



NWUA Short Guide to Skills May 2008

This document is aimed at providing a short overview of current skills policy and the key players involved in these activities. The initial text contains hyperlinks to a glossary section and additional web links and footnotes have been provided to give access to further details if required.

National Policy

The current Government focus on the Skills Agenda began with two skills White Papers in 2003 and 2005¹ both provided a drive for an increase in productivity and with this have emphasised the need for higher level skills provision to become more responsive to employer demand. This has led to a growing focus within [DIUS](#) and therefore [HEFCE](#) on employer engagement and the development of courses with more flexible delivery and employer led content.

The White Papers were followed by the Leitch Review of Skills 'Prosperity for all in the global economy – world class skills'² which stated that the UK's long term ambition should be for developing skills; in order to maximise economic prosperity, productivity and to improve social justice. This report made numerous recommendations to Government on activities to be undertaken in order to maintain the UK's position in the global economy and to hopefully improve it. The majority of these recommendations were then taken up by Government and were detailed in the Leitch Implementation Plan published in July 2007³. This implementation plan sets a high target of achieving >40% of the workforce to be qualified to level 4 and above by 2020, with an interim target of 36% by 2014, up from the current level of 29%. The plan also detailed some changes to the skills infrastructure with the merger of the [Sector Skills Development Agency](#) (SSDA) and the [National Employment Panel](#) (NEP) to form a new [UK Commission for Employment and Skills](#) (UKCES).

The Sub-National Review was also published by Government in July 2007⁴ which detailed other changes in the skills arena with the transfer of funding for 14-19 education moving from the [LSC](#) to local authorities and the responsibility for the [Train to Gain](#) brokerage service moving from the [LSC](#) to the RDAs from April 2009.

¹ 21st Century Skills: Realising our potential (2003) and Skills: Getting on in business, getting on at work (2005)

² Prosperity for all in the global economy - world class skills (December 2006) http://www.hm-treasury.gov.uk/independent_reviews/leitch_review/review_leitch_index.cfm

³ World Class Skills – Implementing the Leitch Review of Skills in England (July 2007) <http://www.dcsf.gov.uk/skillsstrategy/index.cfm?fuseaction=news.view&NewsID=34>

⁴ Sub-national economic development and regeneration review (July 2007) http://www.hm-treasury.gov.uk/spending_review/spend_csr07/reviews/subnational_econ_review.cfm

The most recent Government publication relevant to this agenda is the HE at Work consultation, published by [DIUS](#) in April 2008⁵, this focuses on how the HE sector in particular can meet the challenges set by Leitch. Responses to the consultation are due by July 7th 2008 and it is anticipated that a final strategy will then be published by [DIUS](#) in September 2008.

These Government policies have impacted on the work of [HEFCE](#) and the priorities for their funding. In February 2006 the DfES grant letter to [HEFCE](#)⁶ tasked the Council with leading a radical change in HE by incentivising and funding provision which is partly or wholly designed, funded or provided by employers. This was again emphasised in the DfES grant letter of 2007⁷ and the [DIUS](#) grant letter in 2008⁸. This has resulted in the development of [HEFCE](#)'s employer engagement strategy⁹ published in November 2006 and the funding of a number of pilot projects to test approaches and inform the development of a final strategy in late 2008. To date [HEFCE](#) have funded three Higher Level Skills Pathfinders, 19 pilot projects and also some employer engagement activity within LLNs.

Regional Policy

In the North West the Regional Economic Strategy¹⁰ (RES) has a vision for the region to become a dynamic, sustainable international economy which competes on the basis of knowledge, advanced technology and an excellent quality of life for all. One of the key drivers for achieving this vision is the need to invest in workforce development at all skills levels. The strategy states that 'The skills base of the workforce is critical to the economic development of the region.' and that 'Level 4 and 5 skills are required for growth in the knowledge economy. However, the region has fewer people with level 4 skills than the England average. Although the training of new graduates and their retention in the region is high, the proportion of the existing workforce with the higher level skills required for the knowledge economy is inadequate'. Therefore there is a drive in the North West to increase the number of people in the workforce with higher level skills from the current level where 26.9% of those active in the labour market are qualified to level 4 or above compared to the England average of 28.3%. The difference between the region and the England average represents a gap of 80,000 people.

