy. This is essential if we are to grasp the opportunities of a new learning age.
57. We must embrace the future by building on the great learning traditions of the past, including the pioneering efforts of the community movements which helped so many men and women to improve their lives through the power of learning.
58. My Department, working with the new Learning and Skills Council, will take an active role; forging the necessary partnerships that will equip men and women in a new quest for self-improvement through learning. It is this changing world and the policies we need to develop and deploy which will be at the heart of my Department's delivery of the National Skills Agenda.
59. The doors that once opened for a few need to open for the many. We need to see more learning take place, not only in the classroom, but also beyond it. The workplace must become a faculty of learning and personal development as well as the university campus and library. Our future economic prosperity and inclusiveness as a society depend on it.

Notes

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