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Introduction

2.1 The success of individuals and businesses in a knowledge driven economy will depend upon the skills, creativity and imagination of our people. Basic literacy and numeracy and specialist craft and technical skills remain vital, but today's economy increasingly demands people with high level skills and the ability to adapt quickly to changing requirements. Lifelong learning and continuous reskilling are essential to enable people to cope with change, achieve security in their lives and benefit from growing prosperity.

2.2 We are at an historic point in the development of our education and training system. The reforms we are engaged in will allow us to leave behind the failures of more than a century and look forward to a modern skills system attuned to the demands of the twenty-first century. For business they offer the prospect of increased skill levels in the workforce. For individuals they offer the prospect of a route to skills that are valued in the labour market and that will help maintain them in stable and well-rewarded employment. Our aim is a transformation to create a highly skilled workforce, and highly productive businesses and organisations across the country - working at the leading edge of technology. We must have opportunities for all, unleash creativity and talent, and seize the opportunities of the next decade.

Where the UK Stands

2.3 The Government inherited a situation in which four out of ten of our children left primary schools unable to read, write and count properly, and far too few young people achieved good GCSE passes. It inherited a situation in which millions of adults lacked the basic skills of literacy and numeracy, and in which too few were involved in learning. And it inherited a weak, undervalued system of vocational and technical education.

2.4 We have taken responsibility for tackling these fundamental problems because we believe that Government has a crucial role in helping people develop the skills needed for economic prosperity and social cohesion. Already substantial progress has been made:

- our young people are better educated and qualified than ever before as a result of higher standards of teaching and learning. Primary schools have delivered the best ever results in literacy and numeracy, and more young people achieve five or more higher grades at GCSE;
- young people are gaining the knowledge, skills and flexibility required for work and lifelong learning through new vocational courses, broader A-level studies, and the achievement of key skills in communication, number and information technology;
- standards have been raised in further education, and we have injected the biggest ever investment of extra funding into the sector - £759 million over the next two years, which is 16 per cent in real terms;

- tough decisions on student funding have secured the resources necessary for sustainable, high quality expansion of university places. Record numbers enter higher education, and Britain's graduation rate is now among the highest in the world. Our universities are at the leading edge of knowledge creation and innovation;
- more than 600,000 people have opened new Individual Learning Accounts, which allow them to benefit from a wide range of learning at discounted rates, giving people the chance to take control of how they manage and pay for their learning, helping to boost their employability, their earning power and their quality of life. And **learndirect**, the customer brand for the Ufi, has begun to provide cost effective and accessible online learning to business and individuals.

The Unipart Group has introduced an online learning system, 'Virtual U', designed to deliver electronic courses to the company's 10,000 employees. **learndirect** products and services will be available to staff through the 'Virtual U' which will deliver web-based courses direct to the employee's desktop PC. Unipart will also become a Ufi hub, administering the provision of **learndirect** services for other companies within the automotive sector. Unipart's Group Chief Executive John Neill said, "The introduction of online learning will now enable our employees to learn at the speed of light and give them access to the knowledge and the tools they require, immediately they require it".



2.5 We have also created the Learning and Skills Council, an historic reform that will - for the first time - integrate the planning and funding of all post-16 academic and vocational learning outside higher education, enabling us to raise standards universally, and cut red tape in the delivery of skills development to businesses. The key objectives of the Learning and Skills Council will be to raise the skills of the workforce by ensuring that up to date and relevant courses are available for the continuous updating of skills, and to draw into learning those on the margins of the labour force, or who have lost their jobs as the result of industrial and economic change.

2.6 These radical initiatives form a major programme of modernisation to achieve world class education and learning for the twenty-first century and to replace outdated structures geared to the last industrial era. They are essential to implement the education and training strategy set out in our policy papers on *The Learning Age and Learning to Succeed*.

