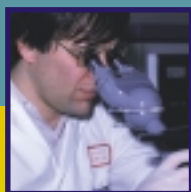


THE NATIONAL SKILLS AGENDA

OPPORTUNITY FOR ALL: SKILLS FOR THE NEW ECONOMY

Initial Response to the National Skills Task Force Final Report
from the Secretary of State for Education and Employment



Department for
Education and Employment

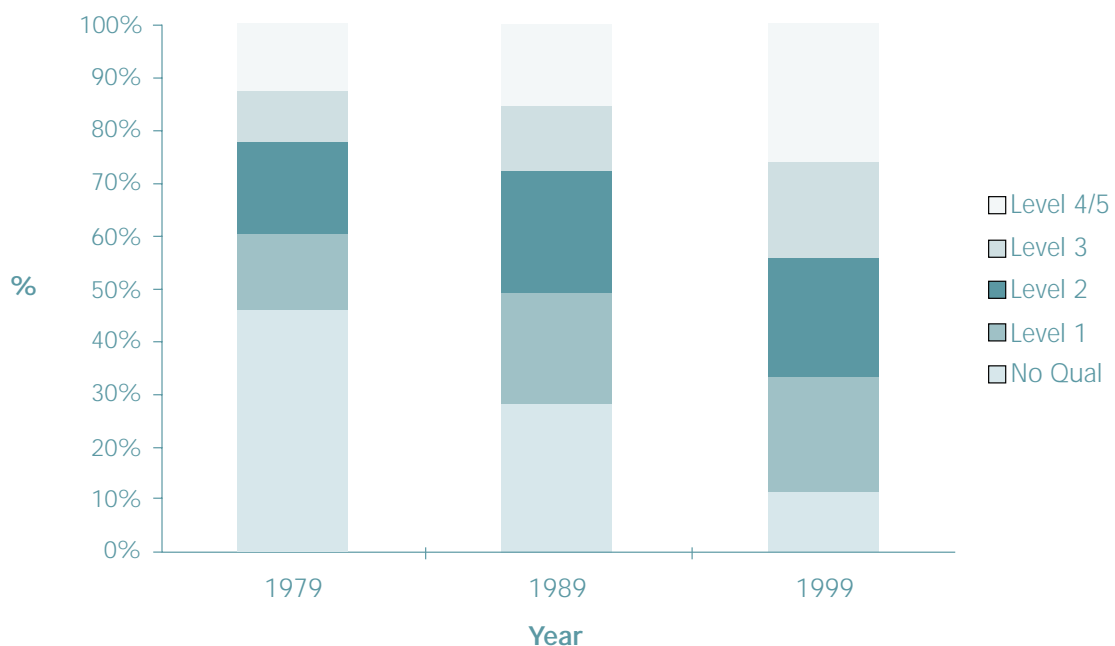


David Blunkett
Secretary of State for Education and Employment

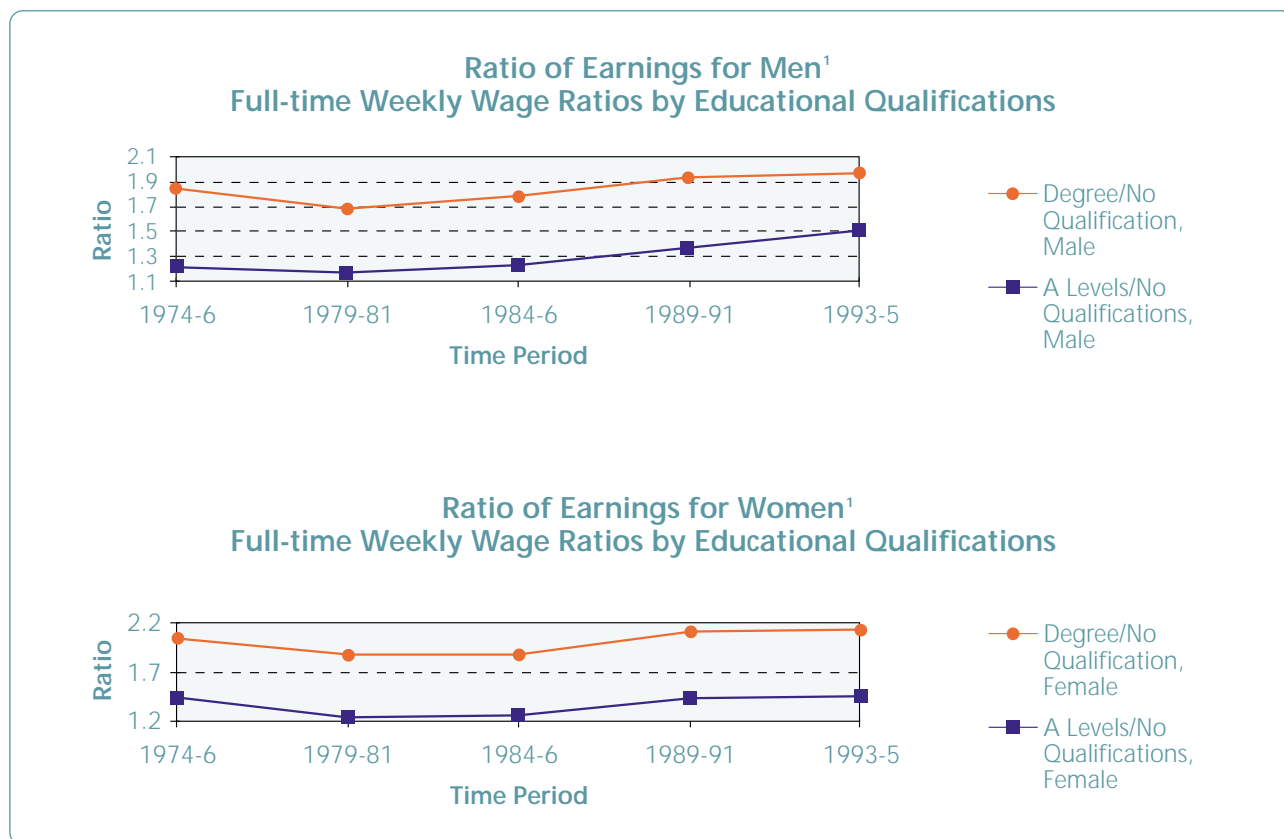
Introduction

1. As we move into the new century, skills and learning must become the key determinants of the economic prosperity and social cohesion of our country. Knowledge and skills are now the key drivers of innovation and change. Economic performance depends increasingly on talent and creativity. And in this new economy, it is education and skills which shape the opportunities and rewards available to individuals. Higher skills bring better prospects and higher earnings.
2. That is why the skills agenda is about opportunity for all. Successful economies are those in which all have the opportunity to realise their potential - acquiring skills and knowledge and developing their careers. Equality of opportunity is not simply a moral objective - it is an economic imperative. It is no longer possible, if it ever was, to educate an elite to the highest levels and provide only a basic education to the rest. In today's economy, we must provide everybody with lifelong, recurrent opportunities to develop their skills and go as far as their talent will take them.
3. The British people are now more educated and skilled than ever before. Since the 1970s, the proportion of the workforce with higher level skills has doubled, and those with no qualifications or skills has declined by two-thirds.

