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OVERVIEW OF SKILLS TRAINING PROVIDERS AND STRATEGIES

This briefing has been prepared for members of the Employment and Learning Committee and contains information on:

- The Leitch Review of Skills
- Skills and the Economic Vision for Northern Ireland
- Skills and the Northern Ireland Labour Market
- The Northern Ireland Skills strategy
- Stakeholders involved in the delivery of training strategies

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THE LEITCH REVIEW OF SKILLS¹

The Leitch Review was published in 2006 having been commissioned in 2004 to consider the UK's long-term skills needs. The review found that while the UK has a strong economy, the highest employment rate in the G7² and its skills base has improved significantly over the last decade the UK still has a relatively weak skills base by international standards, a fact which the review states will hold back the country in terms of productivity, growth and social justice.

The report presents a set of recommendations (see Table 1) focused on an employer engaging, demand-led system that will enable the UK to deliver world class skills by 2020. It was left to the government and the devolved administrations to decide how best to implement these policy suggestions.

Table 1

The Leitch Review recommendations

- **increase adult skills across all levels.** Progress towards world class is best measured by the number of people increasing skills attainment. The raised ambitions will require additional investment by the State, employers and individuals. The Government is committed to increasing the share of GDP for education and skills. Additional annual investment in skills up to Level 3 will need to rise to £1.5-2 billion by 2020. Increased investment is required in higher education, but costings are difficult to project accurately;
- **route all public funding for adult vocational skills in England, apart from community learning, through Train to Gain and Learner Accounts by 2010.**
- **strengthen employer voice.** Rationalise existing bodies, strengthen the collective voice and better articulate employer views on skills by creating a new Commission for Employment and Skills, reporting to central Government and the devolved administrations. The Commission will manage employer influence on skills, within a national framework of individual rights and responsibilities;
- **increase employer engagement and investment in skills.** Reform, relicense and empower Sector Skills Councils (SSC). Deliver more economically valuable skills by only allowing public funding for vocational qualifications where the content has been approved by SSCs. Expand skills brokerage services for both small and large employers;
- **launch a new 'Pledge' for employers to voluntarily commit to train all eligible employees up to Level 2 in the workplace.** In 2010, review progress of employer delivery. If the improvement rate is insufficient, introduce a statutory entitlement to workplace training at Level 2 in consultation with employers and unions;
- **increase employer investment in Level 3 and 4 qualifications in the workplace.** Extend Train to Gain to higher levels. Dramatically increase Apprenticeship volumes. Improve engagement between employers and universities. Increase co-funded workplace degrees. Increase focus on Level 5 and above skills;

¹ Leitch Review of Skills, Final Report, December 2006, Prosperity for all in the global economy - world class skills

² The G7 consists of, Canada, France, Germany, Italy, Japan, The United Kingdom and The United States

- **increase people's aspirations and awareness of the value of skills to them and their families.** Create high profile, sustained awareness programmes. Rationalise existing fragmented 'information silos' and develop a new universal adult careers service; and
- **create a new integrated employment and skills service,** based upon existing structures, to increase sustainable employment and progression. Launch a new programme to improve basic skills for those out of work, embedding this support for disadvantaged people and repeat claimants. Develop a network of employer-led Employment and Skills Boards, building on current models, to influence delivery.

DEPARTMENT OF EMPLOYMENT AND LEARNING RESPONSE TO THE LEITCH REPORT³

"A Northern Ireland Interdepartmental Group, chaired by the Department for Employment and Learning (DEL), has been established to consider the full implications of the Leitch report for Northern Ireland. Initial views are that at a high level we are likely to agree with the logic and broad thrust of Leitch in relation to its 2020 aspirations.

Northern Ireland has its own skills strategy, Success through Skills, and is already some way through a process of change to a more demand led system. However, as we have a different infrastructure and different delivery mechanisms in Northern Ireland it is unlikely that we will deliver on Leitch in the same way as England. A formal Northern Ireland response, agreed by Ministers, is anticipated by the early autumn 2007."

