Skills for Success
What the Skills Strategy Means for Business
Foreword

Action to improve the skills of our people is a vital element in helping businesses improve productivity, innovation, profitability and competitiveness. Skills help our public services provide the quality and choice that people deserve and expect. They help us all to achieve our ambitions at work and in life, not just for ourselves but for our families and our communities. It is because of the national importance of skills that the Government is joining with the CBI, the Trades Union Congress and the Small Business Council, together with our key delivery partners, to form the new national Skills Alliance to drive forward the Skills Strategy.

This booklet summarises the Skills Strategy from the perspective of business – employers and employees – who are the key customers and major contributors to the development of skills at every level in the workplace, from basic employability skills to high level technical and management skills. The strategy recognises that businesses, from the smallest to the largest, and the people in them, are unique and diverse – each with their own needs and aspirations. To bring about the improvements in skills that we all want to see we need to transform the quality of provision. It needs to become more flexible, responsive and customer-focused, responding to employers’ and individuals’ demand for training and learning – when, where and how they want it.
Everyone has a role to play. That is why we are creating the national Skills Alliance as a strong partnership between business, unions, key Government departments and agencies and others to deliver these ambitious reforms. We have already shown in the development of the strategy that such a partnership can be a real force for change. The strategy is about improving the integration, coherence and focus of what is already in place and through the Skills Alliance we will be better able to influence and shape the way training is delivered to meet the needs of businesses and the people that work in them. Change for the better, change that provides business with skills that meet their needs.

Charles Clarke
Secretary of State
Department for Education and Skills

Patricia Hewitt
Secretary of State
Department of Trade and Industry

Brendan Barber
Trades Union Congress

Digby Jones
CBI

William Sargent
Small Business Council
The Skills Strategy – What it Means for Business

This leaflet explains for business – both employers and employees – how the Government’s new national Skills Strategy will benefit you. Through the Strategy we will:

- offer a new guarantee of free tuition to help adults who need it to get a good skills foundation for employability (known as a ‘Level 2’ qualification)
- expand training opportunities for apprenticeships, technicians, higher crafts and trades, and associate professionals, to meet skills gaps identified by sectors and regions (known as a ‘Level 3’ qualification)
- rapidly expand the network of Sector Skills Councils which will be a new voice for business, map the skill needs and priorities of businesses in their sector, and set the standards for training to meet them
- once we have learnt the lessons from the Employer Training Pilots, develop a national programme, to support employers with help focused on those with low skills, delivering the training businesses want in the way they want it
- reform qualifications to make them more business friendly and responsive to the needs of employers and employees
- ensure greater business involvement in course design, delivery and assessment of Modern Apprenticeships
- establish a new ‘no wrong door’ approach for business support, so businesses know who to turn to for the help they need. Business Link, local Learning and Skills Councils and JobCentrePlus will work together to meet business requirements
- publish an Employers Guide to Good Training to bring together clear information on everything people in business need to know about the quality of training available in their area
- introduce a new management and leadership drive for SMEs, working with Investors In People to offer mentoring and support with informal learning.
SUCCESSFUL BUSINESSES

“We develop and train our staff because it helps our bottom line.”

Harry Skidmore, Managing Director, Easi Bind International

“Unions want to work with employers to generate successful businesses by developing a skilled workforce.”

Tony Dubbins, General Secretary of Graphical, Paper and Media Union and Chair of TUC Learning and Skills Task Group

Businesses in England invest around £23 billion each year in training-related activity. Raising skills within a business means increased value, better quality services and products, more motivated, flexible employees, a better competitive edge and improved profitability. In other words, world class, successful businesses.

The national Skills Strategy sets out a new agenda for business success through skills. Throughout the consultation people on all sides of business have told us they don’t want lots of new initiatives, they want to see real action. The Skills Strategy will do just that by bringing together skills and other business support in a way that delivers what people in business – employers and employees – have said they want. That is, easy to access, high quality skills and business support based on flexibility, relevance and choice.

We have already started to make this happen, but the Skills Strategy is realistic about the time needed to make changes on this scale. It is not a ‘quick-fix’. The strategy sets out how we will implement the priorities, and when, in a delivery programme running up to 2006.
Government cannot do this alone. We need to build a new Skills Alliance, where every employer, every employee and every citizen plays their part. No business should be left behind because it lacks the opportunity to improve the knowledge and the skills of its staff. No individual should be denied the chance to realise their potential for want of opportunities to invest in their own skills.

