

The Big Ideas for Skills in the Final Report of the Leitch Review

Policy briefing outcomes note

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The Campaign for Learning's policy briefings respond quickly to the publication of key policy papers and leading policy issues and offer essential information and analysis to inform the work of policy makers and practitioners. This paper provides a summary of a policy seminar held just before Christmas following the release of the Leitch Report and chaired by Tricia Hartley, Joint Chief Executive, Campaign for Learning.

Introduction

The Leitch Review was commissioned in December 2004 with a remit "to consider what the UK's long term ambition should be for developing skills in order to maximise economic prosperity, productivity and to improve social justice."

Lord Leitch produced an Interim Report in December 2005 and a Final Report in December 2006. The significance of the Report was recognised by the Chancellor in his Pre Budget statement to the House on 5th December 2006.

Lord Leitch's UK Skills Report was one of a number of Reports commissioned by the Treasury to feed into the summer 2007 Comprehensive Spending Review. Other Reports have included Stern on The Economics of Climate Change, Barker on Land Use and Planning and Eddington on Transport. How the Government responds to these Reports will become more apparent when the Spending Review is published but for the moment, it has identified five national policy challenges arising out of these Reports and other policy reviews. These include rapid demographic and socio economic change, radical transformation of the global economy, rapid innovation and technological diffusion, global uncertainty and pressures on natural resources and the climate. While the Leitch Report may not have received the same media coverage as some of the other Treasury Reports, it is considered every bit as important in meeting these five challenges.

Opening Presentation

Tricia Hartley, Joint Chief Executive, Campaign for Learning

Throughout the year, as Leitch gathered momentum, the Campaign for Learning responded by mounting policy seminars to examine some of the emerging issues. Events were therefore held on Learning Accounts, Licence to Practice and Statutory Right to paid time off for learning amongst other things.

As for the Report itself, there were a number of important proposals but Tricia highlighted six in particular. Firstly, that despite what had been written in the press in the weeks leading up to the Report, Leitch had not indulged in any bonfire of agencies, more a careful re arranging of the furniture. Secondly, the Report set out the conditions for a full demand led system as the way forward but one that included both entitlements and coercion. Thirdly, a key role was being granted to employers but this was a 'something for something' relationship with employers expected to put back both time and money into the system. Fourthly, the ambitions set by Leitch were hugely challenging; fifth, although HE and 14 – 19 provision sat outside the remit, Leitch had made some recommendations that overlapped into these areas, and finally, the Report sketched out a functional model of learning but left little space for personal or community based learning.

In summary, this raised a number of questions. For example if SSCs are to be arbiters of what can be funded, what level of choice will individuals then have; has the demand in effect already been

prescribed in advance? Again what is to be the position of Personal and Community Learning, this seems to have been left on the periphery? And finally, why are there entitlements for some learners but screening for others?

Keynote Presentation

Mark Corney, Policy Adviser, Campaign for Learning

Mark provided a comprehensive analysis of Report, arguing that it was like a Russian novel in that it needed careful reading and perhaps more than once to be able to identify the plot and key players!

His presentation was in three parts; part one looked at the skills ambitions, part two at the strategic messages and part three at the operational messages.

The Skills Ambitions

The challenging ambitions that Leitch set are designed to push the UK into a world class position at each skill level by 2020 and provide the centre piece of the Report. They are significantly more stretching than the current PSA targets and the targets in the devolved administrations. The issue as Leitch saw it was that even if we met our current PSA targets we would still be well short of many of our competitors. This is because many of them are improving at a higher rate than us; we would therefore be raising our game but just to stand still.

The dilemma Leitch faced was just how challenging he could be in setting new ambitions. Too high, and the risk would be that they would not be met and some fall out would follow; too low and while we meet the targets, we would not necessarily have raised our world standing. We would have only gained two places to 15th out of 30 OECD countries in low skills, seven places to 13th in intermediate skills and 13th in terms of those aged 25 and over who had attained higher level qualifications.

Leitch eventually came up with four targets or 'ambitions' as he calls them. These are for the UK as a whole, are for 2020 and intriguingly are differently expressed. Targets 2 and 4, for instance, have the verb 'exceeding' in front of them which suggests this is where the main emphasis will be. Target 1, which is for 95% of adults to have acquired basic skills, requires upping the Skills for Life target from 2.25m attainments to 7.4m. Target 2, which is for raising attainment at Level 2 requires upping the numbers from 4.1m to 5.7m; Target 3, which is for doubling projected rates of attainment at Level 3, requires upping the numbers from 2.1m to 4m and Target 4, which is about raising achievement at Level 4, needs 5.5m adults to reach that benchmark.

There has been some slight shifting of emphasis since the modelling included in the Leitch Interim Report but broadly the four attainment targets now provide the focal points for the future.