In the North West, HE institutions have responded to this in numerous ways as individuals and also collectively, through the work of NWUA. One of the main regional activities to contribute to this agenda is the NW [Higher Level Skills Pathfinder](#) (HLSP), funded by [HEFCE](#), which started on 1st October 2006 and runs for a period of three years.

⁵ Higher Education at Work – High Skills: High Value (April 2008)
http://www.dius.gov.uk/consultations/con_0408_hlss.html

⁶ Available to download at <http://www.hefce.ac.uk/news/hefce/2006/grant/letter.pdf>

⁷ Available to download at <http://www.hefce.ac.uk/news/HEFCE/2007/grant/letter.htm>

⁸ Available to download at <http://www.hefce.ac.uk/news/HEFCE/2008/grant/letter.htm>

⁹ HEFCE Employer Engagement Strategy (November 2006) <http://www.hefce.ac.uk/learning/employer/strat/>

¹⁰ Northwest Regional Economic Strategy 2006-09
<http://www.nwda.co.uk/RelatedContent.aspx?&area=100&subarea=476&item=20063274801819097>

NWUA also assisted in the production of the Regional Statement of Skills Priorities¹¹, in conjunction with other skills agencies such as the [LSC](#), [NWDA](#), TUC, AoC, [SfBN](#) and Jobcentre Plus. These regional skills developments demonstrate the embedding of higher education in the skills infrastructure of the NW and how HE is building stronger partnerships with other skills agencies and employer bodies.

The NW Regional Skills Partnership was disbanded on December 31st 2007 and is being replaced by the NW Regional Skills and Employment Board (RSEB). The RSEB met for the first time on 1st April 2008 and the membership includes [NWDA](#), [LSC](#), Jobcentre Plus, NWUA, [HEFCE](#), [SfBN](#), GONW, TUC, Local Authorities, AoC, Sub-Regional Partnerships and employers. The employer representation is under discussion but will be a critical aspect of the Board and work is being undertaken to agree how the private sector can input effectively without duplicating other existing employer forums and Boards. The RSEB will have some key aims and objectives which include:

- Agree and deliver regional skills and employment priorities that lead to economic growth and increased competitiveness, increased benefits to business through world class effective people, increased benefits to individuals by assisting them to realise their own potential and increased employment in the region.
- Identify and address systemic and market failures in the areas of skills and employment, including supply and demand issues.
- Establish mechanisms for the sign-off and delivery of the regional aspects of Sector Skills Agreements.
- Provide connectivity and co-ordination of initiatives in an attempt to simplify the landscape at regional, sub-regional and local level.
- Align the skills and employment budgets and actions of partners to ensure greater leverage and traction with the RES priorities, and to increase private sector investment.
- Provide the strategic framework for ESF.

The membership and aims/objectives were agreed by the Board at their first meeting, NWDA is now working with partners to agree an effective structure of groups to sit under the Board and implement the different areas of activity on which the RSEB chooses to focus. Further details are expected over the summer.