2.7 While good progress has been made in addressing the legacy the Government inherited, many challenges remain. There are still too many young people leaving school with no or only very low grade GCSEs and too many lack the skills to make the most of their capacity for innovation and creativity. It is unacceptable that seven million adults have difficulties with basic literacy and numeracy. We have a shortage of technicians and information and communication technology (ICT) professionals. While we compare well with other countries on some measures of training in the workplace, it is concentrated among a relatively small group of well educated employees. And we are still not making the best use of the talents of all our people - only 67 per cent of ethnic minority adults are economically active

compared to 80 per cent of white adults.

2.8 In our Green Paper, *Schools - Building on Success*, we set out the further action we will take to raise standards in education. In this White Paper we set out our strategy for driving up the skills of the workforce, building on the recommendations of the National Skills Task Force.

What the Government will do

2.9 We must now build on our success and the reforms we have already put in place. We must ensure that people learn how to be creative and enterprising to generate the ideas, products and services of the future; we must raise the skills base of the adult workforce; and we must develop the cadre of people with leading edge technical skills which we have lacked for so long. Our priorities therefore are to:

- foster greater creativity, innovative thinking and enterprise across our education and training system, encourage better links between education and business, and ensure high quality teaching and learning at all levels;
- ensure that we have a numerate and literate population and engage more adults in learning to provide a stronger skills base in the workforce;
- build a vocational and technical education system which matches the best in the world;
- develop a workforce with advanced ICT skills and know-how to match the best of our competitors; and
- ensure that all employers invest in the skills and talents of all their employees.

2.10 Our approach reflects a deep commitment to ensuring that all our people have the skills they need for success. It is no longer acceptable to educate a few to think and the many to do. Government's role is to provide the framework in which individuals and employers can invest in skills and ensure equality of opportunity. Investment in skills must be shared between individuals, employers and Government. For Government, ensuring that everybody has good skills is the best way to secure equality of opportunity, social cohesion and national prosperity.

Fostering Creativity and Enterprise

2.11 People who generate bright ideas and have the practical abilities to turn them into successful products and services are vital not just to the creative industries but to every sector of business. Our whole approach to what and how we learn from the earliest stages of learning needs to adapt and change to respond to this need. Academic achievement remains essential, but it must increasingly be delivered through a rounded education which fosters creativity, enterprise and innovation. This will only be secured if teaching and learning are of a consistently high standard.

We will put in place a co-ordinated strategy for ensuring that in every sector of learning students have the opportunity, and are encouraged, to develop their creativity, capacity for innovation and understanding of enterprise. This will bring together work to reform teaching and learning, the promotion of improved links between business and education and initiatives to encourage enterprise.

2.12 Our strategy for the transformation of secondary education, particularly in the early years, will ensure the development of children's abilities to reason and to think critically, as well as improving their competence and skills in English, maths, science and ICT. Motivation, teamwork and creativity will be developed not just

through the content of the curriculum but through the opportunities provided for pupils to learn about and contribute to the life and organisation of their school.

2.13 We will press ahead with introducing modern processes into schools so that young people learn to work with Computer Aided Design and Manufacture software and with electronic and communication systems. This will be part of a wider effort to teach young people the skills they will need to work effectively in project teams developing complex products in a creative environment.

2.14 Links between the worlds of education and business will continue to be fostered and developed, with added momentum from the work of the Learning and Skills Council. In addition to the fundamental reform of vocational and technical education, outlined below, including the development of vocational specialisms across further education colleges, the Learning and Skills Council will take a more co-ordinated and strategic approach to a wide range of links between education and business. With Regional Development Agencies, the Small Business Service and others, it will work to ensure that all young people have the opportunity to develop entrepreneurial ability, skills and creativity.

2.15 We will work with business to support and extend programmes which develop enterprise skills in young people. With Enterprise Insight, the private sector-led national campaign for enterprise, we will work to increase the number of businesses and entrepreneurs supporting existing education business link programmes. We will also support innovative new activities designed to develop enterprise amongst young people. New Entrepreneur Scholarships give potential entrepreneurs of all ages from deprived areas access to high quality management and business training, assisting them at all stages of the development of a business idea into reality.