This Alliance is being set up now. The TUC, CBI and Small Business Council have agreed to join with key government departments and agencies to form the national Skills Alliance to ensure that the strategy delivers results where they matter – in businesses to bring real benefit for employers and employees.

This booklet gives a summary of the Skills Strategy from a business-eye view. It includes examples of how we are working with businesses now. We want to build on this so that far more businesses can benefit over the next three years. The ‘no wrong door’ approach means that whatever route businesses take in building business success there will be easy access to customised skills, innovation and business support.

**WHY A NEW STRATEGY?**

“I need people with practical skills that will help me meet my business objectives.”

*Diane Slaney, Managing Director, Diversity Creative Marketing*

Young people are doing better in international literacy, numeracy and science surveys. And our university graduates are educated to a high standard. But too many adults still lack the right skills for work.
Business people tell us that they need better workforce skills to take advantage of new technology or business processes. The skills they miss most are:

- Basic skills in literacy, numeracy and using computers.
- Intermediate skills like apprenticeships, technicians and skilled crafts and trades.
- Maths.
- Management and leadership skills.

Many tell us that courses and qualifications do not always meet their needs. When they seek help, they find it too hard to get the right information.

The strategy creates a new entitlement to free learning, for anyone without a good foundation of employability skills, to get the training they need to achieve such a qualification. It will give targeted support for higher level-skills at technician, higher craft or associate professional level.

Specifically for business, the strategy aims to…

- **Put business needs centre stage**, raising demand for training by tackling the barriers and giving employers and employees greater choice and control over the content and delivery of training.

- **Help businesses use skills to achieve more ambitious longer-term business success**. This is about meeting skill needs that businesses already have and supporting those who want higher-level skills to achieve their ambitions.
● Improve training and development for management and leadership, particularly in small and medium-sized firms. With Investors in People and others, we will offer new support linked to the new Investors in People Management and Leadership model.

● Improve business support services to give better information about where to get help. A wider range of information, advice and support will be available through Business Link.

● Expand the network of Union Learning Representatives. Unions can give workers the help and confidence to take part in training and skills as a contribution to business success.

● Strengthen Modern Apprenticeships, raising the age limit and bringing in a wider range of employers.

**CASE STUDY: THE LOGISTICS OF LEARNING**

Moving goods from A to B on time is a demanding job for employees at the depots of the supermarket giants Sainsbury’s and Tesco.

With help from the Union Learning Fund, learning reps from shop workers’ union USDAW worked with the two companies to help over 1,600 staff to improve their skills and gain new qualifications. Training was arranged at different times and venues so that all the depot staff could access it, regardless of which shift they were on.
PUTTING BUSINESSES CENTRE STAGE

“I want customized business solutions delivered by specialists I trust.”

Paul Gascoigne, Managing Director, Breeze (IT) Ltd

Here’s how we intend to make it happen.

If you are a larger employer…

- We will work with you to make the most of your brightest and most innovative ideas, and get access to research ideas in universities, through a network of knowledge exchanges.
- You will have access to the Skills for Business network of Sector Skills Councils (SSCs) which will be leading work to identify and meet skills needs in each major sector of the economy. The councils will be developing sector skills agreements with the employers in their sector, setting out an agenda for action on skills.
- Reformed qualifications will ensure training meets your needs.

We welcome the offer from the CBI to lead a project – working with the DFES and DTI – to identify how best to enhance skills and innovation within supply chains and clusters. This will report by 2004.

CASE STUDY: NIGHT AND DAY

Training assessments took place night and day at a leading sandwich and savouries firm. This allowed them to fit in with workers’ shift patterns.

Over 100 workers at Greggs in Birmingham agreed an individual training plan with Business Link advisors.
If you are a small or medium-sized employer…

- It will be easier and quicker to share knowledge. Business Link are working closely with those you deal with regularly such as banks and accountants, so they can help you identify your business training needs and steer you to the right solution.
- You will be able to access a wider range of Government support programmes through a single source, Business Link, to help your business and train your staff.
- More training will be provided for staff in the workplace.
- You may be eligible for financial help to improve your workforce’s skills.
- If you have poorly-qualified employees, they will be entitled to free training to gain a full skills foundation for employability (what is known as a ‘Level 2 qualification’).

Training was provided flexibly to minimise disruption. Through train2gain, a local Employer Training Pilot, staff training needs were assessed. Advisors even paid night-time visits to assess staff training needs.