National and Regional Implementation

In 2006 Government policy and specifically DfES policy led to the development of the [LSC Train to Gain](#) programme, which aims to help businesses improve their productivity and competitiveness by ensuring that their staff have the right skills to do the best job. [Train to Gain](#) aims to boost productivity and help keep businesses ahead of their competition. [Train to Gain](#) Skills Brokers, will work closely with businesses to help them access quality and affordable training for employees. The brokers will work with each business to:

- Identify the skills the business needs
- Source providers that can meet that need
- Support the employer in exercising their choice of provider(s)

¹¹ North West Annual Statement of Learning and Skills Priorities 2007-10 (December 2007)
http://www.nwua.ac.uk/docs/pdf/Final_NW_Statement_of_Skills_Priorities_2007-2010.pdf

- Broker the employer – provider relationship
- Review progress

In the North West the [Train to Gain](#) Brokerage service is operated by NW Business Link and has team of skills brokers specifically focusing on the six RES GVA Sectors¹² as well as a team of generic Skills Brokers. The NW [Higher Level Skills Pathfinder](#) then provides support for the Skills Brokers in four sectors (AEM, Construction, Business and Professional Services and Digital and Creative Industries) for any higher level skills referrals they may receive. This was developed due to a recognised lack of expertise in the Skills Brokers for higher level skills activity and is provided as a backroom support so the employer calling [Train to Gain](#) receives a seamless service.

The [HLSP](#) has development funding to support institutions working with employers in the development of new or revised demand led provision; to date the [HLSP](#) has funded 21 projects¹³. The [HLSP](#) is also testing the ability of the [SSCs](#) to articulate the higher level skills needs of their sector, this information is then provided to institutions and forms the basis for the prioritisation of development funding allocations.

The North West also has three employer engagement [pilot projects](#) at the University of Chester, University of Salford and Edge Hill University¹⁴ and five [LLNs](#) (Cheshire and Warrington, Greater Manchester, Greater Merseyside and West Lancashire, East Lancashire, Cumbria)¹⁵.

¹² Advanced Engineering and Materials; Biomedical; Business and Professional Services; Digital and Creative Industries; Energy and Environmental Technologies; and Food and Drink.

¹³ Full details of all HLSP funded projects are available at <http://www.nwua.ac.uk/pathfinder>

¹⁴ Full details available on the HEFCE website <http://www.hefce.ac.uk/learning/employer/projects/>

¹⁵ Full details available on the HEFCE website <http://www.hefce.ac.uk/widen/lln/funded/>

Glossary of Key Players and Initiatives

***UKCES* – www.UKCES.org.uk**

Launched on 1st April 2008, the UK Commission for Employment and Skills (UKCES) is a key recommendation in Lord Leitch's 2006 review of skills. The Commission aims to raise UK prosperity and opportunity by improving employment and skills. Its ambition is to benefit employers, individuals and government by advising how improved employment and skills systems can help the UK become a world-class leader in productivity, in employment and in having a fair and inclusive society: all this in the context of a fast-changing global economy.

Because employers, whether in private business or the public sector, have prime responsibility for the achievement of greater productivity, the UKCES will strengthen the employer voice and provide greater employer influence over the employment and skills systems. Having developed a view of what's needed, the UKCES will provide independent advice to the highest levels in the four UK governments to help achieve those improvements through strategic policy development, evidence-based analysis and the exchange of good practice.

The UKCES will produce a vision, strategy and operational plan for 2008-09 by the end of June 2008, following this up with a five year plan early in 2009. The UKCES will annually assess progress towards making the UK a world-class leader in employment and skills by 2020. Recognising differing aims and priorities in the four UK nations, it will work across all four to support this world-class ambition, advising the relevant ministers on the strategies and policies needed to increase employment, skills and productivity.

In forming this advice, the UKCES will monitor and challenge the performance of parts of the differing employment and skills systems in creating sustained employment and career progression. It will recommend systematic improvements in policy and delivery, including the better use of skills at all levels. It will suggest further innovations and advise how employment and skills related services, working together, can deliver an integrated service for employers and individuals.

As well as providing greater employer influence over the employment and skills systems, the UKCES will promote employer investment in people. So it will also manage the performance of the employer-led [Sector Skills Councils](#), advising Ministers on their re-licensing.