SKILLS AND THE ECONOMIC VISION FOR NORTHERN IRELAND

The Government's Economic Vision for Northern Ireland⁴ published in February 2005 set out the long term objectives for the economy. Four drivers were identified to enable the realisation of the vision. (See Figure 1) One of these drivers aims to "ensure our people have the right skills for future employment opportunities"⁵ is to ensure Northern Ireland develops a reputation for having a flexible and skilled workforce which is underpinned by an effective education system that increases the populations' employability and engenders an ethos and spirit of enterprise from primary school level.

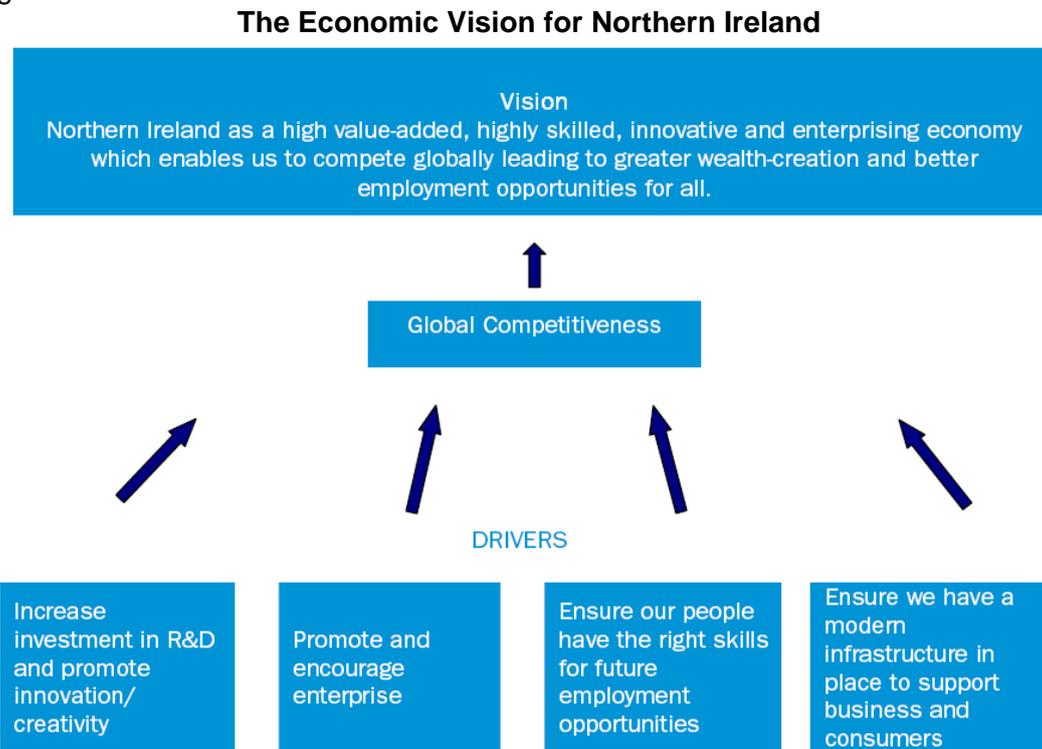
³ DEL Success Through Skills Progress report May 2007, page 14

http://www.delni.gov.uk/success_through_skills_progress_report_2007.pdf

⁴ <http://www.detini.gov.uk/cgi-bin/downutildoc?id=936>

⁵ Department of Enterprise Trade and Investment, Economic Vision for Northern Ireland, February 2005 <http://www.detini.gov.uk/cgi-bin/downutildoc?id=936>, page 14

Figure 1



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The key objectives⁷ of the skills driver of the economic vision are outlined below

- An increase in the skills, literacy and qualifications of the Northern Ireland workforce at all levels; through ensuring a solid foundation of literacy and numeracy skills as part of primary education, complemented by enhanced employability and essential skills in literacy and numeracy of those entering and re-entering the workforce (level 2); leading to an increase in the proportion of the workforce with high and intermediate level skills (levels 3-5).
- Managers have the capability, competence and capacity to lead innovation, creativity and change and the leadership skills required to play a key role in the development of the local economy and in the development of key workforce skills through apprenticeships and other recognised processes.
- Assisting the disadvantaged and economically inactive to engage with skills acquisition and the labour market.
- The tax and benefit system encourages the transfer of the inactive and unemployed to employment by more closely reflecting local labour market conditions.
- Improvement in the labour market information provided by employers and specific skills demand and standards in key sectors of the economy have been identified.
- Greatly improved careers information advice and guidance at all levels and ages.