Highest Qualification Level of Economically Active People of Working Age (UK)



4. But at the same time, the earnings of the highly skilled have risen rapidly while those of the lowest skilled have fallen. Men with degrees now earn on average twice the weekly wage of men with no qualifications, and for women the wage returns on qualifications are even higher. This means we still produce too few people with the higher skills needed in the labour market and too many with the low skills least required.
5. Too many young people still enter the world of work lacking the level 2 qualifications which are now the absolute baseline for successful labour market participation. Even greater numbers of adults also lack these formal qualifications; many have poor basic skills, too. And our historic deficit in critical, intermediate level skills persists. In the rapidly-changing conditions of the contemporary global economy, our task is to tackle the skills challenge at all levels: from poor basic skills which lock people into social exclusion, to the high skills which underpin leading edge innovation.
6. Knowledge is critical because at the cutting edge of innovation in the new economy are knowledge producers: universities and businesses whose fundamental products are the ideas and research which provide the engine for change in goods and services. Sectors such as biotechnology, optoelectronics, and IT, are at the vanguard of the knowledge economy. In addition, large parts of the economy are now dependent on the management and processing of knowledge and information. Service industries, in particular, have been transformed by technological advances. The demand for the skills needed to understand and operate complex systems and to deliver more sophisticated choices to customers has grown substantially.



1. Harkness S. Centre for Economic Performance, LSE and Machin S. University College London and Centre for Economic Performance, LSE: " Graduate Earnings in Britain, 1974-95" - Research report RR95 DFEE 1999.

7. And that is why intangible or knowledge capital has become so important. In the United States, the output of the economy, as measured in tons, is roughly the same as it was a century ago. But its real economic value is twenty times greater. Ideas and knowledge no longer sit above the material base of the economy: they are integral to it.
8. If we can meet the skills challenge, the potential rewards are enormous. We now know that if we:
- each raise our productivity by just one tenth of one percent above trend we would generate £10bn more output over the next 10 years;
 - close our labour productivity gap with Germany, we would generate about £50bn more output over the same period;
 - raise the numeracy skills of all adults to the standard we expect of 11 year old children, this would increase our gross domestic product by up to £40bn.

And that would mean more pay in everyone's pocket; more profit and scope for our businesses to invest; and a massive boost for our schools, hospitals and pensions.

9. It is precisely because the challenge is so great, and the potential rewards so many, that this Government has been dedicated from the outset to bringing about a fundamental transformation in our education and skills performance. My Department is, of course, at the heart of that work, in partnership with the Department of Trade and Industry. We made a joint commitment to boosting skills and productivity in *Our Competitive Future: Building a Knowledge Driven Economy*.
10. The conditions for making substantial progress are now ideal. The government has established economic policies to avoid boom and bust. Business investment has

Case study: Optoelectronics and biotechnology: industries of the future

Knowledge, skill and innovation are central to our newest growth industries such as optoelectronics and biotechnology. With excellent research expertise in our universities, the development of innovative training for new start-ups in how to capitalise on inventions and manage businesses, and better support for business start-up, we are improving our capacity to turn ideas into the products of the future.

World-wide, the UK ranks fourth in optoelectronics, producing a range of vital components from optical lenses to lasers. And research suggests that the UK accounts for 30% of the total European biotechnology industry, manufacturing biopharmaceuticals, diagnostic systems and other key outputs for the 21st century².

Companies such as Bookham illustrate the growth of optoelectronics. Making optical switches for the internet, this company's origins lie in the invention of Dr Andrew Rickman, a graduate of Surrey University, who started the company in a University-linked 'incubator' in the early 90s. Now it has been floated on the stock exchange for £4.5 billion.

Biotechnology 'clusters' of knowledge-based businesses around the country - such as those in Oxford, Cambridge, Manchester and Newcastle - are similarly drawing on our research excellence and creativity, in partnerships involving higher education, Government, the Regional Development Agencies and others.



2. Hendry C. City University Business School: "New Technology Industries" - Skills Task Force Research Paper 10 DFEE 1999.

risen to continental levels. Attitudes to education and training are changing, with more of our young people staying on to acquire higher qualifications. The climate for sustainable growth will give businesses and individuals alike the confidence to invest in skills and the best equipment to use those skills. Our task is to ensure we have the right skills for success and prosperity now and in the future.

11. That is why I established a National Skills Task Force, under the chairmanship of Chris Humphries, to advise on the development of a national skills agenda with exactly this aim. The Task Force has published three excellent interim reports which have allowed us to benefit from its advice while its members were still working. I can therefore say much about the ways in which I am already tackling the issues the reports have raised. Their final report is a landmark in the development of the national skills agenda. It is firmly grounded in extensive and pathbreaking research. And it is a tribute to the practical insights and dedication of the members of the Task Force and of the host of people who contributed views and ideas.
12. I am immensely grateful to the Task Force for formulating an agenda that will help to achieve the economic and social objectives of my ministerial portfolio. Those objectives are:
- more people in jobs without employers finding it hard to recruit, running into skill shortages or risking inflation;
 - higher productivity through people being more competent and skilled in their work, creating and applying know-how;
 - developing and regenerating the economies of disadvantaged communities by building the skills and capabilities of the people who live in them.

13. I endorse the Task Force's conception of the national skills agenda as:

- an action plan for changes in the curricula, qualifications, apprenticeships, funding and institutions of the post-16 education and training system to produce the required improvements in the skills 'supply side', designed to tackle the priority areas of skills deficiencies;
- an approach to the continuing management of post-16 education and training, using levers such as funding, planning, labour market information, guidance and others, that shapes both the demand for, and supply of, skills over time so minimising skill shortages and gaps in the future; and
- clear and explicit targets for improvements in skill levels, plus measures of our performance in managing the match between supply and demand, to raise public confidence, drive progress and monitor success.

14. In this initial response to the work of the Skills Task Force I set out my strategy for ensuring that the Government's investment in education and training makes a major contribution to meeting the skill needs of the economy. It must be complemented by investment by employers and individuals. The key elements of the Government's strategy are:

- strengthening links between what people learn and the jobs they will have in future;
- creating excellence in vocational learning for all to achieve their potential;
- reaching out with basic skills training and beyond to adults whom the system failed first time and building a flexible system of lifelong learning for all;
- working with employers to give everyone the chance to boost skills and productivity.

Finally, I look ahead to how we can take this strategy forward as a shared commitment, and how we will follow through effectively on the recommendations the Task Force has made.