***DIUS* – www.dius.gov.uk**

This Department brings together functions from two former departments. Science and innovation responsibilities from the Department of Trade and Industry and Skills, further and higher education from the Department for Education and Skills. To build a dynamic, knowledge based economy the Department will draw together the nation's strengths in colleges, research, science and universities.

To ensure the wider personal, community and cultural benefits of education and science are supported, the Department will work closely with other departments (including the Department for Business, Enterprise and Regulatory Reform (BERR), Department for Children Schools and Families (DCSF), Department for Central and Local Government (CLG) and Department for Culture, Media and Sport (DCMS) and others.

HEFCE – www.hefce.ac.uk

The Higher Education Funding Council for England (HEFCE) distributes public money for teaching and research to universities and colleges. In doing so, it aims to promote high quality education and research, within a financially healthy sector. The Council also plays a key role in ensuring accountability and promoting good practice.

Some HEFCE funds support higher education courses in 128 directly-funded further education colleges, but the main funding body for further education is the [LSC](http://www.lsc.gov.uk). Grants for universities and colleges in Scotland, Wales and Northern Ireland are allocated by their own funding bodies.

HEFCE funds support four main areas of activity by universities and colleges, which are reflected in their strategic aims and in the Government's White Paper, 'The future of higher education'. HEFCE was set up by the Government in 1992 as a 'non-departmental public body'. This means that they work within a policy framework set by the Secretary of State for Innovation, Universities and Skills, but are not part of [DIUS](http://www.dius.gov.uk). HEFCE has distinct statutory duties that are free from direct political control.

The broad policy framework HEFCE works within is set out in the Management Statement between the DIUS and HEFCE. The terms and conditions under which DIUS makes funds available to HEFCE to carry out duties is set out in the Financial Memorandum between DIUS and HEFCE. Both documents are revised periodically.

LSC – www.lsc.gov.uk

The Learning and Skills Council exists to make England better skilled and more competitive. The LSC has a single goal: to improve the skills of England's young people and adults to ensure the workforce is of world-class standard. The LSC is a non-departmental public body which began work in 2001, taking over the roles of the former Further Education Funding Council and Training and Enterprise Councils.

The LSC is responsible for planning and funding high quality education and training for everyone in England other than those in universities. They have a national office in Coventry and nine regional offices overseeing the work of local partnership teams throughout the country. The annual LSC budget for 2006-07 is £10.4 billion.

The LSC's major tasks are to:

- raise participation and achievement by young people
- increase adult demand for learning
- raise skills levels for national competitiveness
- improve the quality of education and training delivery
- equalise opportunities through better access to learning
- improve the effectiveness and efficiency of the sector.

National Employment Panel – www.nationalemploymentpanel.gov.uk

The National Employment Panel closed on 31 March 2008. Following a recommendation of the Leitch Review of Skills, it will merge with the [Sector Skills Development Agency](http://www.skills.gov.uk) and be succeeded by the [UK Commission for Employment and Skills](http://www.ukcommissionforemploymentandskills.gov.uk).

For the past ten years, the National Employment Panel has advised Government on labour market policies and performance. It has pioneered ways in which employers and demand-led strategies can help disadvantaged people move from poverty into jobs that contribute to productivity and growth. Panel publications, including our legacy document, *Leading Change, Changing Lives*, are available from the DWP website.

Our city-regional Employer Coalition network will continue to operate as part of Working Ventures UK. For more information on Working Ventures, please visit www.wvuk.co.uk

NWDA – www.nwda.co.uk

The Northwest Regional Development Agency leads the economic development and regeneration of England's North West and is responsible for:

- Supporting business growth and encouraging investment
- Matching skills provision to employer needs
- Creating the conditions for economic growth
- Connecting the region through effective transport and communication infrastructure
- Promoting the region's outstanding quality of life

The NWDA lead on the production of the Regional Economic Strategy (RES), the last revision of this document was published in April 2006 and is available at <http://www.nwda.co.uk/publications/strategy/regional-economic-strategy-200.aspx> The next revision will be in the form of a single regional strategy encompassing the additional responsibilities given to RDAs in the sub-national review (July 2007) from the current Regional Assemblies.