⁶ DETI Economic Vision for Northern Ireland, February 2005, page

⁷ <http://www.detini.gov.uk/cgi-bin/downutildoc?id=936>

⁷ Ibid, page 15

- Develop confident creative communities in previously deprived and marginalised areas as a basis for engagement in skills acquisition and fully utilise the contribution of Voluntary and Community Sector.

SKILLS AND THE NORTHERN IRELAND LABOUR MARKET

The Northern Ireland Labour Market has undergone some key changes over the past few years, a fact evidenced by the fastest rise in wealth of any region in the United Kingdom.⁸ The topic of Skills is included in the key labour market characteristics underlined in the Department of Enterprise, Trade and Investment Labour Market Bulletin for December 2006. The seven key characteristics were highlighted as,

- Continuing growth in employment levels,
 - Northern Ireland now has its highest recorded numbers of people in employment.
- Low Unemployment
 - The unemployment rate has been below 5% for the last 3 years and is recorded at 3.4% for May-July 2007 by the Department of Enterprise, Trade and Investment.⁹
- High economic inactivity
 - The current economic inactivity rate is 27.1%¹⁰
- Low but rising wages
- High dependence on the public sector
- Increased in-migration
- Low skill base of the working population

THE NORTHERN IRELAND SKILLS STRATEGY

In February 2006 the Department for Employment and Learning published Success through Skills: The Skills Strategy for Northern Ireland.¹¹ The Skills strategy was deemed necessary due to the significant number of challenges facing Northern Ireland on the Skills front. Examples of these challenges include the sharp decline in employment in many “traditional” industries such as manufacturing. Between the late 1990’s and 2006 the number of textile industry jobs in Northern Ireland had fallen from 23000 to around 5500.¹²

Coupled to this decline employment projections for Northern Ireland suggest future growth will occur in industries with high skill requirements and that the availability of low skill jobs will continue to decrease, a problem for a labour market whose working age population has a low skill base, 22% of the total working age population have no qualifications.

⁸ Skills and the Northern Ireland Labour Market- an overview. Department for Employment and Learning Labour Market Bulletin 20, December 2006 page 3

⁹ DETI Seasonally adjusted Labour Market Statistics, Table 2.1a <http://www.detini.gov.uk/cgi-bin/downdoc?id=3120>

¹⁰ DETI, Labour Force Survey Labour Market statistics May-July 2007 [LFS Labour Market Statistics \(May- Jul 2007\)](http://www.delni.gov.uk/lfs/labour-market-statistics)

¹¹ http://www.delni.gov.uk/skills_strategy_2006.pdf

¹² The New NI Skills Strategy – Underpinning the Government’s Economic Vision, DEL Labour Market Bulletin 19, December 2005, page 70 <http://www.delni.gov.uk/labour-market-bulletin-19.pdf>

It is especially important that the skills shortage is addressed if the Department's attempts to return the economically inactive to the workforce are to be realised as 39% of those people classed as economically inactive in Northern Ireland have no formal qualifications. (See table 2)

The strategy focuses on a 10 year plan with a vision for the Northern Ireland economy in 2015 and the department recognises the potential difficulties in communication and co-ordination across the department's current and new initiatives and other stakeholders.

The four themes that underpin the strategy's vision are:

- Understanding of the demand for skills
- Improving the skills levels of the workforce
- Improving the quality and relevance of education and training
- Tackling the skills barriers to employment and employability

Table 2.

Qualifications by Economic Activity (Working-age), April – June 2007¹³

	In employment	Un-employed	Econ. active	Econ. Inactive
Degree or higher	22%	*	21%	7%
Other higher below degree	8%	*	8%	5%
A level or equivalent	25%	*	25%	21%
GCSE A-C or equivalent	23%	*	23%	22%
Other qualifications	7%	*	7%	7%
No Qualifications	15%	34%	15%	39%
All	100% (744,000)	100% (28,000)	100% (772,000)	100% (284,000)

* Cell size too small for a reliable estimate.