2.16 In higher education, we will enhance the centres of excellence in enterprise established through Science Enterprise Challenge, and continue our strategy of driving up awareness of enterprise and business. Many universities already offer courses in entrepreneurship or offer entrepreneurial skills through other programmes of study, and we will promote further expansion of these opportunities. We also intend to ensure a significant expansion of work experience opportunities for students, and develop far better careers advice facilities in our universities and colleges.

2.17 An education that provides creativity, enterprise and innovation to the benefit of learners and businesses depends on the very highest standards of teaching and learning, and on the ability of teachers and lecturers to enhance the way that young people learn so as to develop those capabilities. Our radical programme to raise standards in the teaching profession will be crucial:

- an ambitious reform programme is already in place to strengthen school leadership; give better pay and career prospects; and make initial teacher training better focused and more flexible, including an expansion of the Graduate Teacher Programme;
- a range of programmes is giving teachers better support, including a huge capital investment in the school environment and in ICT hardware, software and training. Twenty thousand additional classroom assistants are being trained to work in schools; and
- further reforms will strengthen the skills of serving teachers. This will include the skills needed to help young people develop strong communication abilities

and benefit from individualised learning.

2.18 The Learning and Skills Council will take forward a programme of work to develop practitioner skills and qualifications in the further education sector, work-based learning, adult and community learning, and the skills for supporting and tutoring online learning. The Council will also monitor the delivery of teaching and training qualifications and continuous professional development across the post-16 sector outside higher education.

Improving Numeracy and Literacy and Engaging More Adults in Learning

2.19 In the past, too many people left school lacking basic skills. This makes it harder for them to get secure and rewarding jobs, and to play a full part in the lives of their families and communities. By failing to provide businesses with the skills they need, it also impacts severely on the productivity of the economy. The Government will launch a national basic skills strategy to tackle this silent scandal. Our national goal is to expand the horizons and capabilities of the millions of adults who have chronically weak literacy and numeracy skills and to engage more low qualified adults in learning.

The Learning and Skills Council will plan provision locally and nationally to achieve new and ambitious targets. We aim to reduce the number of adults with literacy and numeracy problems by 750,000 by 2004. Spending on literacy and numeracy training will increase by at least £150 million by 2003-04, an increase of over 60 per cent. The Learning and Skills Council will work closely with National Training Organisations and Regional Development Agencies to improve basic skills levels in key sectors of the economy, including in construction, retail, transport, road haulage and catering.

2.20 The strategy for achieving these targets will be driven forward by the Government's new Adult Basic Skills Strategy Unit in the DfEE. Working with the Basic Skills Agency and others, it will put in place a new core literacy and numeracy curriculum for adults, new National Tests, better training for teachers and robust inspection arrangements. It will establish pathfinder projects in every region to ensure that these changes lead to the improvements in standards and achievement that we expect.

2.21 Engaging adults with literacy and numeracy difficulties will require new and flexible approaches. Some of the key initiatives we will take forward are as follows:

- **learnirect** will ensure that employers can access basic skills education at a time and a place to suit their business needs. It will provide flexible and accessible basic skills education in the home, in the workplace and through a nationwide network of learning centres. Its target is to provide basic skills education to 100,000 people with 200,000 enrolments by 2003;
- we will expand funding through the Union Learning Fund specifically to support the development of literacy and numeracy skills, building on the success of work already being undertaken by all the major unions to encourage those with basic skills needs to begin training;
- we will begin action to help employers in one of our basic skills pathfinder areas where we will be piloting the use of replacement funding for employers to cover the cost of releasing employees with basic skills needs for one day a week over 13 weeks. Details of the pathfinder areas will be announced as part of the Government's basic skills strategy.

2.22 As well as helping people to fit learning alongside job and family, Government will help with the costs of learning. On top of the entitlement to free basic skills training, the Government already covers 75 per cent of further education course fees (rising to 100 per cent for unemployed people). Individual Learning Accounts also offer people further help to cover costs and give a sense of ownership of learning.