SSCs - <http://www.sscalliance.org>

The Sector Skills Councils cover approximately 85 per cent of the UK workforce. All SSCs are licensed by the Secretary of State for Innovation, Universities and Skills, in consultation with Ministers in Scotland, Wales and Northern Ireland. There are 25 SSCs who have each now published a Sector Skills Agreement (SSA) for their sector highlighting the skills needs for their industry and suggesting actions to help address these in partnership with other key skills stakeholders.

The Alliance of Sector Skills Councils represents the employer-driven organisations that, together, articulate the voice of 89% of the UK's employers on skills issues. The Alliance is a new organisation (starting on 1st April 2008) comprising all 25 Sector Skills Councils (SSCs). The full extent of the Alliance's scope will develop over time, but its core purpose is to:

- Promote understanding of the role of SSCs within the skills system across the four home nations
- Co-ordinate policy positions and strategic work on skills with stakeholders across England, Scotland, Wales and Northern Ireland
- Help build the performance capability of the Sector Skills Councils, to ensure they continue to work effectively on the employer-driven skills agenda

SfBN

The Skills for Business Network is made up of licenced Sector Skills Councils and until 31st March 2008, their regulatory body, the Sector Skills Development Agency. This network is responsible for improving skills and productivity within the UK.

UK productivity is lagging behind that of its main competitors, and facing significant weaknesses in basic and intermediate, craft and technical skills as well as in management and exploiting new technologies and ideas. Through the National Skills Strategy, *21st Century Skills: Realising our Potential*, the Government has recognised that if productivity is to improve, employers need to play a central role in improving skills. In the Strategy, Sector Skills Councils have been charged with a central role in:

- identifying, mapping and meeting the key skills needs in their industries
- developing skills agreements with employers on the action required to tackle skills gaps.
- reforming qualifications to make them more employer friendly

SSDA – www.ssda.org.uk

The SSDA closed on 31st March 2008 following recommendations in the Leitch Review (Prosperity for all in the global economy - world class skills), published in December 2006, and the Government's response to Leitch (World class skills: implementing the Leitch review in England) in July 2007. Replacing the SSDA and taking on the activities previously supported by SSDA are:

- the Alliance of Sector Skills Councils – a collective body made up of all 25 SSCs. The full scope of the Alliance will develop over time, but its initial focus will be to represent and co-ordinate the strategic work of Sector Skills Councils to stakeholders across the four home nations.
- The UK Commission for Employment and Skills (UKCES) - set up as a result of Leitch, operates across the UK and play a central role in raising the UK's skills base, improving productivity and competitiveness, increasing employment and making a contribution to a fairer society. It will play a critical part in securing for the UK the ambitions of achieving a world class profile on skills by 2020 and the aspiration of an 80% employment rate.

Train to Gain - www.traintogain.gov.uk

Train to Gain is the single point of access for businesses to get the training advice and support they need to succeed. The Learning and Skills Council's Train to Gain service provides impartial, independent advice on training to businesses across England. It can help businesses improve their productivity and competitiveness by ensuring that employees have the right skills to do the best job.

Train to Gain provides access to a skills broker who will carry out a needs analysis of training within the business and help assess the skills the business has now and what will be needed in the future.

In the NW the Train to Gain service is run by the NW Business Link on behalf of the LSC. This ensure integration with the business support brokerage offer by NW Business Link and provides as single point of contact for businesses requiring any type of support.

From April 2009 the funding for Train to Gain will move from the LSC to NWDA who will then contract with NW Business Link to provide the service. Current understanding is that this will have little effect on the service as seen by the external user.