The strategy for a high skill economy

Strengthening links between what people learn and the jobs they will have in future

15. Our first task is to narrow the gap between people's choices and aspirations, the opportunities for learning on offer to them, and their future employment. There is no magic formula to determine the exact numbers of people with any given skill that the economy will require. Instead, my strategy - building on the recommendations of the Skills Task Force - aims to bring about a better balance through informed choice.
16. That means, first, a robust system of information, advice and guidance for both young people and adults. Major reforms are underway to secure this provision. We are currently piloting the new Connexions service for young people, in preparation for the development of a national service in coming years. It will integrate careers and other youth support services so that all young people, whatever their circumstances or needs, have access to high quality personal advice. The service will enable all young people to make a successful transition from adolescence to adult life.
17. We have also substantially increased our investment in the **learndirect** national learning information and advice service, with £37 million being made available between 1999 and 2002. The **learndirect** telephone helpline has handled over 1.6 million calls since its launch in 1998, and the service will be available on the Internet by autumn 2000. In addition to this service, we are investing £54m between 1999 and 2002 in stronger advice and guidance services for adults, delivered through local partnerships. And we have established the Learning and Workbank, a powerful database which provides information on-line about jobs and how people can equip themselves for different occupations or progress in their current occupations through updating their skills and knowledge. Information to employers will also improve through the work of National Training Organisations (NTOs) and Ufi Ltd.
18. These reforms are critical, but they are just a start. In conditions of rapid economic development and changing skills needs, it will be increasingly important to ensure that individuals have access to high-quality information, advice about learning and career options throughout their lives. We will need to ensure that the building blocks we have put in place form a seamless and integrated system of information, advice and guidance for adults. Guidance in particular, is critical. It enables people to make appropriate, well-founded choices about the careers they wish to pursue and the skills they will need to do so effectively. Good guidance cuts drop-out rates from learning and improves standards of achievement. It is a platform for success.
19. Second, by bringing together the workbased learning funded through Training and Enterprise Councils, and the college-based courses funded through the Further Education Funding Council, the new Learning and Skills Council will create a level playing field in which learners can more readily choose courses to suit their needs. At last we will be able to assess across all types of provision how well learner choices are satisfied and

how effective different types of courses are at equipping people for jobs. I will be inviting the LSC to propose ways of ensuring the best possible match between what people wish to study, the courses and options open to them, and their job destinations.

20. Third, I am taking comprehensive measures to improve employability skills training for unemployed adults and those on the margins of the jobs market, whatever their age or background. As part of 'welfare to work' this brought unemployment in May 2000 to its lowest level for 20 years and the number in employment to record levels.
21. To make it easier for individuals to find jobs that suit their skills, the ES is working smarter to match job seekers to suitable vacancies. We are exploiting new technology more creatively to improve the quality and quantity of vacancies available and the ways in which job seekers can access them. We are also encouraging and enabling unemployed people to consider jobs in nearby areas where their skills are in demand. The new action teams in unemployment black spots will add fresh impetus to this work.
22. Fundamental to this strategy will be the quality of intelligence on the skill needs of the economy. The evidence from the Skills Task Force offers a new level of knowledge and understanding for the LSC to build on in future skills assessments, and which is already forming the basis for new work with NTOs and employers. Above all, I am determined to use intelligence to make sure that, in the years ahead, we are certain that the system is working to meet skill needs nationally, regionally and locally. The LSC, NTOs and RDAs working effectively together on skills issues with my Department will be key to this mission.

Case study: Workforce Development in the Steel Industry

The Steel and Metals Industry NTO is the first to complete the sector workforce development plan that all NTOs will be drawing up in the next year. The plan, owned by the industry:

- offers comprehensive analysis of the industry;
- identifies key issues to be addressed to make sure the workforce has the right skills to compete in the 21st century; and
- sets out how the NTO is responding to challenges in partnership with RDAs and others.

Issues addressed include:

- the need to develop more effective supply chain partnerships;
- the growing importance of senior and team leader management skills in the sector;
- the need to promote the business benefits of Investors in People;
- the growing need for higher level skills to cope with new technology and working practices;
- improving access to training information, guidance and provision, especially for smaller companies.

Fact:

The ES reports 1 million vacancies in England. 1 in 4 firms seeking to fill vacancies say they are unable to do so because of skill shortages³.

Response:

- the new Connexions service for young people will integrate careers and other youth support services so that all young people have access to high quality personal advice. To enhance the quality and coverage of information advice and guidance services for adults, we have announced £54m extra for 1999-2002. In 2000-01, we expect to contract £19m with 76 partnerships in England to move towards our goal of a free publicly funded information and advice service available for everyone.
- the Learning and Skills Council will have a budget of around £6bn for some 6m learners. It will integrate the funding of all post-16 learning below degree level, allowing individuals, businesses and local communities to undertake the learning they need for career success and economic and social prosperity. It will be customer-led not provider-driven, so that funding follows the learner. It will build on the work of the Skills Task Force in partnership with employers, trade unions, NTOs, the Small Business Service, RDAs, local authorities, learning partnerships and others to assess and meet skill needs.
- the current 76 National Training Organisations, meeting recognised standards, are responsible for the development of skills to meet business needs of employment sectors throughout the UK. They have formed 15 groupings to produce broad sectoral reports, drawing on their individual skills foresight reports, to inform the work of RDAs, local LSCs and other agencies.
- The Employment Service itself has put in place a range of measures to better match people to jobs. The mobility strategy encourages job seekers to look beyond their immediate travel to work areas in their search for employment. ES is modernising all its ICT systems from this autumn. All vacancies will be put on the internet, accessible through touch screen kiosks in jobcentres, and employers will be able to call a single national phone number to notify their job vacancies.
- Action Teams for Jobs will be set up in areas with the lowest employment rates and highest unemployment rates. The Action teams will work in close co-operation with private and voluntary sectors in finding local solutions to barriers preventing people taking up jobs. This might include help with the cost or provision of transport, encouraging the use of modern technology in order to increase local people's awareness of opportunities in neighbouring areas and working with employers to find ways of matching local people to their vacancies.

3. "Skills Task Force, Employer Skills Survey" - DfEE, forthcoming.

Creating excellence in vocational learning for all to achieve their potential.

23. As the Task Force made very clear a robust, high standard system of vocational learning will be critical to our future success. My Department is working with employers and other partners to take forward the Task Force's recommendations to create a single, respected vocational route, and to complete a strong ladder of progression from age 14 or 15 up to foundation degree level and beyond.
24. There is widespread agreement that we need a mixed system of consistently high standards which can meet individual needs and circumstances. The changes we are making will bring together the different vocational education and training pathways into a high-standards route allowing progression and transfer, whether learners have chosen full-time further education, part-time FE, or the work based route.
25. This is vital if we are to increase the supply of vocational skills into the economy. As Hilary Steedman's research for the Task Force has shown, increases in advanced level qualifications in recent years have come almost exclusively from young people who have stayed-on in school or college to complete A-levels. Achievement in vocational learning, whether full-time or work-based, has been far more limited. As the OECD has pointed out, our poor performance in vocational provision is a major reason why we fall far behind other leading countries in the proportion of 16-19 year olds who stay in learning. It is a deficit that we are determined to tackle.
26. In the future, vocational study for young people will consist of two main pathways: broad based vocational study in school or college leading to vocational A levels or BTEC, City and Guilds or similar awards; and apprenticeships, which in future will include taught knowledge and understanding as well as competence developed on the job, recognised through an apprenticeship diploma. Continued development of key skills will be a feature throughout both.
27. In the system we are building it will be possible for students to take a vocational A level as part of an apprenticeship or to take it before entry and have it contribute to their apprenticeship diploma. The same will apply to vocational courses which are more occupationally specific and are recognised as part of an apprenticeship framework. Young people doing part-time vocational courses, which increasingly will be signposted with industry recognition, will have the opportunity to complete the full apprenticeship programme or to use these courses to add a specialism to their GCSEs and A levels.
28. Where students have demonstrated that they have the potential, they will be able to go on from either of these pathways to take a Foundation Degree. Employers are actively involved in the development of Foundation Degree frameworks. Through these new degrees students will be able to acquire the skills needed in the technical and associate professional jobs which are amongst the fastest growing segments of employment. And they will be able to progress to an honours degree.
29. For the first time we will have a vocational route which breaks down artificial barriers and promotes flexible transfer between pathways and allows young people to progress and realise their full potential. I cannot stress often enough how important high standards will be within this route. People choosing apprenticeships or vocational study at school or college will be assured of high standards, levels of achievement and value for their qualifications. The ability of our colleges to achieve excellence in subject areas relevant to their local economies is already proving its worth in creating high

standard learning opportunities with excellent job prospects for learners.

