



**University and College Union**

**‘Further, higher, better’**

**Submission to the government’s  
second Comprehensive Spending  
Review**

**Section 17**

## 17 Skills<sup>101</sup>

The Leitch Review, interim report

'Skills matter fundamentally for the economic and social health of the UK ... But we have considerable weaknesses ... Almost half of adults are not functionally numerate and one sixth are not functionally literate. This is worse than our principal competitor nations. Improving our schools will not solve these problems. Today over 70% of our 2020 workforce has already completed their compulsory education.'<sup>102</sup>

Gordon Brown, Chancellor of the Exchequer, 2006 Budget

'Thanks to the national employer training programme 100,000 women workers are gaining skills for the first time.'

'... our aim is a Britain where all young people stay on in part time or full education and training, and gain skills throughout their working lives. 80 per cent of the 2015 workforce is already in the world of work.'

In the UK, the proportion of the population with a degree level qualification, ie higher level skills, has increased from 19% to 26% over the past 10 years. Over the same period there has been a significant decrease in the proportion of people who lack a qualification at the equivalent level to five good GCSEs, from 43% to 23%. But the Treasury-commissioned Leitch Review says meeting the government's targets to improve the UK skills profile by 2010 'will be extremely challenging'.<sup>103</sup>

If the government's current programme for skills improvement is successful, by 2020 the proportion of working age adults without any qualifications will fall to 4%; the proportion without qualifications equivalent to five good GCSEs will fall to 16%; the proportion holding a degree or better would increase to 38%.

But the Leitch Review, interim report, says: 'Even if the Government's current ambitious targets were met, significant problems would remain with the UK's skills base in 2020. At least 4 million adults will still not have literacy skills expected of an 11 year old, at least 12 million will be without numeracy skills at this level ... and 6.5 million adults will not have qualifications at the equivalent level to five good GCSEs.'<sup>104</sup>

Projections for the Leitch Review indicate that the proportion of the working age population at 2020 with level 2 (ie low) and level 3 (ie intermediate) qualifications will remain very similar to the proportions in 2005, at slightly over 20% respectively.

The Review has carried out economic modelling to 2020, using more ambitious skills targets than currently used by the government at all three skills levels. The analysis shows that 'investing in the stock of adults with lower level skills has a significant impact on inequality',<sup>105</sup> and could deliver an

additional 0.3% growth to GDP. 'Improving intermediate and higher end skills deliver average annual net benefits of 0.4% and 0.45% of GDP respectively.'<sup>106</sup>

The Leitch interim report concludes: 'There is already substantial effort and investment by employers, individuals and the Government, but it is clearly not enough to deliver the skills improvements that the country needs ... the UK needs to be far more ambitious'.<sup>107</sup>

The Foster Review, which reported in November 2005, proposed that further education should place teaching and enhancing skills at the centre of its work. The review said: 'We therefore propose that skills, an economic mission, is the route for FE, but interpreted in line with values of opportunity and inclusion which matter so much to those who work in FE' (p. 22).

In response, the DfES further education White Paper in March 2006 committed the government to the core mission of helping people gain the skills and qualifications for employability,<sup>108</sup> with a particular emphasis on further promoting skills specialisation in colleges. In the latter, the development of the Centres of Vocational Excellence (CoVE) programme will play a key part.

## **Comment**

The UK does relatively well at producing individuals with high-level skills, especially university graduates. It also does so in a cost-effective way. But there is a long tail of underachievement. Despite the recent efforts to reduce the numbers of adults without basic skills in literacy and numeracy, the numbers of adults without these - and the 40% of the workforce without level 2 skills and qualifications - remains. However the principal weakness in the UK skills profile is at technician level, level 3 and above, as has been evidenced in many government reports.

The Skills White Paper published just before the 2005 general election reaffirmed the priority that will be given to remedying the endemic low skills in the UK workforce. These curriculum developments will need to be supported by professional development for staff across the learning and skills sector who will be delivering these new programmes to new learner groups. Changes have cost implications and UCU would argue that for these changes to be successful, they will need to be resourced properly.