2.23 However, the Government recognises that more needs to be done to support adults who want to study further education courses. The present financial support arrangements for adult learners outside higher education are incomplete and incoherent. We plan to provide adult students with a comprehensive system of financial support which meets their varying needs. We intend to bring forward new approaches which will increase the number of funding options for these students and deliver a fairer system of student support which is responsive, simple to understand and accessible.

Like many thousands of people, Tommy Dawkins has difficulty reading and writing. However, unlike many, he has declared these difficulties and is tackling them; and he is also encouraging his colleagues to do the same. As a learning representative at Steelite International plc, Tommy ensures that colleagues are aware of the learning opportunities open to them via their union and through the workplace. As Tommy explains, "I decided I was going to get this over to the workforce and the company as well, because you need them to be involved too. My plans for the future are to go on more courses, and carry on until I can read, write and spell with confidence." He became involved at Steelite in the Pathway to Lifelong Learning programme (a Union Learning Fund supported project), which earned the Ceramic and Allied Trade Union a Learning in the Workplace Award in recognition of its work in helping its members to return to learning.



A Vocational Education System which Matches the Best in the World

2.24 Britain needs to develop its vocational and technical education system in a way which provides young people with a high prestige alternative to exclusively academic study and ensures that employers can recruit people with the skills and knowledge they need at all levels of business activity. Throughout the twentieth century, the opportunities for vocational learning have been seen as lower level than those in academic learning, and as a consequence, the worlds of education and work were kept too far apart. Today, too many bright young people drop out of learning because academic education is neither interesting nor relevant enough to them, and large numbers enter the labour market without the skills employers need. Our objective is to create a modern, high standard system of vocational and technical education, which will meet the needs of the new century.

We will extend opportunities for 14-16 year olds to undertake vocational courses and rationalise the confusing system of vocational qualifications. We will also boost the capacity of further education to deliver high quality vocational learning and invest in improved Modern Apprenticeships.

2.25 Our reform of the vocational qualifications system will create a ladder of vocational opportunity for young people, with high standards throughout and result in qualifications which are clearer and better understood by employers, young people and parents alike. The key elements in the reform are that:

- we will strengthen and clarify the vocational pathways available from age 14 and in particular we will consult on the scope for increasing the time available for vocational study within the statutory framework. Our intention is that vocational options should be available to students across the ability range;
- young people who want a future career based on vocational and technical skills should be able to choose predominantly vocational programmes of study from age 14, involving practical activity in the workplace and vocational study, perhaps at a nearby college. These programmes will help young people who want to gain occupational skills through Foundation and Advanced Modern Apprenticeships after leaving school;
- just as we have broadened academic A-level study, so we will ensure that young people on vocational programmes secure broad knowledge and understanding, alongside specialist expertise and skills. The Qualifications and Curriculum Authority (QCA) will advise by the end of 2001 on the combinations of vocational and other qualifications that should be pursued by young people as part of any publicly funded programme;
- the QCA will rationalise by Autumn 2001 the plethora of qualifications up to A-level equivalent. We want all vocational qualifications to cover substantial programmes of work that add value to the skills and competence of learners; to reflect the sector specific needs of employment; to reach the high standards required by industry; and to provide a rich and solid base of practical and technical skills. It will be as clear as it is for academic education how each qualification fits into the overall framework.

2.26 We will develop vocational specialisation in further education. The Learning and Skills Council will invest £100 million over the next three years to develop specialisms, such as electronics, ICT or design and technology in further education colleges, for which they will be recognised as a centre of excellence locally, regionally or nationally. By 2004-05, 50 per cent of general further education colleges will have a specialism. They will offer tuition in their areas of expertise to technician level and the best will offer foundation degrees in partnership with universities. Colleges will work closely with employers to target provision on priority sectors. The drive for specialisation will ensure that colleges of further education teach vocational and technical education to the highest standards.

2.27 We will also create a new entitlement to a Modern Apprenticeship place for those young people who want to learn as they earn, and have the aptitude and ability for work-based learning. We will invest extra resources to increase the number of apprenticeships, ensuring that this expansion covers growth industries. Modern Apprenticeships for those aged 19 plus will be targeted on priority sectors to maximise value from our existing investment.