30. What we are doing on the vocational route is a central element of our Connexions strategy: not only are we offering guidance and support to young people, we are giving those with work-related ambitions a clear ladder of progress. We have made the first rungs of the ladder, through the learning gateway, foundation and advanced modern apprenticeships into achievable steps that link together; we are creating a new step in the form of a Foundation Degree at QCA level 4 for those with the will and ability to progress into higher education; and we are complementing these options by introducing Graduate Apprenticeships to enhance the employability of new graduates.
31. This vocational route will, in combination with the general education route, enable us to reach our stretching target of 50% of young people entering higher education compared with only 1 in 6 in 1989. Success will bring us to a point where our supply of skills at A level equivalent and above will be comparable with those of competitors in Europe and the Far East. These countries have strategies for the achievement of high skills economies, from the initial skill formation of new labour market entrants, to lifelong learning opportunities for the wider population. Our reforms to vocational learning are a critical part of our high skills strategy - building on our crusade to raise school standards and tackle poor adult basic skills, and integrated into the expansion of further and higher education.

Fact:

Around 4 in 10 of those in jobs in the UK hold the equivalent of A level qualifications or higher, but in Germany the figure is double. Among young adults in Japan and Korea it is more than double. Half of all skill shortages in England are related to a lack of technical and practical skills⁴.

Response

- The government will establish a new, high-standard apprenticeship route, leading from **Foundation** to **Advanced Modern Apprenticeship**. It will offer structured vocational learning, at the workplace and off-the-job, within frameworks agreed with employment sectors, leading to the award of Apprenticeship Diplomas. We are consulting over summer 2000 about how to make our reforms as effective as possible.
- **Foundation degrees** will offer the next step up the vocational ladder for many successful Modern Apprentices. These vocational higher education qualifications, developed with employers, NTOs and professional bodies will be delivered flexibly, full time or part time, to suit the needs of people combining study with a job.
- **Graduate Apprenticeships** are a means of enhancing the work-readiness of new graduates. They are frameworks devised by National Training Organisations in association with higher education institutions which integrate higher education, work based learning, key skills and NVQ units.

4. "Skills Task Force, Employer Skills Survey" - DfEE, forthcoming.

Case study: Modern Apprenticeship progression

19 year old Isobel Pearce is a fine example of how young people can progress to degree level through the vocational route.

Isobel was interested in a career in engineering but really did not want to stay on at school to do A levels. Instead, she applied for an Engineering Modern Apprenticeship and was offered an apprenticeship in Mechanical Engineering with Ceramaspeed, who make ceramic heating units for glass top cooker hobs.

As part of her apprenticeship, Isobel took a BTEC National Certificate in Engineering and an NVQ Level 2 in Engineering Manufacture at Kidderminster College, and is now being sponsored by Ceramaspeed to study for a degree in Chemical Engineering at the University of Surrey.

Isobel is convinced that the vocational route was right for her. "University is a big leap from what I was doing but I'm really enjoying it here. The Modern Apprenticeship was definitely the right route for me. If you know what you want to do, a Modern Apprenticeship is a good way to get there because you start learning about an industry earlier than you would have done otherwise. It gave me a tremendous headstart!"

Reaching out with basic skills training and beyond to adults whom the system failed first time, and building a flexible system of lifelong learning for all.

32. The Skills Task Force has underlined yet again the disadvantages faced by many adults, especially those lacking in literacy and numeracy. The scale of the problem and the predicament these people face were powerfully described by the Moser Group. I will be announcing later this year a comprehensive strategy for tackling this basic skills shortfall, in response to the Moser recommendations.

Fact:

Although the proportion of adults lacking any qualifications has fallen, around one in five adults (7 million people in England alone) still have literacy levels below those we expect of an 11 year old and numeracy levels no better than those of a 7 year old. This compares unfavourably with many of our international competitors⁵.

Response:

We are determined to tackle this problem. I will announce the Government's National Strategy for adult basic skills shortly. But we have already committed £37 million up to April 2001 and measures already taken or underway include:

- new national standards for literacy and numeracy at Entry Level and Levels 1 and 2;
- a draft curriculum based on those standards (issued for consultation on 22 May);
- national tests at Level 1 and 2;
- initial and intensive training for basic skills teachers;
- improved screening and support for the unemployed;
- strengthened provision in the community and the workplace;
- significantly increased support for family numeracy/literacy.

But basic skills must only be the beginning. I want to set adults whom the system failed onto a path of learning that encourages and enables them to gain the skills for rewarding jobs. That means imaginative opportunities that appeal to this lost generation of learners; effective information, advice and guidance services; and tailored support. And it means a package of skills training for job seekers.

Case study: Basic Skills Support in Bury MBC

Bury MBC offers confidential assessment and support to employees who wish to improve their literacy and numeracy, basic computer skills (eg. keyboard skills) and higher level communication skills. At any time, there may be between 35 - 50 employees registered for help, mostly through one-to-one coaching, or in small groups. And the local Lifelong Learning Service shares access to the resources and materials in the Open Learning Centre to benefit the local community.

MBC employees are involved in a wide range of job related training from procedures and policies to health and safety issues. However, a lack of confidence in basic skills can place a barrier between an employee and the need to develop and adapt to new initiatives and changes at work. Many employees find that their jobs demand ever-improving communication skills.

As one Cleaning supervisor says "Learning at work has changed my life. Site reports, time sheets and ordering are no problem now. It's also given me much more confidence in my contact with my team. I try to see the 'whole picture' now, and communicate better so that problems can be solved. I even typed up a newsletter so that my team knew why we had to meet some important deadlines."

Bury's Chief Executive, Dennis Taylor, says "The Council is delighted to be associated with this initiative. It is vitally important that basic skills training is made available to all of our workforce. Quite often, lack of such training proves to be a barrier to unlocking massive individual potential across a wide range of work and this sort of project goes a long way to redressing this problem."