Higher Level Skills Pathfinders - www.hefce.ac.uk/learning/employer/path/

In autumn 2006, HEFCE agreed to fund three Higher Level Skills pathfinder projects to explore and embed shared strategies for higher education (HE) provision and workforce development skills between HE providers and employers.

The pathfinders link into the existing regional infrastructure that connects employers to HE provision, including the Government's integrated brokerage scheme, Train to Gain. This pathfinder work will therefore contribute towards the vision of a seamless skills service for employers, as outlined in the further education White Paper 'Further Education: Raising Skills, Improving Life Chances'.

Each regional pathfinder has development resources and additional student numbers to help build the capacity in their institutions to respond flexibly to employer needs. The initiative is led by the Higher Education Regional Associations in the three pathfinder regions (North West, North East and South West).

Lifelong Learning Networks - www.hefce.ac.uk/widen/lln/

The overall objective for Lifelong Learning Networks (LLNs) is to improve the coherence, clarity and certainty of progression opportunities for vocational learners into and through higher education.

Initial guidance for LLNs asked partnerships of HEIs and FECs (along with key partners such as Aimhigher, Regional Development Agencies, Sector Skills Councils, and local employers) to develop network proposals. LLNs are supported through HEFCE funding provided from the Strategic Development Fund. HEFCE identified the core characteristics they expected an LLN to include but fully expected different and innovative approaches to be taken.

To achieve their overall objective, LLNs will undertake the following specific activities:

- a. Curriculum development to facilitate progression: alignment that removes barriers to progression and bridging provision that forms part of the HE offer; and new HE curriculum development involving employers (foundation degrees, work-based learning, e-learning, collaborative modules).
- b. Information, advice, guidance and learner support systems that allow LLNs to engage, and track, learners in the context of lifelong learning opportunities.
- c. Production of network-wide progression agreements underpinned by agreement on credit that defines clearly the expectations about progression that learners can reasonably hold and makes institutional commitments that these expectations will be met.

LLNs complement the work of the Aimhigher programme, which seeks to raise aspirations and attainment to widen access and participation in HE. However, the focus of LLNs is on improving progression opportunities.

Pilot Projects - www.hefce.ac.uk/learning/employer/pilot/

In February 2007 HEFCE issued a circular letter which invited institutions to apply for co-funded additional student numbers, and to apply for additional funding where investment was needed for development infrastructure to support co-funded provision.

HEFCE have currently invested £38 million in a range of employer engagement projects via the Strategic Development Fund and provided growth in student numbers co-funded with employers. They have also provided additional student numbers (without development funding) to five institutions. HEFCE are keen to see further growth in provision co-funded by employers, and will continue to invest in projects to facilitate such growth.

Abbreviations

AEM	Advanced Engineering and Materials
AoC	Association of Colleges
BERR	Department for Business, Enterprise and Regulatory Reform
CLG	Department for Central and Local Government
DCMS	Department for Culture, Media and Sport
DCSF	Department for Children, Schools and Families
DfES	Department for Education and Skills (until June 2007)
DIUS	Department for Innovation, Universities and Skills (from June 2007)
DWP	Department for Work and Pensions
FEC	Further Education College
GONW	Government Office for the North West
GVA	Gross Value Added
HE	Higher Education
HEFCE	Higher Education Funding Council for England
HEI	Higher Education Institution
HLSP	Higher Level Skills Pathfinder
LLNs	Lifelong Learning Networks
LSC	Learning and Skills Council
NEP	National Employment Panel
NW	North West
NWBL	North West Business Link
NWDA	North West Regional Development Agency
NWUA	North West Universities Association
RDAs	Regional Development Agencies
RES	Regional Economic Strategy
RSEB	Regional Skills and Employment Board
SSA	Sector Skills Agreement
SSC	Sector Skills Council
SfBN	Skills for Business Network
SSDA	Sector Skills Development Agency
TUC	Trades Union Congress
UKCES	UK Commission for Employment and Skills