Figures may not sum due to rounding.

Total excludes those who did not state their highest level of qualification.

Please refer to Technical Notes for full definition of educational attainment categories.

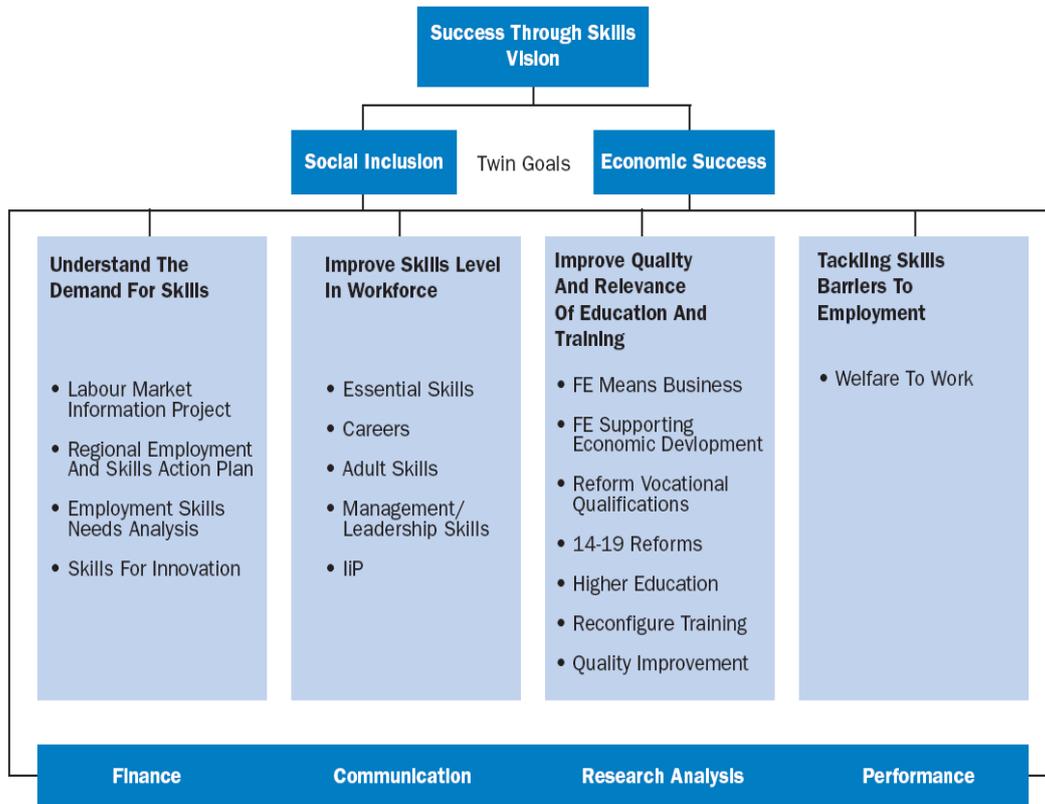
Only men and women of working-age, and those of any age with a job were asked the question on qualifications.

¹³ DETI Labour Force Survey Quarterly Supplement: April - June 2007 Page 17 <http://www.detini.gov.uk/cgi-bin/downutildoc?id=2020>

KEY THEMES OF THE SKILLS STRATEGY¹⁴

Figure 2

Success Through Skills Vision for Northern Ireland



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Understanding of the demand for skills

The department’s vehicle to engage with employers and other interest groups in order to forecast the future skill needs of the Northern Ireland economy and to facilitate planning of post 16 education, training and spending.

Improving the skills levels of the workforce

This theme is primarily an attempt to raise the skills levels of individuals within the workforce. It encompasses the essential skills program, a more comprehensive careers guidance service and the development of existing management and leadership skills programmes.

¹⁴ DEL Success Through Skills Progress report May 2007
http://www.delni.gov.uk/success_through_skills_progress_report_2007.pdf

¹⁵ DEL Success Through Skills Progress report May 2007, Page 16
http://www.delni.gov.uk/success_through_skills_progress_report_2007.pdf

Improving the quality and relevance of education and training

This theme was been implemented to upgrade the planning and delivery of education and training in Northern Ireland and relates to the new Further Education Strategy ("FE Means Business") and the review of the Jobskills training programme.