33. I am already improving opportunities, advice and support for those who find it harder to get on in life because they missed out on education and training first time round. The Union Learning Fund has trained a 1300-strong army of Union Learning Representatives who are promoting learning in the workplace. As I said in my recent speech to the Institute for Public Policy Research, the promotion of learning and the empowerment of workers to adapt to changing economic circumstances is a modern and powerful role for trade unions. The success of the Union Learning Fund has shown that trade unions have grasped that role. I will return to this issue below.
34. In addition, the Adult and Community Learning Fund, together with the excellent work that local authorities have been doing to expand adult education into new areas, has been bringing learning opportunities closer to home. And Information and Communications Technology learning centres and **learnirect** centres will offer flexible access to ICT-based learning. All these initiatives are reaching out to people who may be in severely disadvantaged estates, have family responsibilities and low incomes, or are simply suspicious of 'the system' that failed them.
35. The Budget outlined plans for a major reworking of the New Deal for those adults unemployed for long periods. The ES will better integrate work-based learning for adults into the range of options for unemployed people. The opportunities *UK:online* offers to gain confidence and competence in using computers, together with more effective assessment and training for those with basic skills difficulties, will improve employability skills further. And the launch of the New Deal 50 Plus and planned enhancements to the New Deals for lone parents and for disabled people will offer substantial extra support for people to enter work and learning.
35. And we are doing more than ever to support 'second chance' learners generally:
- all basic skills training is free to the learner;
 - three-quarters of the cost of other FE courses is met by the government, and for unemployed people fee remission is 100%;
 - access funds offer colleges discretion to help learners with travel, childcare and other costs according to need. In 2000-01 FE access funds have been increased to £54m with a further £25m funding for FE ring fenced for childcare.
36. We have also started to introduce Individual Learning Accounts. By the end of February this year, 100,000 accounts had been opened in the preparatory stages to the full national launch this autumn when we will offer the first million account holders a £150 contribution from government providing the individual puts in £25 of their own money. There will also be 20% and 80% discounts available on the cost of courses. The 20% discount will be aimed at a wide range of learning while the 80% discount will in the first instance be aimed at basic computer skills.
37. I am determined to ensure that learning accounts reach the people who need them. We are currently developing arrangements to work with trade unions and community groups, as well as employers, so that people and communities have real control over the money at their disposal, and can choose the learning they want. I will announce further details in due course.
38. But we also need to go further. Whilst we have made good progress in developing the system of financial support for adult learners, and have started to tackle the glaring historic inequity in the treatment of part-time and further education learners, further reform is needed. I recognise this strong case made by the Task force on this issue. I intend to build on our current policies for learning

accounts, learning loans and fee support, to ensure that the system of financing adult learning is made more coherent and to guarantee that it reaches the individuals who need most to benefit from it. I therefore intend to institute a review of the financing of adult learning. The review will consider how learning accounts can be developed and loans for adult learners might be made more widely available.

Case study: Skills Training and Employment through New Deal

Aiden Ogden from Liverpool found work with CCTV installation specialists PFM as a trainee CCTV operator-engineer after achieving an NVQ Level 2 in Alarm Installation through the Full Time Education and Training option on New Deal. He was offered a permanent job with PFM through New Deal after 13 months unemployment. PFM's Pat Carragher says "Although Aiden has got his NVQ, in terms of the work we specialise in he's only 'half-trained'. As a small, relatively new company the New Deal subsidy helps towards further training."



Fact:

25% of unemployed people hold no qualifications compared to 12% of the workforce. The average weekly pay of full-time employees with no qualifications is less than half of that for someone with a higher degree qualification⁶.

Response:

- The Union Learning Fund has supported over 100 projects from 50 unions working in partnership with over 1,000 employers nation-wide, and has targeted £1.5m for basic skills projects in 2000-01.
- The £20m Adult and Community Learning Fund is investing in learning opportunities through community based activities.
- The 800 ICT learning centres, and **learndirect** centres will offer flexible, accessible opportunities to learn on-line, including in some of our most disadvantaged communities.
- The New Deal for Young People had placed 210,000 young people into jobs and 133,400 more into education, training or work experience in 2 years. New Deal 25 Plus had placed 41,150 people into jobs.

6. "Labour Force Survey" - DfEE Autumn 1999.

Working with employers to give everyone the chance to boost skills and productivity

39. Our partnership with employers is vital to getting a responsive system with a strong vocational route, in which everyone can progress. It is also the root of our employee training strategy. Evidence shows that raising the proportion of workers trained in an industry, and thereby the stock of available skills, from the average of 10% to 15% leads to a 3% increase in the value added delivered by each worker in the firm. Training pays for the employer as well as the employee. Employers who fail to understand this will simply not survive in conditions of intensified global economic competition.
40. Our current approach to workforce development is founded in: promoting standards through Investors in People; encouraging employers to collaborate through their NTOs and through involvement in learning centres; supporting learning in small and medium-sized enterprises through targeted interventions; and using new learning technologies to lower the costs and improve access to learning for employees.
41. The success of Investors in People in putting the development of people at the heart of business success has been underlined yet again by the Skills Task Force. More than 17,000 have now achieved the Standard in the UK. But while we have made good progress with larger firms, too few smaller firms are involved. We are only half way to our target of having 10,000 firms with between 10 and 49 employees recognised as Investors in People by 2002.
42. The Standard has recently been updated to ensure its continued relevance for organisations. The plain language and clear outcomes-based indicators make the Standard much easier to use, particularly by small organisations. NTOs, the new Small Business Service and those businesses that act as such successful champions of learning, will be promoting the benefits of the Standard, especially to smaller firms who have been slower to sign up.
43. But I also believe that we will only involve more small firms and a larger number of employees in learning if we actively encourage them to collaborate. This is a real issue, when only one in five of our firms with under 50 employees has any dedicated personnel support - and four-fifths of those have only part-time support. There are some excellent examples of groups or clusters of small firms banding together to achieve a breakthrough in their personnel and training resources. Targeted government interventions can be effective in supporting these developments. For example, the Bug Buster training programme, developed and delivered very quickly to help small businesses deal with the date change issue, was a resounding success.
44. I believe that the Skills Task Force recommendation for local and sectoral 'employer learning networks' has considerable possibilities. Larger firms can play a role of enlightened self-interest, too, by sharing expensive training facilities in the development of more competitive industrial communities and supply chains. With 80% of small firms located either on business parks, industrial estates or in our high streets, the geography is right for these firms, with support from their NTOs and the Small Business Service, to collaborate in meeting their own needs and those of their people. Ufi's expanding network of **learnirect** centres will offer a new focus for this collaboration.
45. That is why I have created a £2.5m challenge fund to encourage innovation and spread best practice in collaborative working. This learning network development fund will help to establish new clusters of small firms working together to share intelligence and resources. Employers will be able to work closely with their NTOs, local FE colleges and other providers to deliver training which meets the needs of the business and develops a high calibre workforce. The fund will also help develop the range of activities delivered by existing group training providers, which are already assisting thousands of small firms across the country, through the management of Modern Apprenticeship programmes for example.

Case study: Employers Working Together in the Textile Industry

The Textile Centre of Excellence in Huddersfield was established to unite the local textile industry in sharing responsibility for skills development to contribute to the successful future of the industry. Its 75 member companies collectively invested £0.75m in the Centre, which includes technical workshops, a textile testing lab, IT suites and conferencing facilities. It covers members' training, education and consultancy needs in textile technology, health and safety and IT, and has strong partnerships with local colleges and universities, TECs, the Chamber of Commerce, local authorities and others. The current success of the Centre is due to it being a totally employer led organisation with all employers working together to ensure that all their training and education needs are being highlighted and wherever possible action taken to meet these needs.

