

**Summary of Lord Leitch's recommendations and
Government's response as set out in *World Class Skills***

Lord Leitch's recommendation	Our response	Reference in <i>World Class Skills</i>
<p>Using the OECD benchmark, the Review recommends the following ambitions for the UK by 2020:</p> <ul style="list-style-type: none"> • 95 per cent of adults with the basic skills of functional literacy and numeracy; • exceeding 90 per cent of adults qualified to at least Level 2; • shifting the balance of intermediate skills from Level 2 to Level 3; and • exceeding 40 per cent of the adult population to have Level 4 or above. <p>[3.6. See also 3.2, 3.32, 3.34, 3.36, 3.39, 3.45, 3.46, 3.59]</p>	<p>The final Comprehensive Spending Review (CSR) outcome across Government, and the associated Public Service Agreements (PSA) and Delivery Agreements, will be published in detail in the autumn. Our current thinking, which will be subject to that announcement, is that it should be possible to make the following progress on skills by 2011:</p> <ul style="list-style-type: none"> • participation in full-time education by 17 year olds to rise to 84 per cent; • 222,000 level 1 literacy achievements per year and 165,000 entry level 3 numeracy achievements per year; that would mean 89 per cent of adults qualified to at least level 1 literacy, and 81 per cent qualified to at least entry level 3 numeracy, up from 85 per cent literacy and 79 per cent numeracy in 2005; • 449,000 first full level 2 achievements per year; that would mean 79 per cent of adults qualified to at least full level 2, up from 69 per cent in 2005; and • 213,000 first full level 3 achievements per year; that would mean 56 per cent of adults qualified to at least full level 3 up from 48 per cent in 2005. 	<p style="text-align: center;">1.2</p>

	By 2014, we will aim for 36 per cent adults to be qualified to level 4 and above, up from 29 per cent in 2005.	
<p>The Review recommends a much clearer financial balance of responsibility, based on clear principles of government funding targeted at market failure and responsibility shared according to economic benefit. [3.16]</p> <p>The drive to world class skills must be a shared national mission, with a ‘something for something’ deal between the Government and employers, trying rights to responsibilities. [5.3]</p>	<p>Delivering our ambition, and the dramatic increase it requires in participation and achievement in priority areas, will require increased action and investment in skills from Government, employers, Trade Unions and individuals. The DIUS will continue to focus public funding on addressing market failures and ensuring everyone has the basic platform of skills they need for employability and progression. At intermediate and higher levels of qualification, where the private returns are greater, we expect employers and learners to contribute more to the costs of learning.</p> <p>This balance of responsibility between Government, employers and individuals is reflected in the reform of fee remission arrangements that is already underway. The Government will meet the full costs of learning in highest priority areas (notably literacy, numeracy and first full level 2) and for certain low income learners. No fees will be charged in those cases.</p> <p>The rate of public subsidy towards the cost of Further Education programmes will be reduced to 50 per cent by 2010 for learning outside the priority areas and learning where the returns are greater for learners and employers, so that the fee rises to 50 per cent. For some learning there will be no public subsidy, for example where courses are designed to help employers meet their statutory obligations (e.g. health and safety).</p>	1.8-1.9
The Review recommends that progress to the new national objective of 95 per cent of the	The final Comprehensive Spending Review (CSR) outcome across Government, and the associated Public Service Agreements (PSA)	