2.28 Standards in Modern Apprenticeships will be raised to match the best of apprenticeships amongst our competitors. A new Apprenticeship Diploma will provide a broader and better foundation of skills and knowledge than has been the case in the past - certifying knowledge and understanding, key skills and occupational specialisation at the appropriate level.

2.29 To ensure strong national leadership for apprenticeships, we will create a high

level advisory committee, involving key business people, to advise on how standards can be kept consistently high, and to promote wide acceptance of apprenticeships.

2.30 For the first time there will be specific Standards Fund support for Apprenticeships: we will provide £15 million in 2002-03, rising to £25 million in 2003-04 to ensure colleges, private training providers and the highly effective group training associations all deliver to the highest standards.

Simon undertook his Modern Apprenticeship at Taylor Bloxham Ltd, a large fine colour printers in Leicester. He worked on computers, taking a graphic designer's leaflet or booklet on disk and checking it was all correct and had appropriate photographs or images, before sending it to the platemakers to make it into plates for the printing process. He completed an NVQ Level 3 in Origination (processes which prepare original artwork/ text for printing).

Three years on, Simon says, "I am now a qualified digital operative working in Taylor Bloxham's pre-press department. I find my job thoroughly enjoyable and thrive on the challenge each job gives. If it wasn't for the training I received, my career wouldn't have been as rewarding."

Speaking about Modern Apprenticeships, Emma Wixey, Taylor Bloxham's Human Resource Officer said, "We value the skills and knowledge a Modern Apprenticeship provides. It enables an apprentice to gain a good foundation in their chosen area whilst learning about the specific workflows within the department. The benefit of this is the combination of college based activities and hands on experience gained in the workplace."



Advanced ICT Skills and the High Tech Know-how to Match the Best of our Competitors

2.31 In the light of existing shortages in ICT skills, we face a major challenge to lever up these and other high tech skills in the workforce so that business is able to capitalise on the e-business revolution. We have already made significant progress in raising standards of basic ICT literacy. Today, 86 per cent of primary schools and 98 per cent of secondary schools are wired up to the Internet. In addition, an extra £1 billion for ICT over the next three years will help ensure that we achieve our proposed target for 2007 of 85 per cent of 14 year olds reaching level 5 or above in their Key Stage 3 tests in ICT.

2.32 We have also provided an 80 per cent discount on the cost of basic ICT courses for people opening Individual Learning Accounts. To date, over 58,000 have used their accounts to pay for ICT skills training. And to ensure that all adults have access to ICT skills, we will be introducing around 6,000 UK online centres in disadvantaged and rural communities by March 2002.

2.33 But we have much further to go in meeting the advanced ICT skills challenge. There are over 85,000 students on computer science courses in higher education - three times as many as there were a decade ago - and the launch of ICT related foundation degrees will add to the expansion. These developments will make a substantial contribution to expanding the supply of high tech skills. But as the *Skills for the Information Age* report has underlined, we need to go further and faster if we are to meet the challenge of new technologies. Our ambition is to make the UK the number one country for the supply of advanced ICT and related skills. This agenda must be demand-driven and we will work with business to ensure that demand is effectively articulated.

We will expand specialist ICT and other high tech learning programmes in our further and higher education system. A new, specialist focus on these skills is necessary if we are to increase the supply of skilled people to the levels we need. Courses will be provided at technician and first and post-graduate degree levels and will reflect a high level of business input into the curriculum. We will investigate how business can help deliver new learning programmes. By 2004-05 we will be training up to 10,000 students a year on full-time and updating courses. There will be new technology institutes described further in Chapter 3.

We will also increase significantly the number of unemployed people, those returning to the labour force, including lone parents, and people facing redundancy who acquire a basic ICT qualification. We will work with business to open new career paths in the ICT sector and will begin immediately by piloting within New Deal a programme to train 5,000 people over the next three years for technician jobs. In addition, we will improve the learning opportunities for unemployed and inactive people by increasing the use of innovative technology in assessment and careers guidance as well as basic and vocational skills training.

