

Executive Summary

Introduction

Our first report set out the evidence available to us on skill shortages and skills gaps in the labour force. It also set out the issues which we thought we should address in order to build a system in which the supply of skills is more closely matched to the needs of the economy.*

In this second report, we deal with three fundamental issues from the larger list we identified in the first report. They are:

- how to build a system which provides a high level of skill for all our young people, not just those who go on to degree level study;
- how to equip all our people with the key skills they need for employability, including those who may have missed out on educational opportunities earlier in life;
- how to ensure that all students, potential students and education and training institutions have the information they need on the labour market to make informed choices and to plan ahead.

Skills for Young People - Building a system which promotes participation and progression

A Mixed Economy

Our main overarching recommendation [3(i)] is that the Government should develop a high quality 'mixed economy' system of vocational education and training at Levels 2, 3 and 4 which increases participation and attainment, promotes progression and offers a wider opportunity for all to acquire higher level skills and underpinning knowledge.

Raising Participation and Attainment at level 2

As a first step, we believe that we must improve our foundation learning system so that all young people have the opportunity, and are motivated, to achieve a Level 2 qualification which offers full progression opportunities to an Apprenticeship or other Level 3 vocational or general education programme. This should include:

- enhanced careers education and guidance, and work experience opportunities, for young people from Year 7 of the National Curriculum onwards, including the greater involvement of parents [3(ii)];
- moving as swiftly as possible from the successful pilots of vocational and work related education and training for 14 -16 year olds for whom the national curriculum is disapplied to a full national system offering more stretching and occupationally focused qualifications and key skills [3(iii)];
- using the new 'gateway' scheme for young people to assess their basic and key skills, to provide further courses in basic skills; and
- enhancing the work based route post 16 by extending National Traineeships to become 'Foundation Apprenticeships' thus improving effective progression opportunities to a Modern Apprenticeship [3(iv)].

* "Towards a National Skills Agenda" First Report of the National Skills Task Force, DfEE, September 1998, Ref SKT1

Improving Vocational Qualifications and Apprenticeships

We wish to enhance the current Modern Apprenticeship system and rationalise the confusing and incoherent system of vocational qualifications, whilst protecting the 'gold standard' of the competence assessed NVQ, for which we see increasing support from employers. This includes:

- reducing significantly the number of NVQs and VQs and better aligning the latter with the relevant National Occupational Standards to create a system of 'Related Vocational Qualifications' (RVQs) [3(vi)] and [3(vii)];
- using the system of RVQs to allow for course based preparation for people not employed in the occupation for which they seek employment and an eventual NVQ, and provide for the separate assessment of knowledge and understanding within Modern Apprenticeships to enhance progression [3(viii)];
- reducing the burden of competence assessment required of employers where an RVQ is taken alongside or before the associated NVQ [3(ix)];

Ensuring Progression and Transferable Skills

We believe that the ultimate aim of our 'mixed economy' system must be to ensure greater transferability of acquired skills and knowledge, and to provide a 'ladder of progression' which offers individuals the opportunity to move to higher levels of attainment in both vocational and general education, irrespective of their starting point. This would be achieved by:

- offering suitable units in Maths and English (in addition to the key skills) within the frameworks for Modern Apprenticeships and ensuring that apprentices who wish to take such units have the opportunity to do so [3(x)];
- encouraging GNVQ students to use their GNVQ learning programmes as stepping stones to later more occupationally focused learning [3(xi)];
- ensuring that Further Education (FE) colleges and other training providers have the capability and facilities to deliver, within their RVQ courses, the same units of knowledge and understanding as would be expected for the linked NVQ and provide suitable work experience opportunities in every such programme [3(xii)].

To support progression to Levels 4 and 5, we believe that the Government should also examine:

- how a new system of 2 year associate degrees in vocational subjects could be developed as RVQs at Level 4 to encourage and support progression to that level [3(xiii)]; and
- how, subject to the success of the current pilots in a number of industry sectors, these could be linked with the associated NVQ Level 4 (where available) to create an extended 'Graduate Apprenticeship' system supported by appropriate work experience placements [3(xiv)].

Raising Attainment

To underpin these improved opportunities to achieve a Level 3 qualification, we also recommend a new entitlement to publicly funded education and training for all young people between 16 and 25, who are so capable, to acquire their first Level 3 qualification, including repeat attempts for those who require them [3(xv)].