<p>adult population having functional literacy and numeracy skills by 2020 be measured through a Skills for Life Survey every two years. [3.34]</p>	<p>and Delivery Agreements, will be published in detail in the autumn. [<i>Delivery Agreements will contain detail on measurement and monitoring of progress towards targets.</i>]</p>	
<p>The Review recommends a rebalancing of the priorities of HE institutions to make available relevant, flexible and responsive provision that meets the high skills needs of employers and their staff. [3.61]</p> <p>The Review recommends that a portion of higher education funding for vocational courses ... be delivered through a similar demand-led mechanism as Train to Gain. [4.19]</p>	<p>Many HE institutions have already built up excellent working relationships with employers through their research and enterprise programmes, and the increasing impact of lifelong learning networks. A growing number are developing models for delivering higher level skills in a way that meet the needs of employers and employees. But all HE institutions need to grow their capacity to engage on a large scale with employers, in ways adapted to their different profiles and missions. Those activities should share equal status with research and academic activities. 'Business facing' should be a description with which any higher education institution feels comfortable.</p> <p>Moving in this direction will be a long-term process and we will want, with the sector, to explore its implications more fully in the coming months. Initial action is already underway:</p> <ol style="list-style-type: none"> a. We have asked HEFCE to develop a new funding model that is co-financed with employers, achieves sustained growth in employer-based student places and introduces the principle of employer demand-led funding. b. We have asked HEFCE to support an additional 5,000 employer co-funded student places in 2008-09, and to deliver further growth of at least 5,000 additional entrants year-on-year in each year up to 2010-11. In allocating funding for these places, HEFCE will prioritise support for programmes of work-based learning and 	<p>3.55-3.57</p>

	<p>those designed or delivered in conjunction with employers and SSCs. This three-year period will provide a crucial testing ground for establishing good practice and exploring how best to stimulate demand for HE in a range of new markets.</p> <p>c. We will continue to develop the higher level skills offer within Train to Gain so that the service can respond to employers' skills needs at higher levels. In addition to the three regional Higher Level Skills Pathfinders (in the North West, North East and South West Regions), HEFCE is encouraging partnerships between institutions and employers in other regions and will consider how to build on these approaches. An early review of the pathfinders will report in December 2007.</p>	
<p>It is critical that access to university is dramatically improved so that young people from all backgrounds have a fair chance of attending. [3.63]</p>	<p>Increasing and widening participation in higher education continues to be a key priority for the new DIUS. DIUS and the new DCSF have a shared objective for narrowing attainment gaps across the education system which is critical as participation in higher education is strongly linked to attainment at earlier stages of education. Equally important to widening participation is HE will be raising aspirations and addressing any perceived financial barriers. Increasing the numbers of people participating in HE who come from non -traditional or disadvantaged backgrounds will require a long-term and sustained approach to achieve steady and incremental improvements.</p>	<p>N/A</p>
<p>The Review recommends a fully demand-led approach, with an end to ... supply-side planning of provision. [4.13]</p>	<p>Lord Leitch recommended that all adult vocational skills funding in England should flow through demand-led routes by 2010. We endorse this direction of travel. However, given budget constraints, we believe doing so by 2010 would create unacceptable risks to the</p>	<p>1.10-1.13</p>

The Review recommends that all publicly funded, adult vocational skills funding in England, apart from community learning and programmes for those with learning difficulties and disabilities, go through demand-led routes by 2010. This means that all adult skills funding should be routed through Train to Gain and Learner Accounts by 2010. [4.16]

While colleges and providers will still need to plan the types of provision they want to offer, including the broad vocational areas in which they wish to specialise, this planning should not be done by other bodies, including the LSC. [4.13]

performance and stability of colleges and training providers, which in turn would damage the quality of education and training offered to learners. We will put our own goals in jeopardy if we destabilise the network of colleges and training providers, which between them represent a valuable community resource whose capacity we need to sustain and improve.

Following those parts of the spending review settlement relevant to DIUS which were announced in Budget 2007, we are increasing substantially the proportion of public funding for adult training that is demand-led. Train to Gain employer training funds will be around £440 million in 2007/08, and over £650 million in 2008/09. We project that it will rise to over £900 million in 2010/11. Taking account of other work-based employer training programmes, we estimate that total employer-focussed funding will reach around £1.3 billion by 2010/11. Over this period we intend to begin rolling out the new Skills Accounts reflecting our commitment to an FE system that is also responsive to individual learner choice. This will mean that even more funding will be truly demand-led by 2010/11.