Fact:

- (i) Professional workers are more than 3 times as likely to receive employer funded training than are plant and machine operators. Graduates are 5 times more likely to receive job-related training than those with no qualifications⁷.
- (ii) Over 90% of firms with 200 or more employees provide some form of off-the-job training compared with just over one-third of firms employing less than 25 people⁸.
- (iii) Nearly half of firms in the Skills Task Force Employers Skills Survey who reported a skills gap in their firm said that the problem was at least partly caused by a failure to train and develop staff.

In addition to the measures outlined in the text, the government is driving up the supply of skills in the economy and supporting employer investment through:

- Establishing the Council for Excellence in Management and Leadership. CEML will work with others to encourage the development of the managers and leaders of the future, at a time when we know from the Society of Practitioners of Insolvency that one in two company failures is down to poor management.
 - Modernising the delivery of learning. The University for Industry (Ufi), which will be fully operational nationally from the autumn using the brand **learndirect** for its products and services, will be an on-line and distributed learning network aimed at both individuals and businesses.
- Using modern information and communications technologies, it will broker high quality on-line learning products and services and make them available at home, in the workplace and at **learndirect** centres nationwide. Over 60% of its materials will be online by the autumn launch, rising to up to 95% by 2003. The Ufi will chart and meet the needs of small businesses. There are a growing number of **learndirect** centres located within companies or specifically targeting the skill needs and management skills of small businesses.
- Increasing support for development of learning networks. A new £2.5m fund will encourage and spread best practice in the sharing of resources for learning, especially among SMEs. This will build on the success of existing group training providers.

7. "Labour Force Survey" - DfEE Spring 1998.

8. IFF Research Ltd for DfEE and the Employment and Training Agency: "Skill Needs in Britain and Northern Ireland 1998", and Nove A. Smith N. and Stallwood N. "Skill Needs of Small Firms in Britain 1994-95".

Case study: Investors in People improves supply chain management

Shepherd Construction is part of the Shepherd Building Group, one of the largest privately owned construction and engineering groups in the UK, and employs 1,200 staff. The company first achieved Investors in People recognition in 1992, and views the IiP standard as an excellent external benchmark. IiP plays a vital role in sustaining the quality of its people practices as it continues to build stronger relationships with key players in the supply chain.

Paul Shepherd, Group Chairman, says "As the construction market consolidates and changes, particularly in response to sophisticated and global clients who demand a full service, it will be necessary to reorientate our training. In the past individual subsidiaries in our Construction Division were able to operate mostly in isolation and occasionally together. In the future the reverse will be the case and teamworking across company boundaries will be the norm. As a consequence we will need to refocus our training, and the discipline and clarity of thinking that the IiP process requires will greatly facilitate this."

Case study: Engineering Learning Link - with learndirect centres for SMEs

Engineering Learning Link is EMTA's unique University for Industry initiative for the engineering sector offering a comprehensive signposting facility to engineering learning and training.

ELL open learning centres offer free access for individuals and companies to information, learning materials and resources, and to experts in the field of engineering. The ELL project won its bid to become the Ufi's National Sectoral Hub for Engineering. Cleveland Training Centre in Billingham and BOLDU Limited in Birmingham already offer **learndirect** packages and support, and other ELL centres will follow.

EMTA's national freephone Call Centre serves engineering learners and company representatives who do not have access to a PC or the Internet and are unable to visit one of the ELL centres. And the ELL Website holds information on funding for training, research and labour market information, training providers, Modern Apprenticeships, open and distance learning materials, careers and virtual learning.

EMTA offers ESF grants of 45% to engineering SMEs in eligible geographical areas, towards the costs of training their employees.

46. Co-operation to meet ICT skill needs is one main priority. ICT training must be much better organised. We must tackle the confusion among providers and employers about what training is needed and what types of work it suits people for. Over 18 million workers now use computers in their jobs, compared with only 11½m in 1992. The IT service sector alone will need over 1/2 million people between 1998 and 2009⁹.

47. Working with the education sector we will ensure ICT students leave their studies with the skills needed by the new technologies. As part of this action, QCA will by the end of 2001 have reviewed the 800 currently unregulated IT qualifications and reduced the number of titles by 90% to give a coherent framework of accredited qualifications from user to specialist IT roles. To help people more easily understand the value of each qualification we will promote a simple chart which clearly explains how the qualifications relate to jobs. Following the Lisbon summit, we look forward to working towards common European standards for ICT user skills.

48. Together with the Secretary of State for Trade and Industry, we have asked the IT, communications and electronics sector NTOs to deliver our ICT skills strategy. The merger of IT NTO and e-business.nto as the e-Skills NTO will strengthen their capacity to do this. They will be instrumental in getting employers and specialist ICT workers to come together to run a campaign in the autumn to attract more people into ICT jobs. Central to which will be good quality careers advice, available to all, about the significant opportunities these jobs offer.

Fact:

Information technology, communications and electronics is the fastest growing sector in the economy. In 1997, the sector had a turnover of £106 billion and accounted for 7% of UK GDP, which industry experts suggest could rise to 10% soon. It is where 10% of all new jobs have been created in the past 3 years¹⁰.

Response

- Annual admissions of UK students to computer studies courses in our universities rose four-fold in the ten years to 1998, reaching over 16,500.
- the £47m Skills Development Fund is helping RDAs deliver ICT skills training projects across the country.
- Hilary Cropper, FI Executive Chair and member of the New Deal Task Force is leading a group of top IT employers in designing a programme which will prepare New Deal participants for technical jobs in the sector. The project is being developed in collaboration with Wildcat Service Corporation in New York.
- *UK on-line computer skills training*, launched in May, offers ICT employability training for up to 50,000 unemployed people at a cost of £25m. As a first step on the IT skills ladder, it will take participants to skill levels 1 or 2.
- we are developing good practice models for smaller businesses to train their employees in technical ICT skills and for those recruiting people with ICT qualifications but without relevant work experience.

Case study: 'Fixing the Future'

e.business.nto has been working with Compaq, 8 further education colleges and other partners to increase the skills pool available to the IT services sector.

'Fixing the Future' involves establishing FE as a credible alternative to private training providers who have dominated the IT services sector. The project is creating a new infrastructure to build and sustain the capacity of FE to deliver training to electronics and software services companies, especially SMEs. To ensure that the qualifications and training will be geared towards what the sector wants, the project is engaging industry as well as education representatives.

Achievements include: an IT Systems Support Technician curriculum, direct and distance learning materials, installation of labs in the 8 FE colleges, and staff training. SMEs will have access to affordable local provision of training that exactly fits their needs. Individuals can gain a credible and current qualification. And FE colleges can offer high quality, relevant provision.