Carol Elderfield, the company’s Regional Personnel Director says: “Greggs has made a company-wide commitment to developing basic skills throughout our workforce. train2gain fits in perfectly with that objective.”
The Investors in People Standard links skills to business performance and is a success story. It now covers 40% of the workforce. We expect to build on the £30 million Small Firms Initiative already being successfully implemented to encourage small firms to pursue Investors in People status.

**CASE STUDY: REGAINING CONTROL**

Steve Coulson found his business was running him rather than he running his business. A management course helped him regain control of his life.

“I was getting bogged down coping with the day-to-day running of the business,” recalls Steve, who owns and manages Friction Bonding and Lining Ltd, a small Lincolnshire firm specialising in brake and clutch lining manufacture.

Steve found a course in accelerated business development through Business Link. The course was right for him as he could spread its six half-day sessions over two months.

“I have completely changed the way we run our distribution activities. I am saving a lot of time and money as a result,” he adds. The course cost Steve £1,200. He received help with the costs from the Small Firm Development Account, a Government-funded project for small firms.
BETTER COLLEGE AND TRAINING COURSES

“Training should come to my workplace, my workplace shouldn’t have to go to college.”

Marilyn Tarn, Managing Director, Triple T Engineering Ltd

Many colleges and other training providers already employ people to work with local businesses. They tailor training to meet particular needs. They may provide distance learning via the Internet or set up training centres in the workplace.

Centres of Vocational Excellence provide quality specialist training in colleges and training providers, covering everything from automotive engineering to hospitality and tourism.

CASE STUDY: ONLINE FLEXIBILITY

Five hundred firms have already benefited from the business training service provided by West Nottinghamshire College, in Mansfield.

Learn@Work serves small and medium-sized firms from its base in a local business park. It offers employees the chance to train in the workplace, at local learning centres or in the college itself.

Seventy tutors are on hand to provide online support around the clock. Courses are available in ten key employment sectors. These include IT, care, catering and call centres.

So far, the programme has helped 2,000 learners. And learning computer terminals have been placed permanently in 15 companies.
Yet many businesses still feel the available training is not right for them. The funding and delivery systems may be too inflexible and existing qualifications too rigid. So we plan the following reforms:

- a wide range of quality-assured publicly-funded training providers.
- more choice of e-learning and computer-based training solutions.
- colleges and trainers will have more incentives to meet the demands of businesses as customers, with extra help for colleges to provide a wider range of business support services.

EXTRA HELP WITH SPECIALIST TRAINING

“We need to continually improve our specialist skills to stay ahead of our competitors.”

Samantha Gemmell, Managing Director, Creative Media Matrix Ltd

Businesses operating in specialist fields, such as construction, catering or social care, need to be sure that they can recruit people with the right skills for the job.

That’s where the new Sector Skills Councils come in. They will analyse labour market trends and help to plan suitable training courses.

We plan to have around 25 SSCs by Summer 2004. They are replacing the existing National Training Organisations. Together, they will form the new Skills for Business Network which will be fully operational by May 2004.
Sector skills agreements, led by the SSCs, will set out the skills needed to achieve long-term productivity objectives and exert powerful leverage over the supply of training and skills at local level. We expect the first of these agreements to be developed by December 2004.

GETTING RELIABLE INFORMATION QUICKLY

“I want something like a “Michelin guide” that tells me what, where and how was it for you.”

Michelle Rigby, Managing Director, Recycle-IT!

Businesses should be able to access reliable information on the quality of local training easily. Nobody should be sent from one agency to another just to get basic advice. In future, we will make things much

CASE STUDY: SOUND AND VISION

Skillset has helped improve training in the UK film industry. The Sector Skills Council for the audio-visual industries identified skills gaps in the industry’s largely freelance workforce and established an industry-backed voluntary levy on feature film production. This has created a pooled fund which has allowed Skillset to tackle industry-identified skills issues head on.

In the two and half years since its inception UK producers have contributed almost £2 million and created over 500 training interventions including new entrants and production accountants training schemes, health and safety bursaries, a trainee network and subsidised qualifications.
easier. The people with whom businesses work most will be able to direct them quickly to the right support.

PARTNERSHIP WITH TRADE UNIONS

“Where I work Union Learning Reps have been key to getting workers into learning by building confidence and bringing in learning to the workplace.”

Lynn Foster, Union Learning Rep, GMB Union, Unilever Ice Cream and Frozen Food

We all have a stake in improving our skills. Unions are already working in partnership with employers. Better training is not only the key to business success, it also helps employees to become more employable, improves their prospects and provides the opportunity for them to realise their ambitions. There is therefore a strong common interest for employers and unions to collaborate in promoting skills, training and qualifications.