This rate of growth in the proportion of demand-led funding is extremely ambitious. It entails a radical shift in the pattern of provision, towards those colleges and providers that seize the opportunities to serve learners and employers in new ways. We will review progress each year, assessing with colleges and training providers the impact, the benefits and any unintended consequences, so that we can keep re-assessing each year the sustainable pace of change that will best serve learner and employer needs.

<p>Strengthen the employer voice, through the creation of a dynamic, employer-led Commission for Employment and Skills. [4.22]</p> <p>At the national level, the Commission for Employment and Skills will replace the National Employment Panel and SSDA across the UK, and the Skills Alliance and employer voice functions of the LSC in England. [7.73]</p> <p>The Commission should monitor the relationship between HE and employers to make sure that the reforms recommended by the Review lead to a step change in collaboration. If they do not, the Commission should recommend new actions to be taken by employers and HE institutions. [5.74]</p>	<p>We are working with the Devolved Administrations to establish a new UK Commission for Employment and Skills. The Commission will be a UK-wide body with responsibilities across each of the four nations, and for skills at all levels. It will not have significant executive or operational functions, but will be primarily advisory, shaping strategy to achieve our world class ambitions, challenging all parties to raise their game on skills, and helping to shift the national culture. Sir Michael Rake has been appointed as Chair. He will work with the four nations to recruit the members of the UK Commission and help make the UK Commission fully operational in 2008.</p> <p>We expect the Commission will publish an annual report on the state of the UK employment and skills system, at all levels from basic literacy and numeracy skills to the highest level skills delivered in higher education.</p>	<p>3.4-3.8</p>
<p>The Review recommends a new, clearer remit for SSCs, focused on:</p> <ul style="list-style-type: none"> • lead role in vocational qualifications; • lead role in collating and communicating sectoral labour market data; • raising employer engagement, demand and investment; and, • considering collective measures. 	<p>We want to re-focus the remit of SSCs, and will work with the Devolved Administrations to do this. For our part, we envisage a remit focused on three strategic objectives:</p> <ul style="list-style-type: none"> • ensuring that the supply of skills and vocational qualifications is driven by employers: having the key role in reform and development of vocational qualifications, approving such qualifications and, for England, advising the LSC on which vocational qualifications to fund; • raising employer ambition and investment in skills: engaging with employers to increase their demand for and investment in skills; and considering whether there is support within their sectors for 	<p>3.9-3.12</p>

<p>[4.27 see also 5.23]</p>	<p>the introduction of levy schemes (in England, with the potential to apply in any of the Devolved Administrations if they conclude this is desirable); and</p> <ul style="list-style-type: none"> articulating the future skill needs of their sector: being the lead authorities on collating and communicating up-to-date labour market information, which is consistent and comparable between sectors; and being the authoritative voice about the skill needs of their sector. <p>We envisage Sector Skills Agreements (SSAs) and Sector Qualification Strategies (SQS) being central to the delivery of this new SSC remit. As we reshape this SSC remit, we will consider how, as Lord Leitch recommended, SSCs might adopt targets for increasing employer investment in skills in their sector.</p>	
<p>The Review recommends that SSCs continue to lead in developing NOS ... It recommends that SSCs are also placed in charge of a simplified process of approving qualifications:</p> <ul style="list-style-type: none"> SSCs should be responsible for approving qualifications after their development by awarding boards or other organisations; SSCs will be able to approve qualifications developed by an organisation, including education institutions and employers, if these meet the required standards; and, 	<p>This reform process is already underway. A pilot group of 6 SSCs has published Sector Qualification Strategies which set out the key qualifications that each sector needs. SSCs will approve qualifications if they fit the requirements of their SQS, meet the standards set by their NOS, and are needed by their sectors.</p> <p>We will pilot schemes to enable employers to award their own accredited units and qualifications, and to extend qualification awarding powers to colleges and training providers. Vocational qualifications offered by providers and employer will also need to be approved by an SSC as being consistent with their SQS and NOS.</p>	<p>3.13-3.26</p>