49. The creation of the Learning and Skills Council presents employers with opportunities as well as challenges. They will now have influence over a much wider range of publicly funded learning than before. But in turn they will need to demonstrate that they can match what is funded publicly with substantial and effective investment in the training they provide themselves. And this means investment, not just for professional and managerial staff, but for employees across the whole workforce. Employers must show that they share the government's drive to raise the skills and productivity of the workforce.
50. The development of the skills of the workforce is also a social partnership issue. Trade unions have a vital role to play. As I noted previously, the promotion of skills and learning for their members is now a central, not marginal, activity for trade unions in today's economy. And trade unions are making important contributions to the development of the Ufi, to the take-up of ILAs, and to the government's drive to tackle poor adult basic skills. I want all trade unions to participate in these initiatives, so that they are at the forefront of the drive to raise skills standards.
51. National Training Organisations, too, have a pivotal role to play as the organisations representing employers in the different sectors of business across the UK. As the Task Force has advocated they need to set clear and challenging targets for staff development in their sectors and to spread good practice. They also need to be in the vanguard in driving up standards in work-based training. But if they are to do this they must improve their capability, and employers must support them. I want to see a stronger NTO network and I will work with the network to achieve this objective.

52. We must look to engage employers in new ways. The LSC will recruit up to 350 employers to its boards to contribute to the development of the local workforce. But I want even more employers, more informed, and more actively engaged in shaping our education and training system.
53. That is why I want LSC business or employer members and the NTOs for their sectors to make strong links, ensuring contact between the hundreds of employers and business people engaged in the new LSC and in National Training Organisations. The NTOs can share the responsibility for making this work in practice. By networking like-minded employers in this way, I want our learning and skills system to strike a better balance between local, regional and sectoral training needs. This is a key challenge for all those with an interest in seeing greater employer involvement in bringing about a more productive and competitive workforce. Drawing on support from my Department I have asked the emerging LSC and the NTO National Council to collaborate in taking this initiative forward.
54. Our aim is clear: ever higher levels of employment without the scourge of inflationary skill shortages; higher productivity from competent, skilled workers; and regeneration of disadvantaged communities by investing in the skills of those who live in them.
55. The national skills agenda offers a long-term strategy to take forward into the next Parliament - but there is much more Government can and will do before then. I am putting in place a follow-through strategy to build momentum behind the agenda. Chris Humphries has agreed to continue advising us on this work until the Learning and Skills Council is established and to champion the skills agenda with employers and partners.
56. The summary at the end of this pamphlet shows the excellent progress we have made so far in tackling the themes raised in the Task Force reports. I will publish a full response to the Skills Task Force in the autumn, outlining in more detail further reforms to workforce development and vocational education and training. At that stage I will make further announcements on investment following the Year 2000 Spending Review and relevant consultation exercises.
57. It will be important for the Learning and Skills Council to build on the work of the Skills Task Force and establish arrangements to provide considered analyses that advance policy in the same way that the Task Force has done. Much of the responsibility for the skills agenda will fall to the LSC, and I will be asking them to bring forward proposals about how best to implement Task Force thinking on how to monitor and improve the match between student choices, provision and employment needs.
58. However, I strongly agree with the Task Force that it is for employers and other partners to work alongside government in raising skill levels. The examples I have had space to quote here only touch on what we can achieve if the skills agenda is shared by all, and what that means in practice for people's lives and for the success of business. To raise awareness of the skills challenges we face in the global economy, my Department will co-ordinate a campaign in the autumn to coincide with the launch of my full response to the Skills Task Force.

Taking forward the agenda - a shared commitment

59. The national skills agenda must be a shared one. Employers must give even more attention to the skills and productivity of their businesses and sign up with the new LSC and their NTOs. Providers of education and training must work more effectively to meet the skill needs of individuals and businesses. Trade unions must continue to expand their role in promoting and facilitating skills development. Individuals must take seriously their own skills development throughout their lives. Together with concerted government action, these are the building blocks of success in the future.

60. Learning and skills are the bedrock of social justice and economic prosperity. It is research and innovation, the generation of knowledge and its productive use, which equip societies to compete and prosper in the global economy. Our agenda is to ensure that everybody can share in that success and prosperity. Opportunity for all means skills for all. It means equipping people to cope with change, rather than abandoning them to it. It means effective government action to meet the challenges of globalisation, not a neo-liberal retreat from collective responsibility or isolationist rejection of the world around us.



David Blunkett
Secretary of State for Education and Employment

Employers can reap huge rewards from investing in the skills of the next generation - by influencing the curriculum for those still at school, offering work placements to school and college students, project work with higher education students and technology transfers with HE institutions, as well as developing their own people.

- To find out more about how skills development could benefit your business and to take advantage of the range of Government-sponsored initiatives such as Modern Apprenticeships and Investors in People, contact the National Training Organisation for your sector. The NTO National Council on 0114 261 9926 or at www.nto-nc.org will put you in touch.
- To find out more about the business role of the Learning and Skills Council visit www.dfes.gov.uk/post16. To register your interest in joining the board of a local Learning and Skills Council either write to The LSC Appointments Team, DfEE, W3b, Moorfoot, Sheffield, S1 4PQ or e-mail them on lsc.appointments@dfes.gov.uk.
- Full details of how the Employment Service can assist employers with recruitment is at www.employmentservice.gov.uk/employers.

- To find out more about how The Small Business Service and Business Link can help employers, visit the SBS website on www.businessadviceonline.org, e-mail enquiries to enquiries@sbs.gsi.gov.uk or phone the enquiry line on 020 7215 5363.
- To find out more about the national skills agenda, or the new £2.5m initiative to promote employer collaboration to meet skill needs, contact: Nick Parry, Skills Unit, DfEE, Room W1120, Moorfoot, Sheffield, S1 4PQ. Tel: 0114 259 4385 email: nicholas.parry@dfes.gov.uk

Education, training and guidance providers

can find out more about the benefits of identifying and meeting the skill needs of customers, and consider how best to do this, by contacting their local Training and Enterprise Council through www.tec.co.uk or Learning Partnerships at www.lifelonglearning.dfes.gov.uk/llp

Individuals seeking advice on access to learning, please contact the **learnirect** helpline on freephone 0800 100 900.

Annex: Summary of progress with themes of Skills Task Force recommendations

This summary shows what the Government is already doing to tackle the themes covered in the Task Force's reports. The actions described here, whether completed, in hand or planned, are integral to the strategy for a high skills economy outlined in this pamphlet. Further announcements on investment will follow the Year 2000 Spending Review and will form part of the full response to the work of the Skills Task Force in the autumn.

Unemployment and skills: measures to reduce recruitment difficulties

Comprehensive measures to improve employability skills training for unemployed adults and entry to the labour market for economically inactive adults include:

- a major reworking of the New Deal for long term unemployed adults;
- transfer to ES of responsibility for Work Based Learning for Adults to integrate employability skills further into the provision for unemployed people;
- the ICT for employability initiative;
- ES initial screening for basic skills needs.
- the launch of the national New Deal 50 plus and planned enhancements to the New Deal for lone parents (including introduction of work focused interviews for all) and the New Deal for disabled people.

Alongside the ES's national strategy to promote mobility for people seeking jobs, the action teams for unemployment blackspots will be focusing on improving mobility for people without work in areas of highest unemployment and lowest participation.

Improving the quality of vocational education and training and reforming vocational qualifications to encourage progression

Major steps to strengthen the vocational route to create a quality option with clear progression to Level 4 and beyond, include:

- the alignment of National Traineeships as Foundation Modern Apprenticeships and of Modern Apprenticeships as Advanced Modern Apprenticeships;
- the strategy to improve standards in Modern Apprenticeships;
- the development of technical certificates for underpinning knowledge and understanding; and
- the piloting of Foundation Degrees.