Ensuring Effective Funding and Infrastructure

The success of these measures will depend upon the effectiveness of the supporting infrastructure. We need to reform the system of public funding for vocational education and training to create a level playing field. This should include:

- establishing a common tariff system which ensures broadly comparable levels of funding for broadly comparable qualifications in the same sector [3(xvi)];
- reducing the level of output related funding on the work based route to the proportion which presently applies in the Further Education Funding Council (FEFC) funded sector [3(xvii)];
- removing artificial barriers which inhibit the free flow of funds across the 3 vocational routes in response to changing student demand by the creation of a single DfEE budget for post-16 education and training below higher education [3(xviii)].

The infrastructure and institutions which help to promote and improve the quality of apprenticeship and other work based training should be strengthened, including:

- improving and making more uniform the capability of National Training Organisations (NTOs) to promote and develop work based training and especially Apprenticeships [3(xix)];
- putting in place measures to help small firms improve the training staff and capital equipment they have available for training apprentices and to encourage the revival of group training associations and other ways of sharing training resources [3(xx)];
- requiring that all trainers employed to instruct apprentices supported by government funding have appropriate qualifications covering training capability as well as technical skills [3(xxi)].

Key Skills for the Knowledge Economy

A reformed and enhanced system of vocational qualifications and Apprenticeships along these lines will help to increase participation and raise skill levels. But also we recognise and agree with the need to address the broader transferable skills and capabilities which are essential for the initial and continuing employability of individuals, generally described as the key skills - ie communication, application of number, IT, problem solving, working with others and improving own learning and performance. However, there are particular problems with capability in the application of number and broader mathematics skills amongst all people, and major skills gaps in IT amongst older workers. We propose specific measures to address these needs and an overall strategy for the six key skills generally.

Promoting Maths and IT

There should be a targeted programme of action to ensure more young people and adults go beyond a basic application of number to reach higher levels of competence in mathematics, including:

- setting stretching but realistic targets for continuation of maths in school and college to and beyond GCSE levels, and for participation by adults in general maths courses [5(i)];
- building on the mathematics campaign recently announced by the Government by linking it to these targets and more widely promoting opportunities for adults to study Maths;
- encouraging the take up of the new AS level in Maths and the use of the new Free Standing Units in Maths, if the pilots of these units prove a success [5(ii)];
- offering discounts for mathematics courses comparable to those announced by the Chancellor in the March 1999 budget for IT courses [5(iii)];
- reconsidering the introduction of a multi-subject qualification at Level 3 which includes mathematics [5(iv)];
- ensuring that training and development for all teachers should provide opportunities for them to improve their numeracy skills, and for specialist Maths teachers to develop their skills in the application of Maths [5(v)].

There should also be improved opportunities for adults to acquire basic IT skills and this should be supported by a campaign to raise IT competence amongst adults including:

- building on the success of the BBC's Computers Don't Bite campaign and in particular expanding this year's Webwise campaign and continuing it into future years [5(vi)];
- making the use of IT integral to all publicly funded further education and training courses and ensuring that teachers and college lecturers have opportunities to bring their own IT skills up to date [5(viii)];
- reviewing the existing set of basic IT qualifications with the aim of reducing their number; ensuring that they are appropriate to the needs of learners; and are clearly based on national standards [5(ix)] and [5(x)];
- improving careers advice and support for IT based careers [5(xi)].

Developing an Overarching Strategy for Key Skills

The proposals above address the most pressing specific key skills needs - but to ensure progress overall, we also propose a wider strategy for key skills. First, the Government and QCA should now put in place the work needed to ensure, in the longer term, that the national curriculum and teaching methods in compulsory education can be steered towards delivering skills as well as knowledge, including:

- clarifying to teachers, pupils, parents and employers that the national curriculum requires the development of skills as well as knowledge;
- indicating to teachers through the current revisions how key skills can be developed through teaching the national curriculum;
- developing guidance and high quality learning materials for teachers and schools on whole school approaches and teaching methods which promote transferable skills [6(i)].