<ul style="list-style-type: none"> for vocational qualifications, only those approved by SSCs should qualify for public funding. ... SSCs should develop a short list of such qualifications, with a very significant reduction in the overall number, by 2008. [4.41 see also 4.42] 	<p>For England, the LSC will work with selected SSCs to trial the process whereby SSCs will advise the LSC each year on which qualifications should receive funding to support the skill needs of their sectors.</p>	
<p>The UK needs world class management skills to deliver the benefits of world class skills... The [Leadership and Management Advisory] Panel must work closely with SSCs so that key management qualifications are identified as part of Sector Qualifications Strategies. [5.19]</p> <p>The Review recommends that [the Leadership and Management programme] be extended to firms with between 10 and 20 employees, so that smaller firms are able to access its help and grow. [5.20]</p>	<p>We will ask the Leadership and Management Advisory Panel to work with SSCs to develop continuing professional development modules at a range of qualification levels that equip employers and their employees with the leadership and management skills they need, and which they are prepared to invest in.</p> <p>Within the available budget, we will continue to support the development of leadership and management skills in small and medium sized enterprises through the Train to Gain service.</p>	4.24-4.26
<p>It is vital that current business support is simplified and strengthened. Skills advice must be integrated as part of this wider system. [5.27]</p>	<p>Following consultation on Business Support Simplification, we will consider in the autumn whether skills brokerage and business support brokerage should be merged to provide a seamless service. Any change would be made from April 2009. In the meantime, the two services will work even more closely together to provide an effective joined-up for business.</p>	4.14
<p>As Train To Gain continues to roll out, the NES should be reformed, expanded and re-energised so that it provides a credible, professional advisory service for large employers. [5.28]</p>	<p>Following a review of Train to Gain, we will support the expansion of the service by asking the LSC to expand the remit and capacity of the National Employer Service so that it can work with a greater number of employers with more than 5,000 employees.</p>	4.13

<p>The Review recommends that the Government work with employer representative organisations to support and encourage all employers in the UK in making a skills pledge, building on recent experience in Wales. [5.39]</p> <p>The Government should lead by example in making the pledge on behalf of the public sector. [5.42]</p>	<p>The Skills Pledge encapsulates the new partnership we need to forge between employers, employees and Government to drive up skills in the workplace, with each taking responsibility for increasing their action and investment.</p> <p>Through the Skills Pledge employers will commit to support their employees and new recruits to improve their skills and become better qualified. As a minimum, that means supporting all employees who need them to gain literacy and numeracy qualifications, and work towards achieving first full level 2 qualifications. In return for their commitment, employers making the Pledge will have access to Train to Gain, including the support of the brokerage service and literacy, numeracy and first full level 2 training for their staff. This is subject to the funding limits, under which we project Train to Gain employer funding will increase to over £900 million by 2010/11.</p> <p>Each employer should specify the scale, scope and timetable for delivering their Skills Pledge. Every Skills Pledge should include a commitment to support employees to gain literacy and numeracy skills and to work towards their first full level 2 qualification in an area that will be valuable for the employer. Where their business needs are at higher skills levels, many employers will want to extend their commitment beyond this 'core' Pledge to support employees to gain higher level qualifications relevant to their business. Each employer's Skills Pledge should be backed up by an action plan, which can be as short or as detailed as the employer wants, depending on the needs of their own particular business. There will be no requirement for action plans to be shared outside of the organisation.</p>	<p>4.1-4.6</p>
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	<p>More than 150 employers have already made the Skills Pledge, including all Central Government Departments, the armed forces, the police force, Ford Motor Company, McDonalds and Sainsbury's. That means more than 1.7 million employees are now covered by the Pledge.</p>	
<p>The Government should, in consultation with the Commission and leading employers, review the remit of Investors in People, to consider how IIP UK and its products, including the Standard itself and the new 'Profile' tool, should be reshaped to support delivery of the Review's ambition. [5.41]</p>	<p>In the context of our stretching new ambition on skills, it is now timely, working with the Devolved Administrations, to review Investors in People UK's remit. The review will consider how we can build on its success to date and develop the Investors in People Standard and services to help employers to develop their businesses to rise to the challenges they face by investing in their people.</p> <p>We will commission a review to run until December 2007. Subject to the outcome of the review and any subsequent consultation, we will implement the agreed recommendations from April 2008.</p>	4.22-4.23
<p>SSCs should control the content of Apprenticeships and set attainment targets by sector facilitated by skills brokers. [5.66, 5.69, 5.71]</p>	<p>The LSC and SSCs, working with the Apprenticeship Ambassador Network, have drawn up a joint action plan to deliver the Apprenticeship entitlement. As part of that Plan we will review the Apprenticeship blueprint, which sets out the minimum standards and flexibilities in Apprenticeship frameworks, to ensure it meets the needs of employers and young people, and does not act as a barrier to employer involvement.</p> <p>As we reshape this SSC remit, we will consider how, as Lord Leitch recommended, SSCs might adopt targets for increasing employer investment in skills in their sector.</p>	5.10-5.11 3.10
<p>These objectives must become important components of any assessment of research</p>	<p>HEFCE recently announced that £60m of quality-related research funding in 2007/08 will be allocated on the basis of business income.</p>	N/A

