

Department for Business Innovation & Skills (BIS)

Skills for sustainable growth – Strategy document

Key points¹

1. The BIS strategy 'Skills for Sustainable Growth' sets out the new direction for skills policy.

The strategy is founded on 3 principles:

Fairness: The Government will ensure that funding for adult education is refocused on those who need it most. It will support adults who lack the basic skills they need to access employment and support the unemployed who are actively seeking work

Responsibility: Employers and citizens must take greater responsibility for ensuring their own skills needs are met. Quality of information will be improved as will access of info through the new all-age careers service.

Freedom: Control should be devolved from central government to citizens, employers and communities so they can play a greater role in shaping services to ensure that they meet their needs efficiently. Funding will also be simplified so that providers can effectively respond to the needs of business and learners.

2. The strategy aims to achieve a shift in the way skills are delivered, and the impact of that skills delivery, through a series of changes that will:
 - Support business to lead on the economic recovery
 - Provide support for the most disadvantaged
 - Create efficiencies through redirecting public funding and developing models that require higher levels of employer or learner co-funding
 - Reduce bureaucracy in relation to funding and monitoring, creating greater freedoms and flexibilities for providers
3. Two of the major focuses within the strategy relate to Apprenticeships, which are seen as a key way of providing people with the training and skills for employment (there is a commitment to 75,000 additional adult Apprenticeships by 2015), and to Level 3 qualifications, with the aim of making this the default level to which people aspire.
4. The strategy sets out a number of changes in relation to funding. These include:
 - introduction of government backed loans for all learners aged 24+ (except those on employment related benefits) undertaking Level

¹ LGIU briefing: <https://member.lgiu.org.uk/briefings/2010/Pages/201000816.aspx>

3 and 4 qualifications, (repayments starting at an income of £21,000)

- Basic skills and Adult and Community Learning continue to be funded, but ESOL for people in employment will be ceased, and the Educational Maintenance Allowance (EMA) which supports 16-18 year olds in further education is to be replaced by a much lower value scheme of learner support (approximately 1/7 of the size of the EMA budget)
 - Further information is set out in the accompanying BIS Skills Investment Strategy 2010-11, in which is detailed the 25% reduction in funding for adult learning and skills over the next four years
 - A £50 million 'Growth and Innovation Fund' will be created which will support projects devised by Sector Skills Councils (although other organisations can bid for funding)
 - There will be some co-funding of Level 2 training for small and medium sized enterprises.
5. The commitment to support for those on out-of-work benefits is through the new Work Programme, and schemes based on payment on results for FE Colleges and private providers delivering job-related training.
6. The aim of simplifying the education and skills structures will be delivered via the ceasing of public funding for a number of bodies (including learndirect), as well as a 'lighter touch' model of funding and monitoring that enables colleges and private training providers to move funding between budgets, for example.

The Skills Funding Agency (SFA) will implement a minimum contract level, with the aim of achieving savings through reduced interactions between colleges / providers and the SFA, although there is a risk that this will result in a loss of local expertise.

Whilst the channeling of funding directly to providers may look to the Government's localism agenda, there is a tension in the fact that this system provides no direct route for local partners to determine, as opposed to try to influence, delivery.

7. Colleges and training providers will be expected to provide more information to enable learners and employers to make decisions about the suitability of their offer.
8. A relationship between colleges and training providers and Local Enterprise Partnerships (LEPs) is expected to develop so that the skills and education offer is aligned to the economic environment, and any issues with the local skills and education offer should be addressed via the LEP. LEPs will have no formal role, however, in relation to directing or controlling skills provision.
9. Every adult will be offered a Lifelong Learning Account. This will provide access to the new FE student loans and other forms of

financial support for learning, such as an enhanced discretionary learner support fund; and allow adults to signal where they have demands for learning that are not being met. An account will also provide incentives for learning, including a means of recognizing the social contribution made through volunteering. Accounts will provide access to personalised information on training already achieved and information on the wage and employment benefits of different courses.

10. A new National Careers Service will be established, providing clear information to all learners about the options open to them and the benefits of particular training. Lifelong Learning Account holders will be able to access the service alongside the personalised information in their account. The new service will provide face to face support for those learners with the greatest need.
11. Evidence suggests that people in the UK, while being supportive of enterprise and entrepreneurs, tend to favour employment as a career option. Often this decision is based on poor information or knowledge about the risks and benefits of running a business and the skills needed to do so.

To address this there will be a focus on enterprise learning facilitated through the National Enterprise Academy with strong practical enterprise and entrepreneurship training.

BIS Skills for Sustainable Growth:

<http://www.bis.gov.uk/assets/biscore/further-education-skills/docs/s/10-1274-skills-for-sustainable-growth-strategy.pdf>

BIS Skills Investment Strategy 2010-2011:

<http://www.bis.gov.uk/policies/further-education-skills/funding/skills-investment-strategy>