Tackling the skills barriers to employment and employability

Designed to equip the unemployed or economically inactive with the skills necessary for a return to the workplace. This relates mainly to people on Incapacity Benefit, Income Support or claiming Jobseekers Allowance.

ORGANISATIONS INVOLVED IN THE PROVISION OF SKILLS

Economic Development Forum Skills Sub Group

The Skills Sub Group was established with reference to the skills driver of the Northern Ireland economic vision. The group's purpose is to identify and priorities the key issues relating to Skills and to put in place effective arrangements to implement the economic vision.

Skills Expert Group

The Skills expert group was established to advise and make recommendations to DEL and other government departments on the issues affecting the Skills strategy for Northern Ireland.

It advises the department on requirements and international opportunities for Northern Ireland through research and analysis of the economy's long term needs, areas of skills priority, and international examples. It also monitors the progress of the Skills Strategy and articulates the government's response to the skills agenda within the context of the Economic vision for Northern Ireland.

Workforce Development Forums

The workforce development forums comprise of individuals from the public, private and social economy sectors experienced in the skills needs of each of the local areas. The forums' role is to identify, monitor, articulate and advise DEL as to the local economy's skill needs and how the skills expert groups recommendations may effect the forum's local area.

Sectoral Development Branch

The Department of Employment and Learning Sectoral Development Branch work on the development of the strategic skills needs of Northern Ireland industry. Its aim is to identify and supervise skills development.

It supports the work of the Sector Training Councils by addressing the training needs of their relevant sectors through the uptake of mainstream programmes. It has developed links with the Skills for Business Network (SfBN) since its introduction in order to determine the skills, education and training needs for each industry sector.

Sector Training Councils

In 1994 thirteen Sector Training Councils were established as independent employer representative bodies. Their role is to articulate the skills, education and training needs of their sectors in the short and long term, advise on training standards required for those sectors, work with the Department of Employment and Learning and their corresponding Sector Skills Councils to ensure that those training needs and standards are met.

Sector Skills Development Agency (SSDA)

The Sector Skills Development Agency formed in 2002 is a non-departmental public body with a responsibility for the whole of the UK. It is responsible for tackling skills gaps and deficiencies by developing, supporting, funding and monitoring the performance of the Skills for Business Network. Along with its performance and standards monitoring the SSSDA holds responsibility for ensuring generic skills are covered in the work of Sector Skills Councils (SSCs) and the representation of sectors not covered by a SSC.

Finally the SSSDA is responsible for best practice and information sharing between SSCs and the collation and online publication of labour market information.

The Skills for Business Network (SfBN)

The aim of the Skills for Business Network is to boost the profitability and productivity of the UK. This task is undertaken by the SfBN on a sector by sector basis.

The Sector Skills Development Agency underpins the network which comprises of the twenty-five Sector Skills Councils. In Northern Ireland the DEL Sectoral Development Branch is committed to working with the SfBN in three main areas, skills forecasting, the development of occupational standards and the development of modern apprenticeships frameworks.

Sector Skills Councils (SSCs)

Each SSC is an employer-led, independent organisation that covers a specific sector across the UK.

The four key goals of SSCs are:

- to reduce skills gaps and shortages
- improve productivity, business and public service performance
- increase opportunities to boost the skills and productivity of everyone in the sector's workforce
- improve learning supply including apprenticeships, higher education and National Occupational Standards