<p>quality, as the system is developed to take the place of the Research Assessment Exercise. [5.75]</p>	<p>The government has also made a public commitment to ensuring that future research assessment mechanisms take adequate account of user-led research.</p>	
<p>The government should consider a programme of UK Research Chairs at junior and senior levels, building on and formalising the occasional links between employers and higher education and also the existing Wolfson and the proposed Royal Society Fellowships schemes. [5.76]</p>	<p>There is already a network of Research Chairs. Most professorial salaries are already paid for in whole or part out of taxpayers' money and there are many good examples of industry-funded chairs. The Government is already jointly funding the Royal Society/Wolfson Foundation scheme. We will ensure that we make the most of the links between employers and higher education but we would need convincing that there was a case for more Government intervention.</p>	<p>N/A</p>
<p>[The Review recommends a] new universal [adult] careers service for England to give people the advice they need to progress in the modern labour market and adapt to change. This will bring together current separate sources of advice and draw them out of their silos. The Review recommends that this service operate under the already successful and well-known learndirect brand. ... This service will be directly responsible for raising participation in learning and so should be accountable to and managed by the DfES. [6.22]</p> <p>The Review recommends that the careers service provide skills diagnosis for workless people who need it in England, including those making repeat claims, with Jobcentre Plus referring claimants to it. [7.56]</p>	<p>Our long term ambition behind creating a universal adult careers service, working with Jobcentre Plus, is to ensure that everyone is able to access the help they need to take stock of where they are in achieving their goals and ambitions, and to get the support they need to advance themselves and achieve their full potential.</p> <p>We will merge the information and advice services of learndirect and nextstep providers into a new universal adult careers service in England, working in partnership with Jobcentre Plus. It will promote individuals' management of their own learning, skills and career progression and support learners to get the most out of their learning and encourage progression. We will ensure that the information and advice services of all FE colleges and training providers are aligned with the objectives and quality standards of the adult careers service.</p> <p>Key features of the new adult careers service will include:</p>	<p>2.28-2.31</p>