Human capital theory would seem to suggest the best course for government policy is to increase the general stock of knowledge and skills within the population and thus seek to gain a competitive advantage when seeking to attract investment. This must be in part by improving the general levels of achievement and attainment of those completing compulsory education, and within that, inculcating a love of learning, and the ability of each individual to manage their own learning. Governments may wish at times to encourage the building of specific skills to meet a particular economic demand. However in

general, given the pace and unpredictability of change, it may be a better course to encourage and support transferable skills and skills of employability. Faced with increasing competition from emerging economies, as well as fellow developed ones, the UK should also build on those skills where it already has a comparative advantage, and those which would seem to underpin any kind of economic and social development, such as those in information and communication technology, innovation, entrepreneurship and enterprise.

We believe that the major skill deficiencies of this country to be and will remain largely at level 3. However it is clear from evidence already collected from many sectors that the growth of jobs in the future will be in professional, managerial and para-professional roles. In the lifelong learning sector a study by the Institute of Employment Studies in 2002 for four of the National Training Organisations that have formed the Lifelong Learning Sector Skills Council found the sector's future employment opportunities to fit this pattern.<sup>109</sup> It will be necessary to increase access to training opportunities in these areas.

However the ability of people to undertake such training will be in part determined by whether they have already acquired sufficient and necessary levels of skills in the underpinning skills of communication, numeracy, problem solving, managing one's own learning and working with others. This means there will be a continuum of demand for skills from the most basic to the highest. It should mean an expansion of both general education, remedial education and training for those who have missed out on their first opportunities to acquire these, as well specific vocational skills.

We believe that if education and training continue on their current course, the UK's future requirement of skills will not be met. The government's rejection of the Tomlinson Working Group's recommendations for a more inclusive system of qualifications will condemn future generations of young people to the same divided and exclusive system of education and training.

Similarly, the UK's adherence to voluntarism in skills building will continue to perpetuate the short term attitude to skills generation by too much of UK industry. The unequal access to and participation in work based learning - with the opportunities going to those who are already well qualified - will remain. This will have a very negative impact on the employment prospects of the least skilled adults, as well as negative effects on the UK's ability to innovate, and to follow innovation with implementation.

We consider that it is necessary and possible to stimulate demand from employers for skills improvements for their own workforce, and also for others not directly employed by them. Employers will be stimulated to invest in training for a variety of reasons: sometimes to improve productivity and thus their commercial advantage over rivals; sometimes by the demands for new products or because of some innovation in production; sometimes because of technological advance. It is also possible for some employers to be stimulated

to assist in encouraging demand from other organisations in their supply chain if this brings with it commercial benefits.

Such employer demand can be stimulated in a variety of ways, including better information on where and how skills training can be obtained, and use of brokers to encourage employer demand for skills. Assistance with some of both the direct and indirect costs of training would be helpful to some employers, especially small and micro enterprises who may not have either the capacity to train themselves or release employees for training .

However, employer demand requires a longer term perspective which perceives training as an investment, not a drain on profits. Current demand by employers for skills and training for skills is all too often constrained by short term perspectives in much of UK industry, and the dominance of shareholder and managerial perspectives which elevate short term profits and dividends above long term growth, stability and increases in productivity. Positive attitudes towards training could be encouraged and facilitated by government taking a more interventionist role in relation to stimulating demand for training. This could be undertaken through moving from the voluntarist approach to skills and introducing some underpinning legislation, and by introducing further incentives, such as fiscal measures, to reward and encourage employers who do invest in training.

UCU as the main union representing academic staff in post compulsory education and training is strongly of the opinion that the UK's future skills needs can best be met by skills being produced through the country's education and training system, including its schools, colleges and universities, working in partnership with training providers and employers.

Schools provide young people with the fundamental and underpinning general knowledge and motivation for skills generation in later life. Colleges continue these processes with young people towards the end of - and immediately after - their compulsory education, and supply young people and adults with both specific vocational and more general occupational skills. They also enable adults returning to learn either to equip and/or re-equip themselves with new skills for the labour market. Higher education provides higher level skills, and knowledge through research that can promote innovation. Training providers can deliver niche and specialist training, as well as fill the gaps left by public bodies. Employers can provide job specific training and valuable additional sites for learning.

We consider that the education and training system could be improved by the introduction of underpinning legislation around training and by increased investment in education and training, so that providers can pay decent wages and have proper conditions of service enabling them to recruit and retain committed and high quality staff.

We welcome the growing role of unions in promoting training in the workplace, through the 12,000 trained Union Learning Representatives to date, and look

forward to the Union Learning Academy set up by the TUC to strengthen the ULR network.