

## 01 Adult skills and higher education: separation or union?

<b>Published by</b>	C&BT Education Trust
<b>Publication date</b>	November 2007
<b>Length</b>	58 pages
<b>Purpose</b>	To consider the position of adult skills in the context of the new departmental structure and examine the future of adult skills policy.

### Key Points

- Changes in the machinery of government signal new policy priorities and crystallise public spending choices. The creation of DCSF and DIUS show the government “thinking and implementing big” on 14-19 and higher education. But the ‘big idea’ for adult skills is not yet backed up by sufficient funds to make it a reality.
- The decision to house adult skills funding in DIUS reflects a stronger link between skills and innovation, specifically a belief that increasing the supply of skills will encourage employers to innovate and invest.
- Further debate about education versus skills is inevitable, given that the remit of DIUS covers both higher education and adult skills, with £10.3 billion spent on HE compared to £2.9 billion on adult skills.
- The Leitch report provides a policy framework for upskilling the adult workforce to intermediate level. But the amount of employer funding is marginal. Extra public spending is needed to turn adult skills into another of Labour’s ‘big ideas’.
- A significant amount of funding for HE supports degrees leading to employment as doctors, dentists, accountants, computer programmers etc. – higher level skills by another name.
- A common language around skills and education is needed to make appropriate choices for investment, and the creation of DIUS should enable “harder comparisons” between adult skills and HE student funding in the round.
- The report proposes a split in apprenticeship funding between DCSF (16-18 apprenticeships) and DIUS (19+ apprenticeships), additional financial incentives for employers and individuals to co-fund adult skills, and a redistribution of budget to close the funding gap between FE and HE.

### Our Comments

Mark Corney and Mick Fletcher, joint authors of this paper, have a reputation for speaking truth to power and they don’t disappoint this time either. In a hard-hitting analysis of the divide between further and higher education, raw numbers are used to great effect to illustrate how wide the gap is, in funding terms, between “education for the best, skills for the rest”. As employers continue to complain about the low level of skills in graduates from Britain’s universities, that

authors’ accusation that “the idea of higher skills is almost countercultural” in HE is potentially wounding. Meanwhile, adult skills will remain an ambition, rather than a ‘big idea’, without a substantial reconfiguration of the budget routed through DIUS.

A summary of the paper doesn’t do justice to the subtlety of its arguments. Get hold of a copy and read it for yourself. Let’s hope John Denham and his team do the same.

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### Refer to the full document if you

- are interested in the recent changes in the machinery of government and the link with policy towards adult skills and HE
- want to know how DIUS is spending its £18.7 billion budget for 2007/08.

## 02 Skills in Transition [International Review of Employment]

<b>Published by</b>	Veditor
<b>Publication date</b>	October/November 2007
<b>Length</b>	28 pages
<b>Purpose</b>	To review the debate about skills, employment and recruitment in the UK.

### Key Points

- The complexity of the debate around skills – and some apparently contradictory trends – means there is no clear-cut basis for a national policy around skills.
- Although the number of qualifications has increased significantly in the UK over recent years, skills shortages reported by firms have also increased.
- The latest Skills Survey suggests that many workers feel over-qualified for their current role or have skills they are not using at work.
- Recruitment difficulties are not always related to a lack of qualified workers, and are more likely to result from a broader skills gap within a firm. Aggregate data from Sector Skills Councils suggest that skills gaps outnumber skills shortages by eight to one.
- International comparisons indicate that skills gaps in the UK are more entrenched than in other countries. This is partly a result of the financial regime, with relatively short-term returns required on investment and the difficulty of proving gains from training in purely accounting terms.
- Weaknesses in corporate governance – especially the relatively low degree of employee involvement – and the lack of legal obligation to train also contribute to the low level of investment in training by UK firms.
- UK firms tend to place responsibility for long-term investment in training on the state, the education system or individuals.
- The ‘beneficial constraints’ on labour markets in other European countries exerted through their regulatory structures have little counterpart in the UK, with the result that “work is not organised to take best advantage of workers’ skills”.
- Hiring problems – the much-reported skills shortages – are often the result of harsh cut-backs in skills training during times of economic retrenchment.
- Dealing successfully with skills requires more commitment to training from employers, modernisation of employment relations and better systems for workforce development.

### Our Comments

The ‘International Review of Employment’, as its title suggests, allows comparisons between approaches to employment and skills in different countries. The article by Professor Mark Stuart from Leeds University Business School summarised here shows the extent to which the UK labour market model is embedded in our own culture, and how different this is from

the way in which some other European countries approach the same issues. Prof Stuart is right to say that we need to wait and see whether employers will take more responsibility for developing and using skills in future, or whether the cultural barriers are still too high.

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### Refer to the full document if you

- are interested in the debate around skills and UK skills policy
- want to know more about how other countries tackle skills issues.