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| | <ul style="list-style-type: none">a. Access through a variety of channels according to individual circumstances and preferences – face to face, online, by telephone and by a combination of these.b. A ‘no wrong door’ approach – the quality and appropriateness of the support should be the same, irrespective of whether the initial contact is with a jobcentre, a learning provider or the careers service itself.c. A menu of services comprising personalised assessment through a skills health check, advice on skills and employment, Skills Accounts and continuing support for progression.d. Ongoing support and follow-up for individuals. For people who are out of work and have low skills, the service will play a crucial role in helping them get the right balance of job search and training to help them into sustained employment and to progress in their career. The service will also signpost individuals to other services, where they have other needs than those related to skills alone, for example child care or advice on employment rights.e. Strong links between Jobcentre Plus and Train to Gain brokerage and employer training funds. Employers who take on workless people through Jobcentre Plus should be clear what support they can get through Train to Gain mechanisms. And Jobcentre Plus customers who undertake skills training prior to finding a job should be clear that they can carry on with appropriate training once they are in work.f. A reformed system for reaching out to those who are low skilled, in financial need and who do not see learning as relevant to them. | |
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	<p>We need to reform and increase the ways in which people can take the first steps towards learning. We will work through libraries, voluntary and community organisations and learning centres. We will utilise Union Learning Representatives and continue to foster networks of learning champions or learning ambassadors, particularly in deprived areas, to promote the service and to help it reach hard to reach groups.</p>	
<p>The new adult careers service will be charged with raising aspiration and awareness of the importance and benefits of learning, particularly among those that have missed out in the past. It will lead a sustained national campaign to promote skills development among groups that would not normally consider learning. [6.24]</p>	<p>In July 2007 we launched a new awareness raising campaign, planned to run for many years, to promote the benefits of learning (www.inourhands.lsc.gov.uk). A culture of learning must grow from a strong and widely shared understanding of the benefits of learning and skills for work and life; and a good joined-up system of accessible support for adults wanting to improve their skills. The new adult careers service will lead the task of taking the skills campaign messages out to hard to reach groups.</p>	2.52-2.54
<p>The Review recommends that all adults should be entitled to a free 'Skills Health Check' ... that would identify an individual's skill needs and strengths. [6.28]</p>	<p>Key features of the new adult careers service will include... a menu of services comprising personalised assessment through a skills health check, advice on skills and employment, Skills Accounts and continuing support for progression.</p>	2.25-2.31
<p>the Government should consider rolling out other forms of financial support into these [Learner] accounts. [6.38]</p>	<p>In designing and piloting the programme we will build on what emerges from the Learner Accounts pilot that will run in 2007/08. We must also learn from the experience of Individual Learning Accounts – both what worked, and what went wrong. At no time will there be any flow of public funding out of the system, giving a strong protection of the public purse from possible fraud. But we will ensure that the funds follow the learning, giving individuals maximum incentive to learn, and providers the maximum incentive to offer</p>	2.22

	what learners need. This will be based on the LSC's new Adult Learner Responsive Model.	
The Review recommends that a Skills Development Fund (SDF) replace the LSF. Based on clear eligibility criteria developed by the new service, advisers should use this fund flexibly to tackle the immediate financial barriers to learning that potential and current learners face. The new careers service should actively promote the new transparent criteria. [6.53]	The new adult careers service will ensure access to a new Skills Development Fund, replacing existing Learner Support Funds, in order to ensure potential learners are able to make well-informed decisions about training, with up-front information about the availability of funding.	2.30
The Review recommends that the Government consider raising the cap on initial public funds [in Career Development Loans] so that more people, in particular at higher levels, can invest in their own skills development. [6.56]	Our first priority is to restructure Career Development Loans in a way which will encourage learners seeking those skills and qualifications with the most added value to contribute to the costs of their learning. Work is underway with the LSC. We will consider the overall size of the programme once we have evaluated this.	N/A
In the longer-term, the Government and the Devolved Administrations should look to embed the same set of principles across all financial support for learning. It should look to better integrate and rationalise existing systems of support into Learner Accounts [6.57]	Better Integration of employment and skills services in England will provide valuable lessons for the way in which the interface between different learner support mechanisms can be managed. Taken together with other experience from across the UK, this will provide us with a sound base for working with the Devolved Administrations in due course.	N/A
The Review recommends a much fuller role for the benefit system in tackling basic skills problems. The Review recommends that all benefit claimants be screened at the start of	Jobcentre Plus advisers will increasingly support individuals in getting help across their multiple needs, acting as their advocate with other agencies, bundling solutions together, which together will position them better to be ready to find employment. That will include	2.33 2.41-2.43

their claim, with new benefit claims and Work Focused Interviews becoming the trigger for a basic skills screening. [7.38]