2.34 But our action plan must be broader than this if we are to ensure that we have a workforce with world class ICT skills. We will:

- support business to widen the pool of talent still further by bringing into skilled ICT employment those people facing disadvantage in the labour market, including people from ethnic minority communities, disabled people and older workers. We will work with business to introduce recruitment and retention practices that meet the needs of disadvantaged groups. We will support business efforts to create a more positive image of careers in high technology sectors that helps attract a more diverse workforce;
- work with business to reverse the serious under-representation of women in ICT jobs. We will identify global best practice that has helped women into ICT careers in other countries with a view to creating a more positive environment in the UK. Our aim is for the UK to match the best of our competitors with regard to women's employment in ICT;
- enable businesses to recruit more effectively and individuals to get the right job. We will map ICT qualifications and learning programmes against career paths in ICT, so that people can better understand what knowledge and skills they will need for different advanced ICT jobs. The QCA will create clear pathways through the qualification system by rationalising the very large number of ICT skills qualifications by 80 per cent. We will also work with business to develop the occupational framework for ICT that provides a common standard for describing ICT jobs and which represents a key business tool for assessing and improving skill levels;
- expand the number of advanced ICT teachers and open up new teaching

opportunities to business experts.

We will also work with business to help us in greatly increasing the opportunities for teachers in science, technology and engineering to undertake placements with companies. The further and higher education sectors will have substantial new resources to help recruit, retain and improve the effectiveness of teachers in shortage areas, such as ICT, where competition for staff is intense;

- ensure ICT students have the right practical skills and awareness of business. In partnership with business, we will increase the opportunities for students to gain relevant work experience. There will be particular emphasis on providing placements in which ICT students undertake short projects with local companies that are of value both to the companies and to the students themselves. There will be a special work experience programme for women. We will also support the further development and extension of Graduate Apprenticeships across the ICT and related high tech sectors.

2.35 These actions must be complemented by work in individual communities to promote ICT skills. Our strategy for community based initiatives will ensure that they encourage more people to join ICT training programmes and engage with local employers to encourage them to invest in ICT training.

2.36 We will continue to expand the use of ICT in the delivery of learning itself. The excellent progress we have made in improving computer/pupil ratios in schools will be maintained. Over the next three years, planned expenditure will enable us to reach a new target of 1:5 in secondary and 1:8 in primary schools by 2004. By 2002 all schools will have Internet access.

2.37 **learndirect** will be at the forefront of e-learning for adults, giving people easy access to learning opportunities at home, in the workplace and at **learndirect** learning centres nationwide. In further education, colleges will have access to a range of carefully focused learning materials which are being developed to support teaching and learning using ICT. Every college will be totally committed to the use of ICT as an integral part of its standards agenda. And we will invest £62 million over 2001-04 towards the new e-universities project, opening up online higher education to people who cannot attend a traditional campus.

The Cybrarian - "Virtual Librarian"

People who want to get to grips with the Internet can easily be turned off by its apparent complexity. This is doubly so for people with poor reading or computer handling skills or those with special educational needs or who have difficulty reading the screen.

To make the Internet more accessible to these people and others committed to lifelong learning and to give them greater confidence in using it, the Government is supporting the concept of Cybrarian, or Virtual Librarian.

This is a unique search and reference tool which delivers the text, pictures, audio or video material that the user wants directly to his or her personal computer, digital TV or mobile device. The key innovation is that the user can ask for information in a natural way, more akin to asking another person for assistance than to entering keywords in a conventional search engine. The Cybrarian can be fully incorporated into the UK online portal.

Investing In and Using the Skills and Talents of All

2.38 Too many firms still do not act on the knowledge that a higher skilled workforce would open up markets created by new technology and more sophisticated consumers. We still rely too heavily on highly skilled graduates, with business training catering best for those who are already well qualified and who work in large firms. Too many businesses also discriminate in their recruitment and employment practices against those from ethnic minority backgrounds, older workers, women or people who have disabilities. This is both unjust and self-defeating. In the modern economy, we need to utilise the skills and talents of all.