Strategic Messages

Mark identified 15 of these, beginning with what he considered to be the most eye catching one. Each is briefly summarised below:

- i. Two eye catching messages. Firstly the proposal to raise the statutory learning leaving age to 19, a proposal that had gained some traction throughout the previous months and likely to be

- the subject of a Green Paper in spring 2007. Secondly, to impose a legal entitlement to individuals to have workforce training if employers had not committed to such training by 2010
- ii. Statutory intervention is ruled out for young people and only threatened for adults and takes the form of labour market regulation rather than compulsory funding
 - iii. The Report treads a narrow line by keeping the CBI on board in the short term with an emphasis on basic skills and routing public funding for adult vocational qualifications through the market and the TUC on board over the medium term by the threat of a training entitlement beyond 2010
 - iv. Public funding remains a key policy lever for the Government to achieve the Leitch ambition for world class skills outside 14 -19. The overall funding package needed to deliver the skills ambitions is not known, nor is the mix between public and private contributions but para 3.88 indicates that costings will be considered as part of the 2007 CSR process
 - v. Leitch was hampered by the red line on 14 – 19 policy. The Prime Minister’s IB speech the week before the Report was launched showed that 14 – 19 is still an area firmly under control from Number 10
 - vi. Leitch was also hampered by the red line around the future funding of HE. To his credit, Leitch included in his Report recognition of the role of HE and of the Kelly Grant Letter promoting employer funding of HE but the review of tuition fees is not set until 2009 so he was unable to factor in the impact of tuition fees on the recent of a demand led system. The case for tuition fees, as articulated in the House by a previous Education Secretary, Charles Clarke, was that the greater the private contribution, the more that public funding could be recycled to other needy parts in the system – arguably adult skills
 - vii. Leitch endorses a demand led rather than a strategic plan led adult skills system. Demand led can be either employer driven through Train to Gain or individually driven through Learning Accounts. The implication, however is, that strategic planning bodies become less influential as a result
 - viii. Leitch does not propose radical structural change. Despite pre Report media talk about slashing some agencies, even merging some Government Depts, Leitch has not wandered into this area. There was some consideration about re integrating the work remit of DWP into DfES but that is left on hold for revisiting in 2010. The Report discounts any merger between the LSC and JCP as too messy and geographically difficult and does make some limited proposals around the creation of the Commission for Employment and Skills but in effect big change lies in the hands of the Chancellor
 - ix. The geographical coverage of the regional Employment and Skills Boards is unclear. Para 7.77 suggests a number of possible models but the spread is still not very clear
 - x. A plague on almost every planning body involved in adult skills in England. The Report is clear that planning adult skills does not work, “vocational skills must be demand led rather than centrally planned.” This ultimately may shift some of the ‘furniture’ in the skills system
 - xi. RDAs/RSPs appear as the big losers because Leitch overturns perceived wisdom in previous Skills Strategies that skills should be planned in the regions. RSPs may subsume into ESBs while the RDAs may shift away from skills to broader regional issues such as the local environment
 - xii. Leitch fails to take on the London Mayor in that he is left with responsibility for adult skills planning meaning that the demand led principle does not apply here
 - xiii. Watch out for the fight back from the planners. This may come through another Treasury commissioned piece of work – the sub national review of governance
 - xiv. Fundamental structural change is still possible. 3 CSR Reviews, the sub national governance review, the Lyons Review and the Children and Young People Review, could still generate structural change

- xv. Shaping the 2009 HE Funding Review. Leitch is already putting his point in that the definition of world class high level skills should be reviewed at this point

Operational Messages

Mark identified fifteen of these as well.

- i. £3bn adult skills funding for tuition is to be routed through Train to Gain and Learning Accounts by 2010. The figure of £3bn is indicative at this stage only
- ii. In terms of breakdown, it seems that up to £2bn of this could go through Learning Accounts. This figure dwarfs the £250m pa that went through ILAs Mark 1
- iii. The demand led system of adult skills poses key questions for the funding of 19+ WBL, Ufl and 19+ FE and quite where these would be split between the two demand led routes
- iv. The Leitch Review completely redefines the use of Learning Accounts. The FE White Paper saw them pointed at 19 – 25 year olds seeking a first full Level 3 while Leitch envisages a broader brush encompassing welfare to work claimants or instance
- v. Learning Accounts could be extended further by incorporating Career Development Loans, Child Trust Funds and the Skills Development Fund
- vi. Will the new universal adult careers service offer guidance as well as information and advice?
- vii. Will HEFCE funding for employer led provision be routed through Train to Gain or a similar demand led mechanism as Train to Gain?
- viii. Train to Gain relative to Learning Accounts appears to take the strain of meeting the 90% adult Level 2 ambition by 2020
- ix. The 500,000 apprenticeship ambition by 2020 is a UK wide figure and not just for England. Leitch believes that most of the growth will come from adults
- x. It is difficult to assess the relative contribution between adult Advanced Apprenticeships and adult Level 3 qualifications in achieving the Leitch ambition of 1.9m extra adult first Level 3 achievements by 2020
- xi. New roles are scoped out for SCCs but what about Sector Skills Agreements, how important will these be in a demand led system?
- xii. The implications for the Foundation Tier and first level 3 entitlement for 19 – 25 year olds is unclear
- xiii. The LSC is set to become primarily a funding body
- xiv. There is to be little integration of business support and adult skills structures
- xv. Limited integration of JCP/LSC services

Final Plenary

In the brief time left at the end, discussion ranged over a number of issues. Four themes emerged:

- Is the Report stronger on analysis than on solutions? For example a demand led system is sketched out but few other components or particular actions are identified able to convert the concept into reality. Demand led has, after all, been a policy aspiration for some time but too often has failed to move beyond the slogan or the drawing board
- In moving from the Interim to the Final Report has personal and community learning been lost on the way? There was a lot of talk around the table about the importance of this form of

learning, about the Kennedy ideal and about the fact that Leitch identifies a rather crude, functional model of learning, fit only for a stock taking particular purpose

- How robust are the skills projections in Leitch? Leitch flits between volumes and percentages, numbers and words and at times seems almost deliberately opaque in his data; it is therefore difficult to know how much weight should be given to some of the projections
- Does Leitch commit the familiar blunder of equating qualification achievement with increases in productivity levels? Round table views suggested that this was a considerable weakness in Leitch and that, arguably, the Report had failed to appreciate the value and purpose of learning

Further Information

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