The Review recommends that people claiming JSA whose basic skills needs are a key barrier to work should have part-time basic skills improvements included in their action plans, alongside actions to find work. ...The Review recommends:

- new JSA claimants with basic skills needs should be referred to training when they have found work, or before if their PA finds that basic skills needs are the key barrier to work. Referring claimants to training when they have found work will be the responsibility of Jobcentre Plus PAs, working with Train to Gain brokers in England;
- for people with basic skills needs who remain on JSA after six months, there is a strong case for making basic skills training compulsory. The Government should review whether participation should be mandatory for all jobseekers with basic skills needs who remain on benefits at six months; and

appropriate skills training, alongside job search and prior to finding a job where appropriate, and also once in work. Jobcentre Plus will identify new jobseekers requiring skills-related help to increase their employability. Screening early in the new claims process will identify those jobseekers that require immediate support to gain the skills they need to secure sustainable employment and progress once in work, or address other specific barriers to employment.

We will roll out a new Employability Skills Programme from August 2007, developed jointly between Jobcentre Plus and LSC. This will give individuals the opportunity to gain a nationally-recognised Skills for Life literacy, language and numeracy qualification, plus an employability certificate. Jobcentre Plus personal advisors will refer individuals to the programme.

Individuals will be signposted to a learning programme tailored to their personal needs and circumstances. Providers will offer a range of progression opportunities, including through employers engaged in Train to Gain, and will work with Jobcentre Plus to secure employment outcomes wherever possible.

Where appropriate, benefit claimants will be able to access the new programme before they have been on benefit for six months or more, removing a significant barrier to them increasing their functional skills and improving their employability. Eligibility for the programme will include Jobcentre Plus clients on incapacity benefit and income support, to help those who have been away from learning and the labour market for some time. We expect the programme to support 15,000 learners in 2007/08.

<ul style="list-style-type: none"> to help address basic skills problems for disadvantaged groups, basic skills improvements should be more fully integrated into support such as Pathways to Work for people with health problems and disabilities and the New Deal for lone parents (NDLP). [7.43] <p>The Review recommends that people making repeat claims get fuller support to find and stay in employment. ... This could include a full Skills Health Check, wider than the basic skills screening. ... The Government should consider whether people with an identified basic skill need who make multiple benefit claims within a given period should be required to improve their basic skills earlier in their claim than the six month period recommended. [7.47]</p>		
<p>All benefit claimants referred to training should access this training through a Learner Account which they can use at any provider accredited by the LSC. [7.49]</p>	<p>For those who are not being supported to train in the workplace, Skills Accounts will become the way into learning and up-skilling for all those aged 19 or over, other than in relation to HE. And it will be important that every part of the employment and skills system – including Jobcentre Plus, colleges and training providers and the new careers service – are all able to help individuals get on the ladder in terms of opening an Account.</p>	2.21
<p>The Review recommends that the new adult careers service also be co-located with Jobcentre Plus and other providers of</p>	<p>We will merge the information and advice services of learndirect and nextstep providers into a new universal adult careers service in England, working in partnership with Jobcentre Plus.</p>	2.27