## 03 Train to Gain: A plan for growth

<b>Published by</b>	Learning and Skills Council
<b>Publication date</b>	November 2007
<b>Length</b>	44 pages
<b>Purpose</b>	To set out the actions and investment required to deliver the targets for skills training set out in World Class Skills (July 2007).

### Key Points

- Section 1 of the plan outlines the Train to Gain service and the “new flexibilities” introduced for 2007/08. They include:
  - funding for people in priority unemployed groups to work towards a second full level 2 qualification, once they have been recruited by employers
  - funding for the self-employed and people employed in the voluntary sector
  - part funding for some people doing a second level 2 or 3 programme
  - funding for stand-alone Skills for Life training
  - an increase in the budget for leadership and management support for firms employing between 10 and 250 people.
- Section 2 summarises the progress made in the first year of Train to Gain. The key lessons learned were:
  - a need for improved performance and more consistently effective model for skills brokerage
  - more support for training providers in coming to terms with a demand-leds system
  - recognition that the Train to Gain service “needs to be tailored to meet the needs of employers in each sector,” with a greater role for SSCs
  - simpler and more consistent procurement and administration across all regions
  - more focus on level 3 skills.
- Section 3 sets out the strategy for growth. The strategy has four key parts:
  - A stronger offer to stimulate employer demand, especially larger national and regional businesses, and to increase referrals to training providers from skills brokers.
  - A “major transformation programme” to help colleges and training providers compete successfully and deliver Train to Gain well, rewarding successful providers with opportunities to grow.
  - Improve take-up and success rates, especially in underperforming regions, with reduced bureaucracy.
  - Create “a groundswell of opinion across the business community” in favour of Train to Gain.
- Section 4 of the plan sets out a series of measures and indicators that will be used to manage and improve performance.
- Section 5 summarises relevant targets from the new Public Service Agreement and shows the anticipated growth in funding and volumes to 2011.

### Our Comments

The Learning and Skills Council’s press notices accompanying publication of this document heralded a “massive extension” of Train to Gain – from £270 million in 2006/07 to over £1 billion in 2010/11 – and LSC chairman Chris Banks called the plan a

“revolutionary development in the way we deliver services to employers”. Even allowing for hyperbole, the targets are ambitious and a concerted effort by skills brokers and providers will be needed to deliver them. Are they up for it?

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### Refer to the full document if you

- work in an organisation that delivers – or intends to deliver – government funded skills training
- want to understand the growth plans in detail.

## 04 Creative Apprenticeships

<b>Published by</b>	Creative and Cultural Skills
<b>Publication date</b>	undated
<b>Length</b>	40 pages
<b>Purpose</b>	To re-define the concept of apprenticeship in order to develop people with the skills, aptitudes and “creative culture” which the cultural sector requires.

### Key Points

- Knowledge today is cheap and easily available. What matters far more is how knowledge is used to drive innovation and product development in ever shorter cycles and make better use of capital and labour.
- Making good use of knowledge is a cultural process that requires new, flexible ways of working combined with greater social skills, a high level of emotional intelligence and a service ethic which is adaptable and responsive to changing tastes.
- Creative and cultural industries account for five percent of UK GDP and are growing twice as fast as other sectors. The key driver of growth is “the ability to originate creative content and then sell it”.
- To continue flourishing in future the sector needs people who:
  - have a high level of basic educational attainment and the ability to keep on learning
  - understand the complex iterative nature of the creative process
  - have well-developed ‘soft’ skills, including empathy, interaction, listening and debating
  - can spot potential creative synergies and foster them
  - are strongly responsive to customers and adaptable.
- A creative apprenticeship should incorporate all of these skills in a structured learning process that involves employers closely in design and delivery in order to achieve “functional flexibility” through a smarter, company-specific skill-set.
- Apprenticeship should provide a clear route into the industry and a pathway to progression. Because of the bias to graduate entry in the sector, level 4 should be absorbed into the apprenticeship design – “university through apprenticeship”.

“Knowledge, ideas and intellectual capital have emerged as major drivers of economic development.”

### Our Comments

Any attempt to rethink the concept of apprenticeship for the 21st century is welcome. Will Hutton, who authored this pamphlet, is a well-known advocate for the knowledge economy and makes a convincing case for developing creative skills in the cultural sector.

Much of his analysis is equally applicable to other sectors, and to apprenticeship in general. Wouldn't most firms gain from having apprentices with highly developed skills in these areas?

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### Refer to the full document if you

- deliver training in the creative and cultural sector
- have a broader interest in the future of apprenticeships.

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## Finding the documents

‘Adult skills and higher education’ is available for download at [www.cfbt.com](http://www.cfbt.com). The International Review of Employment is published twice a year and previous issues can be ordered by email from [info@iremployment.fsnet.co.uk](mailto:info@iremployment.fsnet.co.uk). The Train to Gain growth plan is available on the Learning and Skills Council website at [www.lsc.gov.uk](http://www.lsc.gov.uk). ‘Creative apprenticeship’ is on the creative and cultural skills website at [www.ccskills.org.uk](http://www.ccskills.org.uk).