2.39 Our aim is to help employers drive up the skills of the workforce to match the best of our competitors, and get the best people with the relevant skills into the right jobs, so that businesses can expand into new markets and improve their productivity.

The Learning and Skills Council will set, with industry, clear targets for improving skills levels in the workforce. It will consult widely with business and other partners on targets and measurement in its draft workforce development strategy, which it will publish as a consultative document in June 2001. The strategy will also deal specifically with inequalities such as too little learning amongst part-time, low qualified or disabled workers and those from some ethnic groups.

We will create a strengthened sectoral skills focus through a reformed network of National Training Organisations. Over the next three years, we will invest an extra £45 million in a smaller, stronger network of National Training Organisations, with real authority and business leadership in their sectors. Each will be responsible for auditing sector skills needs, and designing and implementing initiatives to meet them. They will work closely with the Learning and Skills Council and with Regional Development Agencies on both planning and implementation.

Electroparts is one of a number of small firms which have benefited from the services of Electronics Yorkshire, an industry-led venture with the simple, but challenging, aim "To provide the region's electronics sector with the tools it needs to maximise its potential".

Electroparts is a small but growing company, formed in 1990 with two employees and currently employing fourteen. They provide a manufacturing facility for electrical and electronic sub-contract assembly, and plan to expand the business both in the UK and mainland Europe over the next five years, using the Internet as a key tool for trading and marketing their services. The technical and training resources available at Electronics Yorkshire are enabling Electroparts to diversify and refine their business and double their customer base over the next two to three years. Managing Director Carol Swallow says, "The facilities of Electronics Yorkshire have allowed



us to train our people on new techniques and equipment, making sure we are ready to respond to the ever changing requirements of our customers, and providing the company with quality information to target our investment in equipment and resources."

2.40 Regional Development Agencies will have a key role to play in defining the skills needs in their regions in the context of their overall growth strategies. Their Skills Action Plans will be developed with local Learning and Skills Councils, and the National Training Organisations.

National Training Organisations can help businesses become more competitive. Skillset (Broadcast, Film, Video and Multimedia) has worked closely with film industry representatives and the Department for Culture, Media and Sport to provide an innovative solution - the Skills Investment Fund (SIF) - to the unique skills challenges facing the UK's film industry. Over 90 per cent of the film industry's workforce is freelance, with many companies hiring staff on a production by production basis. Funding the training of the growing number of freelancers has become a priority for the industry. Contributions to the fund are voluntary and are raised on a percentage of the production budget of all UK film production intended for theatrical release.

Within its first year the fund has attracted contributions of over £600,000 which has enabled Skillset to begin investment in a number of key priority areas identified by the industry. For example, January 2001 saw the first tranche of eight new entrants begin on a two year formal training scheme funded by the SIF. The SIF has also enabled the appointment of Skillset's new film advisor, the first sector specific appointment the National Training Organisation has made.



2.41 In addition to setting clearer targets and strengthening the peer influences on employers we will also tackle the key issues of raising training levels in small and medium sized enterprises and improving management skills. In particular, we will:

- help small and medium sized enterprises to spread the costs of training by supporting shared training arrangements and facilities, such as those provided by Group Training Associations. An extra £8 million will be spent to support these associations to provide Modern Apprenticeships in 2002-03 and 2003-04, along with access to funding such as the Small Firms Training Loan. The Learning and Skills Council will also work with the Small Business Service and **learn**direct to establish effective shared training networks nationwide. At the same time, the costs of learning will also be lowered through e-learning delivered by **learn**direct. **learn**direct will offer small businesses online learning through intermediaries such as the Small Business

Service, directly through the network of **learnirect** centres, through mobile facilities, and through the **learnirect** website;

- work to improve leadership and management in the public and private sectors. The recommendations of the Council for Excellence in Management and Leadership will set an agenda for action to ensure that public and private training will better support management and leadership development;
- support a sustained campaign to convince companies that learning pays and that modern approaches to work organisation and management increase competitiveness. The Learning and Skills Council will speed progress towards the 2002 target of 10,000 small organisations and 45 per cent of medium and large organisations achieving Investors in People recognition.