<p>employment support, while also operating from other locations such as colleges. This will establish a nationwide network of one stop shops for employment and skills advice. [7.55]</p>		
<p>The Review recommends that the objectives of the employment and skills systems should be transformed into an integrated objective of sustainable employment and progression. ... The Review recommends that DfES and DWP present their proposals for measuring the employment and pay prospects and progression of their customers in 2007.</p> <p>This integrated objective must cascade down through the targets of Departments, as well as those of delivery agencies and front line workers, transforming the way they are rewarded, the way they work and the services they provide. [7.64-7.65]</p> <p>The integrated objective of achieving sustainable employment and progression must cascade down into the incentives faced by the agencies and contracted providers of skills and employment services. [7.67]</p> <p>The Commission will monitor whether Jobcentre Plus is making its full contribution to sustainable employment and progression. [7.68]</p>	<p>As Lord Leitch recommended, DWP and DIUS are working together to develop a shared objective of sustainable employment and progression and a set of performance measures to underpin it. Although invisible to the customer this matters because the system must be incentivised to deliver employment and skills services in a joined up way at local level.</p> <p>A new set of cross-Government PSAs, alongside strategic objectives for each department, will be announced in the autumn with the final CSR settlement. Our current thinking is that they will contain measures of employment retention and progression, and we are exploring how the operational targets and business plans of Jobcentre Plus and the LSC will set out how they will deliver integration.</p> <p>Through its independent advice to the Government, the new UK Commission for Employment and Skills will ensure that DIUS and DWP are making a reality of their commitment to close working, so that the employment and skills system better meets employer needs and the needs of individuals. The Commission will also advise in 2010 on whether there should be further institutional change to secure better integrated employment and skills services.</p>	<p>2.17-2.18</p>

<p>The Review recommends the Commission for Employment and Skills report in 2010 on whether more radical structural change is required to deliver an integrated service. [7.28 and 5.29]</p>		
<p>Colleges and new adult careers services should be rewarded partly on the basis of [learner] outcomes and for helping people move into work. [7.70]</p>	<p>We are increasing substantially the proportion of public funding for adult training that is demand-led. Taking account all work-based employer training programmes, we estimate that total employer-focussed funding will reach around £1.3 billion by 2010/11. Over this period we intend to begin rolling out the new Skills Accounts reflecting our commitment to an FE system that is also responsive to individual learner choice. This will mean that even more funding will be truly demand-led by 2010/11.</p> <p>The Framework for Excellence will give learners and employers clear information about publicly funded provider performance, and will support providers' own improvement programmes. The Framework will also incorporate the new standard for employer responsiveness and vocational excellence which will be open to both publicly and privately funded providers.</p> <p>Funding arrangements for the new unified adult careers service will involve incentives to increase the take up of services by low, no-skilled and harder-to-reach groups, users entering jobs or training, and users progressing in employment.</p>	<p>1.10-1.13 3.45-3.46</p>
<p>The Review ... recommends the licensing by the Commission of a network of Employment and Skills Boards (ESBs), based on the NEP</p>	<p>Some local partners in the major cities have already started forming ESBs following their announcement in the Local Government White Paper. We welcome that as a locally-led initiative. We agree that it</p>	<p>3.29-3.33</p>

Employer Coalitions and existing initiatives.
[7.76]

The Review recommends a flexible approach to the licensing of ESBs, using existing arrangements, such as NEP Employer Coalitions, where appropriate. [p.7.76]

can be valuable, especially in the major cities, to bring the partners together in a locality to ensure good integration of employment and training services, and to support economic development within the framework of the regional economic strategy, particularly in ways that help workless individuals and communities gain access to good local jobs. That can be especially powerful where major, long term regeneration projects create opportunities to train local people with the skills and qualifications that will equip them for the jobs that will result – the Olympics being the most obvious example. This is not about manpower planning. It is about building partnerships to realise the mutual gain that comes from helping employers recruit the people they need, helping individuals gain good jobs, and helping the civic community achieve a better quality of life.

There is more than one way to tackle the challenge of joining up employment and skills at the local level. Different arrangements, including the leadership of ESBs, will suit different areas, and it will be up to local partners to determine how joining up is best achieved in their area. We do not intend to prescribe one standard model for an ESB. While we do not think it would be right to give the UK Commission a role in licensing such local Boards, as Lord Leitch suggested, we will ask it to promote local employer participation and to help share best practice as it develops. It will remain a matter for local partners to judge whether they wish to set up such a Board. Where Boards exist, one goal should be to simplify the range of existing local bodies.