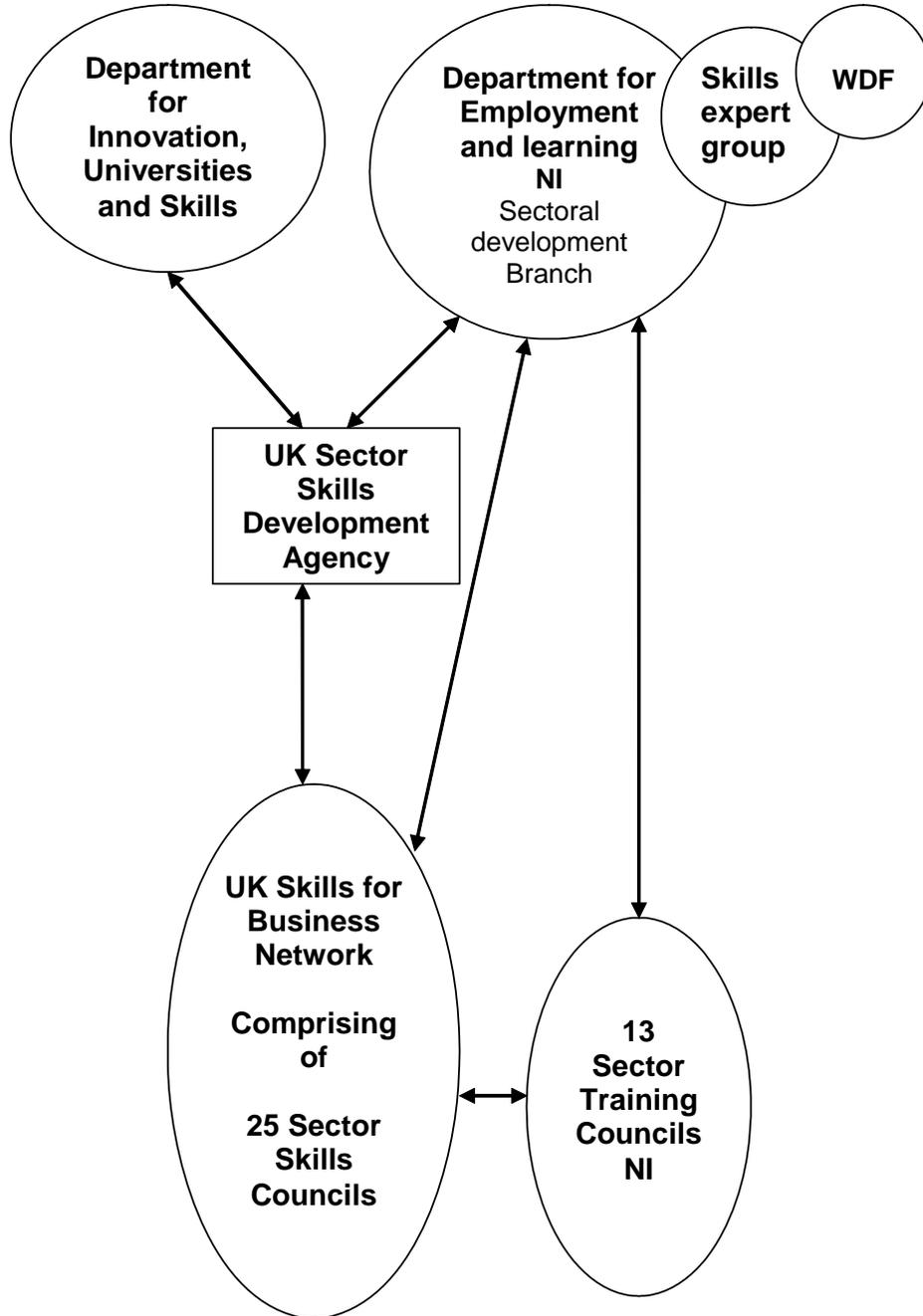
Together, the SSCs cover approximately 89% of the UK workforce and give responsibility to employers to provide leadership for strategic action to meet their sector's skills and business needs. In return they receive substantial public investment and greater dialogue with government departments across the UK along with increased influence on skills policies and increased influence with education and training partners.

All SSCs are licensed by the Secretary of State for Education and Skills, and the Sectoral Development Branch is fully involved at all stages of the licensing consultation process ensuring that NI interests are represented.

Not all the SSCs have a physical presence in Northern Ireland, but the SSCs are beginning to develop working relationships with their equivalent existing Sector Training Councils (STCs) in Northern Ireland (NI).

Figure 3

Relationships between Organisations involved in Skills provision



WDF= Workforce Development Forums