Investors in People (IiP) puts the development of people at the heart of business success. One third of the UK workforce work in organisations covered by Investors in People over 20,000 organisations, large and small, have achieved Investors in People status and are reaping the rewards through motivated and skilled staff. A further 22,000 are working towards Investors in People. Organisations recognised as Investors in People experience tangible benefits. A poll of over 2,000 recognised organisations found that 70 per cent had increased competitiveness, 70 per cent had increased productivity and 80 per cent had increased customer satisfaction.

Enbray Cooper UK Limited - a leading British manufacturer of contactors serving the commercial, industrial and railway industries - has had to move into a bigger factory to cope with demand for its products. It has reached new markets all over the world following the development of a miniature contactor for electricity meters. Enbray Cooper's management give much of the credit to the firm's achievement of the Investors in People Standard. As plant manager Alan James says, "With the help of the Investors in People philosophy, Enbray has developed its teams through training to enable them to be flexible and adaptable to the changes in production methods that the new products will require."



2.42 Skills provide good earnings and secure employability, so the promotion of the skills of their members is a modern role for trade unions. Unions and workforce representatives have a crucial role to play in common cause with employers to ensure that individuals have the portable skills they need whilst meeting the immediate needs of business. We are committed as a Government to ensuring that Union Learning Representatives can play their part in both the competitiveness of the enterprise and the personal investment and gains for the individual employee from lifelong learning. These representatives, trained through a partnership between the TUC and Government, have been particularly successful in encouraging adults to learn who have not done any education or training since they left school.

We will consult on how to give statutory backing to the network of Union Learning Representatives. We will also promote a culture where employers and employees work together to create the best environment to realise the benefits of greater investment in skills through innovative projects supported under the Partnership Fund.

We will also work with National Training Organisations to test new, voluntary ways of funding training, including training loans that can be transferred between employers linked to the Small Firms Training Loans initiative. We will also use existing powers to provide statutory backing for proposals in any sector for collective skills funding arrangements, provided the social partners agree there is clear evidence of a skills deficit and that this is the best way forward.

2.43 Finally, we will provide practical, accessible help for businesses looking to recruit and retain a diverse workforce, and will raise awareness of the business case for equality at work. We will provide advice to employers, based on existing business experience, about introducing employment policies and practices geared towards work-life balance. We will expand the National Childcare Strategy in disadvantaged areas. We are also consulting on nearly 50 options to give more help to new parents and to the businesses that employ them, set out in our Green Paper, *Work and Parents: Competitiveness and Choice*.

The Halifax believe that the diversity of their staff should reflect the communities in which they operate. Equal Opportunities adviser Tyrone Jones says, "This is a clear business issue - people tend to do business with like people." In the Bradford area, they formed an ethnic working party aimed at raising the profile of the Halifax as an equal opportunities employer; forging closer links with the local community; and, increasing customer service for ethnic minority customers. One of the Group's main ideas was to widen the skills of staff by training ethnic minority employees in recruitment administration, psychometric testing and interviewing. Prospective employees from ethnic communities now have contact with ethnic minority staff throughout the recruitment process, who understand their particular needs. The initiative has doubled ethnic minority representation in the Bradford area branches from 8 per cent to 16 per cent between 1999-2000 and has had a real impact for Asian customers - staff can speak a wider range of languages such as Urdu and Gujerati, and can act as interpreters for customers who speak little or no English.



2.44 The success of our strategy will require other partners to match the Government's commitment. Individuals must shoulder responsibilities to keep their skills up to date, and to be flexible and mobile in using those skills. Employers must recognise their competitive position increasingly rests on how they develop and use the skills of all their people. Companies must play a more active role in their own training programmes and collaborate with other companies to improve training in their locality or in their sector through National Training Organisations. They must

also promote productivity through good relations at work. Education and training providers, such as colleges of further education, must develop deeper relationships with local businesses and more clearly address business needs.

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