Second, there should be an overarching national strategy aimed at improving the opportunities for young people and adults to acquire key skills, including:

- encouraging individuals to see the relevance and value of key skills through more occupationally focused careers education and self diagnostic tools to allow individuals to review their skills [6(ii)];
- integrating key skills into learning programmes developed by the University for Industry and ensuring that all education and training institutions have an explicit policy setting out how students can acquire key skills through the learning programmes they offer [6(iii)];
- developing approaches to integrating key skills within a broad range of curricular and extra-curricular activities and using such approaches to underpin teacher training and the preparation of support materials [6(iv)];
- spreading of expertise in the teaching of key skills through the funding of a national programme of continuing professional development for teachers and trainers, in collaboration with the Teacher Training Agency (TTA), Further Education National Training Organisation (FENTO), and others [6(v)];
- adopting approaches to assessment and certification that allow implementation of the new key skills qualification in a manner that permits the continued integration of key skills in other programmes of study [6(vi)];
- strengthening and clarifying the role of employers by using Education Business Partnerships to create opportunities for young people to develop key skills in practical settings and by producing guidance to help employers to take key skills into account in their recruitment [6(viii)].

Labour Market and Skills Information: A New Strategy for Informing the Market

Markets only work effectively where there is well informed demand – the labour, and education and training, markets are no different. We found that, although there is no shortage of labour market data available, it needs to be more consistent and coherent, more forward looking, and focused directly on the key people who need it – young people and adults seeking to develop their careers and identify appropriate employment related training and education.

Improving National Information

DfEE should develop ways of enhancing the quality, scale and relevance of nationally collected labour market and employment data, to provide a level of forward projection and disaggregation at regional and sub-regional levels. This should include:

- the commissioning of new biennial projections of the likely future occupational structure of employment, five and ten years ahead, and the skill levels of the labour force by occupation, down to regional level [8(i)];
- enhancing and extending the scale of the Labour Force Survey to provide more detailed data on the qualifications of individuals and increasing the sample size to improve the reliability of data to both regional and local levels [8(ii)].

Informing Choices

There should be an effective and reliable system for ensuring that individuals have easy access to the information they need to make informed choices, and identify suitable education and training provision to help achieve their goals. This should include:

- a new Jobs, Education and Training Information (JETI) Web site, explicitly designed for use by individuals and their advisers, bringing into a single system occupation, earnings, vacancy and learning opportunities information together with key national sources of data on the near past and likely future occupational structure of employment, and anticipated employer skills requirements [8(iii)];
- training and guidance for careers teachers on how to help students interpret and work with labour market, learning and skills information – and the JETI system - and how they can utilise it effectively in careers lessons, publications and materials [8(iv)];
- a uniform requirement across all providers of publicly funded education and training to provide in the institution's prospectus, data on the destinations of all past students [8(v)].

Fewer, Better Surveys

DfEE should lead a review, of the current range of labour market and skills surveys and assessments conducted by local, regional and sector bodies, to rationalise and improve its value. This should include:

- the extent to which local surveys add value to regional and national data and working with Regional Development Agencies (RDAs) to promote the rationalisation of regional and local survey work through combining similar local surveys into regional ones and agreeing a labour market and skills information strategy with relevant agencies in the region [8(vi)];
- requiring the use of common standards and definitions in the statistical surveys conducted by publicly funded local, regional and sector bodies [8(vii)].

Defining Responsibilities

The responsibilities of RDAs, NTOs and the DfEE in collecting and disseminating labour market and skills information and the 'outputs' expected from each should be clearly defined. We suggest that:

- DfEE should provide the survey data, projections and standards noted above and should conduct an annual 'skills audit' reviewing trends in the supply of and demand for skills at national level [8(viii)];
- NTOs should contribute qualitative information and survey data to sector 'dialogues' with other relevant agencies to produce a biennial report on trends in skill needs across broad industry groupings for use by RDAs and for careers guidance purposes [8(ix)];
- RDAs should promote the rationalisation of surveys (as noted above) and draw on those surveys together with information provided nationally and from industry sectors to provide an annual assessment of skill needs and skill supply in the region [8(x)];
- local agencies should tailor and enrich regional data in the light of specific local conditions and circumstances, and ensure that such data is utilised in support of careers guidance, the choice of education and training, and in the planning of local education and training provision [8(xi)].

The Future

Many of our recommendations above could stand alone. But we believe, if we are truly to improve opportunities for all and achieve a higher level of skill in the economy, that they must be seen and taken as a package. The whole is significantly greater than the sum of its parts.

That said, we will continue to build on our proposals and will be considering the specific issues of management skills, adult learning in the workplace and further work on institutional funding and performance management issues in the next phase of our work. We will report on these in the late autumn, and produce a final report, including recommendations on the shape of a National Skills Agenda, in Spring 2000.*

* The National Skills Task Force advises the Secretary of State for Education and Employment in England. Separate arrangements apply in Scotland, Wales and Northern Ireland.