The strategy includes support to expand the network of Union Learning Representatives. Unions can play an important part in raising the profile of training and skills. Learning representatives have proved effective in encouraging employees to engage in training. We have increased the support available through the Union Learning Fund.
CASE STUDY: AMICUS/MSF

David Riley and David Blagg, newly trained Amicus MSF learning representatives at United Biscuits (McVities) in Harlesden, London are working in partnership with the management to organise innovative events and initiatives to improve access to learning at the site.

They undertook a Learning Needs Analysis over the whole factory, and secured the donation of a DVD player from the company as a prize in a draw for all those who participated in the LNA.

David Riley explained: “We thought it would be a really good idea to have an incentive to encourage people to return their questionnaires. We approached our Factory Manager, Andy Readshaw, who generously donated the DVD player. “The learning reps also arranged a roadshow event in conjunction with their local Information Advice and Guidance network. The roadshow was organised over a 24 hour period to ensure that all staff could participate, including those working the night shift. Fifty-two people received confidential, free information and advice from professional advisers on site as a result of this initiative.
The learning reps have negotiated a learning agreement and have set up a joint learning committee which includes Union Learning Representatives, HR and the Factory General Manager. They are currently working with the HR department to arrange courses at the company’s learning centre. The **learndirect** centre on site had been underused but union involvement has helped encourage a marked increase in its use. Both men agree that ‘The idea of lifelong learning covers all aspects of why we got involved in trade union work. It adds value to people’s lives and gives them a chance of change.’

THE RIGHT QUALIFICATIONS

“*Qualifications should be a clearer guide to the right skills, experience and attitude.*”

Jill Evenden, Managing Director, Evenden Business Services

We will improve the qualifications system. Young people will learn more about business and enterprise at school. They will be able to take more GCSEs in job-related subjects, including courses in maths and science.

More young people will start Modern Apprenticeships, which will be strengthened to equip apprentices with the right skills. And new Foundation Degrees will meet the growing demand for people with higher level technical and associate professional qualifications.
Existing qualifications are often not flexible enough to respond to changing skill needs. We will make it easier for you to agree training solutions with local colleges and training providers that are tailored to your firm’s requirements, by packaging the right combination of training units to meet your and your employees’ needs.

The new system will make it easier for you to ‘pick and mix’ smaller training units that will make up whole qualifications. We will also give more recognition to all the informal learning that takes place at work, and to the skills that employees already have.

**CASE STUDY: SKILLS PASSPORT**

Employees at Global Fine Foods, which specialises in fine ethnic foods, all have a ‘skills passport’ where their training goals and record are set out.

Applying for Investors in People recognition helped his business. “The process gave us a structure to our training,” says the firm’s owner-manager Jake Karia.

All formal and informal training is recorded on the passport. This tangible record of achievements has given staff a sense of ownership of their work and boosted the company’s performance. “Staff retention rates have increased from 70% to between 90–95%,” adds Jake. “And profitability has increased as well.”
WHO PAYS FOR ALL THIS?

“As a customer, I’m happy to pay for training if it delivers the skills I need.”

Caroline Plumb, Managing Director, FreshMinds

The Government is already investing much more money in improving the design and delivery of skills training in colleges over the next three years. It is also increasing capital budgets to provide more modern training facilities.

Through the Learning and Skills Council, the Government spends over £8 billion a year on training for young people and adults. But costs have to be shared, because we all benefit from skills. Typically, students pay a quarter of individual training costs, while you pay half the cost of training delivered in your workplace. In implementing the strategy, we will need to develop a clear basis for who pays what, between Government, learners and employers.

As we improve choice and quality, we plan that:

- Training will be free where learners are gaining a “Level 2” skills foundation for employability for the first time.
- There will be targeted funding support from the LSC for higher-level skills at technician, higher craft or associate professional level in priority areas to meet regional and sectoral skills needs.
If you would like to comment on our plans, please email SkillsStrategy.comments@dfes.gsi.gov or write to Consultation Unit, DfES, Area 1b, Castleview House, East Lane, Runcorn, Cheshire, WA7 2GJ

TO FIND OUT MORE

To read the full Skills Strategy please visit www.dfes.gov.uk/skillsstrategy or phone 0845 702 3474 to purchase a hard copy.

For information, advice and support in your area, call Business Link on 0845 600 9006 or visit www.businesslink.org.