Together with our Connexions strategy this will give young people with work-related ambitions a clear ladder of progress as well as the support and guidance to climb that ladder. We are consulting on how to make our reforms to the vocational route as effective as possible in raising standards, retention and levels of achievement.

A strategy of making key skills available to all stressing teaching and learning materials

QCA is disseminating information to schools on teaching methods which promote transferable skills. The new National Curriculum and associated documents make clear for teachers the link between the content of Programmes of Study and Key Skills.

Post 16 the aim is to encourage more young people to develop their key skills to higher levels. This is why, from September 2000, there will be a new qualification covering communication, application of number and IT.

It can be taken alongside A levels, NVQs and other vocational qualifications. From 1999-2000 a three year £17m programme will improve the competence and confidence of teachers and trainers to deliver key skills.

An improved system for the collection and dissemination of labour market and skills information to improve planning and student choice

We are working on guidance on roles and responsibilities for labour and learning market information among the different agencies involved at national, regional and local level to ensure that they complement one another. The Labour Force Survey sample is being expanded, and we are conducting 15 industry sector skill dialogues with NTOs which utilise the findings from the Task Force's research into skill needs based on interviews with over 23,000 employers in England.

To inform learners' choices:

- the new Connexions service for young people will integrate careers and other youth support services so that all young people have access to high quality personal advice;
- to enhance the quality and coverage of information advice and guidance services, and building on the success of the **learndirect** helpline, we have announced £54m for 1999-2002 for local adult IAG services. In 2000-01, we expect to contract £19m with 76 partnerships in England towards our goal of a free information and advice service available for everyone. The Bill enables the LSC to secure the provision of facilities for providing information, advice or guidance about education or training or connected matters (including employment). It is envisaged that the LSC will have a key role to play in the future;

- the Task Force recommendations for a Jobs Education and Training Information website are being taken forward through the Connexions Card Project and Learning and Workbank. Labour market information is currently being added to the Connexions Card website aimed at young people. The Learning and Workbank portal is planned to go on line in the autumn.

A level playing field in funding and a planning system which acts as a diagnostic check on the responsiveness of the supply side

Establishment of the new Learning and Skills Council will form a single budget for post-16 non-HE education and training. Bringing together the workbased options funded through TECs, and the college-based courses funded through FEFC, the new Council will create a level playing field in which learners can more readily choose courses to suit their needs. We are consulting widely on a fair system of funding in which funding follows the learner.

The Task Force recommends a middle way of indicative planning to increase significantly the responsiveness of the supply side without recourse to crude manpower planning. Their model includes: an integrated information system to guide system management; and a planning system at sub-regional level which, through setting and monitoring indicative targets by broad occupational or subject field, identifies and redresses in future years major discrepancies between provision and the needs of individuals, employers and the labour market. We will be inviting the LSC to propose ways of implementing the principles that the Task Force advocates.

A strategy for ICT skills and a strategy for promoting the study of Maths, including promoting a Baccalaureate style qualification

The ITCE NTOs are merging as the e-Skills NTO to implement the Stevens report and provide strategic direction for training and development in the whole sector. They are currently finalising their work programme which includes plans for improved careers advice and information. The QCA is making good progress in rationalising the confusing and unhelpful number of IT qualifications and is reducing the number of titles by 90%. The new framework, covering qualifications for both IT practitioners and IT users, will be available to awarding bodies in September 2000. The ITNTO, working with QCA and other key partners, are developing an IT trainer certificate which will be available in the Autumn. Following the Lisbon summit, we look forward to working towards common European standards for ICT user skills.

We are promoting broader, more demanding programmes of study for young people through the *Qualifying for Success* reforms to the post-16 curriculum being introduced in September: revised A levels, a new AS qualification, upgraded vocational A levels, advanced extension awards for the most able and a new Key Skills qualification for all. The reforms will offer young people a more flexible and coherent range of advanced level qualifications, while maintaining the rigour and credibility which have been the hall-mark of the A level framework. We are taking an incremental approach to improving mathematical skills after the age of 16 through the introduction of free-standing maths units and the development of a new AS level in the use of Maths. We are also promoting the study of Maths through our support for *Maths Year 2000*.

Creating more learning opportunities for low skilled adults coupled with widening access including to loan finance

To create more opportunities for learning we will be announcing shortly our national strategy to tackle the serious problems with adult basic skills starkly highlighted by the report of Sir Claus Moser's committee. The strategy will build upon the £37m already committed to this work up to April 2001, and measures including: new national standards, a national curriculum, and tests for literacy and numeracy at Levels 1 and 2; strengthened provision in the community and the workplace and better support for family literacy and numeracy.

We are reaching out to adults with second chance opportunities to go beyond this platform of basic skills. In the workplace, the Union Learning Fund has now trained 1300 Union Learning Representatives to promote learning. In the community, adult education is being improved through the work of local authorities and the Adult and Community Learning Fund, and **learnirect** and the wider network of ICT centres are offering flexible access to ICT learning.

To make skills development affordable, especially for those most in need, all basic skills training is free. Government meets three-quarters of the cost of FE courses, and for unemployed people fee remission is 100%. Access funds offer colleges discretion to help learners with travel, childcare and other costs according to need. In 2000-01 FE access funds have been increased to £54m with a further £25m funding ring fenced for childcare.

Individual Learning Accounts will offer the first million account holders a £150 contribution from government providing the individual puts in £25 of their own money; and there will also be 20% discounts on a wide range of learning and an 80% discount for basic computer skills. We are piloting new arrangements for Career Development Loans with a range of organisations to make access easier for those who are not traditional bank customers. And we are considering the potential of HE type loans for FE, which we are likely to take forward through small scale pilots.

We will be reviewing all support for adult learners to improve its coherence and to make sure that it reaches those who need it most.

A new strategy toward workplace learning involving, setting challenging sector by sector targets and encouraging collaboration between SMEs

The LSC will have a key role to play in the future, in collaboration with NTOs. As the Task Force has advocated, NTOs need to set clear and challenging targets for staff development in their sectors and to spread good practice. Sectoral workforce development plans are being piloted and the first of these, the Steel NTO plan, will be in place by July. A national framework for workforce development will be published in the autumn, when we will also consolidate steps to strengthen further the NTO network and ensure effective implementation of national, sectoral and local workforce development plans.

Our approach to workforce development is founded in: promoting standards through Investors in People; encouraging employers to collaborate through their NTOs and through involvement in learning centres; supporting learning in small and medium-sized enterprises through targeted interventions; and using new learning technologies to lower the costs and improve access to learning for employees.

We are funding a £2.5m pump-priming project for innovative approaches to collaboration between SMEs and other organisations to inspire, develop and spread good practice. Ufi's **learndirect** centres will offer a new focus for this collaboration as well as increasing cost effective and flexible opportunities to learn on-line. We will be orchestrating a campaign to promote action by employers, other partners and individuals to boost skill levels, which will begin with the publication of our full response to the work of the Skills Task Force in the autumn.

Copies of this publication can be obtained from:

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