You can also find out about training courses through learndirect on 08000 150 750 or visit www.learndirect-business.co.uk.
“Giving employers a leading voice in articulating the demand for skills is the only way we can ensure that UK plc has the quality of workforce it needs to compete in today’s global economy. The Government’s Skills Strategy recognises this, and we’re proud to play a central part in boosting the skills of employees.

The Skills Strategy also rightly recognises the importance of employers, government and its delivery partners working together as a critical component of long-term success.”

Margaret Salmon, Chair, Sector Skills Development Agency

“For too long in Britain we have invested only in the young and the already successful. NIACE welcomes the Skills Strategy’s recognition that everyone, whatever their age, can make a better contribution to the success of what they do through the confidence, understanding and skills learning breeds. And we welcome the Government’s plans to back that recognition with resources.”

Alan Tuckett, Director, National Institute of Adult Continuing Education

The Skills Strategy recognises that skills are a vital component in the development of a business. The Small Business Service is committed to ensuring that small and medium-sized businesses have the widest possible access to comprehensive and integrated skills and business support, including information and advice through Business Link. We are developing new partnerships with banks and accountants and others with whom businesses already have a trusted relationship, to increase access to the business support that best suits their needs.
together, we will ensure that whatever their first port of call, businesses will be able to access the help they need to succeed.”

**Martin Wyn Griffith, Chief Executive, Small Business Service.**

Colleges already work with a huge number of businesses and individuals – nearly three million adults already improve their skills through colleges and the average college works with at least 200 local and regional businesses. As the major deliverers of vocational education and qualifications into the economy, colleges are determined to continue to play the leading role in helping businesses and individuals to succeed in a challenging competitive environment. Quite simply, we are here to help business – we want to do even more and will welcome the opportunities Government is offering us to do so.”

**David Gibson, Chief Executive, Association of Colleges**

“As a Government-backed initiative, Ufi/learndirect reflects Government policies and goals for lifelong learning and adult skills and so we expect to play a key part in delivering the Skills Strategy.

We are making tremendous progress and with the help and backing of our partners, the learndirect network is now firmly embedded as part of the learning infrastructure, making a significant contribution to adult learning and developing the skills of the UK workforce.

We believe that successful partnership and collaboration at a strategic level are the key to meeting the UK skills challenge.”

**Ann Limb, Chief Executive of Ufi/learndirect**
“RDAs feel that a joined-up approach from several Government Departments including DTI and DFES will be a major step forward in addressing and tackling the skills issues that are affecting individuals and businesses across the UK. Ensuring that skill levels are raised is a major priority for both the government and RDAs. RDAs have established Frameworks for Regional Employment and Skills Action bringing together partners from across the public and private sectors in each region to focus effort on where it will make the most impact.”

Vincent Watts, EEDA chair leading on skills issues from the Regional Development Agencies

“Investors in People UK welcomes the Skills Strategy because it commits Government and Government agencies to working with employers to build a business friendly environment in which the right business solutions are available, when and where they are needed. The strategy is about providing quality support based on flexibility, relevance and choice. It is about delivering employee development that is tailored to the individual needs of employers: the customer can choose to train on or off site and at times which fit in with the working day. Government and delivery agencies are asked to cut the red tape which too often gets in the way of finding the right solutions. All of this fits very closely with the Investors in People approach to business development through better people management practices.”
Investors in People currently engages over 34,000 organisations across the UK. We are delighted to be part of the new Skills Alliance launched in the White Paper and we look forward to contributing our learning from the past 12 years to the future implementation of this strategy.”

Ruth Spellman, Chief Executive, Investors in People UK

“The Learning and Skills Council welcomes the new national Skills Strategy. It provides the context to our drive to align skills training with business priorities. We have a vital role to play working with partners to deliver the Skills Strategy at a national, regional and local level. The LSC is uniquely placed to act as a catalyst for the creation of partnerships between employers and skills trainers.

The new Skills Strategy presents a real opportunity for the LSC to develop responsive, flexible and high-quality training across England. To deliver this, we are undertaking a major review of adult training to align it with business needs.

Our aim is to ensure that training that is relevant, affordable and closely aligned to your needs is only a phone call away.”

John Harwood, Chief Executive, Learning and Skills Council

“Jobcentre Plus aims to help people move from welfare into work and to help employers to fill their vacancies. We welcome the new Skills Strategy and will work with our partners at national, regional and local level in England to ensure that individuals and employers benefit.”

David Anderson, Chief Executive, Jobcentre Plus