



Guidance on Preparing Your Action Plan to Fulfil the Skills Pledge

1. What's this guidance for?

Since the first mention of the Skills Pledge in the Leitch Report, and particularly since many departments took the decision to make the Pledge in April 2007, Government Skills has been answering questions on its nature and likely implementation. We have drawn together all of our current advice on the Pledge into this document.

This document provides guidance to those who have already made the Skills Pledge on drawing up their action plans to fulfil its requirements.

The guidance given covers important questions about the nature of the Skills Pledge ('What does the Skills Pledge require?'); its resource implications ('What will it cost?'); and finally some indicative milestones that you may want to include in your plan (Milestones).

Since making the Skills Pledge last year, Government Skills has been working with departments to develop "Building Professional Skills for Government – a strategy for delivery", published in April 2008. Departments have been asked to produce skills strategies in response to the government Skills Strategy. A feature of these strategies is addressing the following target:

"each Department to show how it plans to make progress towards attainment of 95% by the end of Year Three (2010/11)."

The guidance in this document has been reviewed to help departments address this target.

Government Skills

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2. What does the Skills Pledge require?

The requirement of the Skills Pledge is to help your employees gain basic skills and a full level 2 qualification, where they do not already have them. Basic skills in this context means at least level 1 literacy and at least entry level 3 numeracy. You may want to consider whether the level required for your organisation is higher than this. Lord Leitch placed an emphasis on individuals to attain at least a full level 2 qualification because evidence shows that qualifications at this level underpin an individual's employability and future progression in the labour force.

There is an important distinction to be made between a full level 2 qualification and any qualification at level 2. Some of the latter are very narrow and would not provide the broad platform of skills that employees need in a modern workforce. For example, a health and safety certificate might be at level 2, but it might require only a few hours of learning. Full level 2 qualifications are those that provide roughly the depth and breadth of skills equivalent to 5 good (A*-C) GCSEs.

The Skills Strategy White paper (*21st Century Skills: Realising Our Potential 2003*) introduced a 'level 2 entitlement' that ensured that all adults (19+) in England without a first full level 2 qualification were entitled to a funded place to attain an appropriate qualification. A first full level 2 qualification is 5 A*-C GCSEs, level 2 NVQ, or any vocationally related qualification over 325 guided learning hours, e.g. BTEC First Diploma. Alternatively, older qualifications such as Intermediate GNVQ or 5 CSEs at grade 1 also count as appropriate.¹

2.1. How do I know if my employees already have a full level 2 qualification?

The issue here is one of volume, in terms of guided learning hours and demand, in terms of level. A single GCSE grade A*-C or an NVQ level 2 are both qualifications at level 2. However, Leitch defines being qualified at level 2, or a full level 2, as 5 GCSEs grade A*-C or vocational equivalents, such as an NVQ level 2. Qualifications that would show that an employee has already achieved this level include:

- 5 'O' Levels or GCSEs at Grade C or higher
- 1 or more A levels
- 2 or more AS level qualifications
- Any NVQ at level 2
- Apprenticeship at level 2
- BTEC, SCOTVEC First or General Diploma or Edexcel First Diploma
- Intermediate GNVQ
- City and Guilds Craft Part 2

¹ There is a National Learning Aims Database which lists the full level 2 qualifications eligible for entitlement funding.

- RSA Diploma
- SCE Higher (1 or 2)

Lord Leitch also calls for qualifications to be gained in economically useful disciplines. It is for employers themselves to determine what the qualifying subject areas are. Government Skills can work with central government employers on this issue if required.

2.2. What level 2 qualifications should I support low skilled staff to get?

Each Government Department or agency will have its own business priorities, which should drive its staff development strategies. Current qualifications that would support your full level 2 commitment in the Skills Pledge include:

- Any relevant NVQ at level 2, such as the NVQ 2 in Business Administration
- Any other vocationally related qualification with 325 notional guided learning hours or more
- Apprenticeships at level 2
- Some younger employees may feel that completing their initial education by upgrading their current GCSEs to 5 at Grade C or higher would be worthwhile, but this is likely to be less appropriate for older employees who might benefit more from a relevant vocational qualification

The guidelines above relate to qualifications in the current National Qualifications Framework. The government is aiming to introduce a new flexible credit-based national framework for qualifications, so new full level 2 qualifications developed for the revised system will be subject to a new definition. Again, Government Skills can provide further advice if you are in any doubt, at the appropriate time.

2.3. What does 'fulfilling' the Skills Pledge really mean?

The target set for government departments is:

"each Department to show how it plans to make progress towards attainment of 95% by the end of Year Three (2010/11)."

There is no set trajectory for meeting this target. One of the issues departments will have to consider is how they intend to make progress towards meeting the target. This should link to skills development objectives more generally.

2.4. Who is covered by the Skills Pledge?

Your whole workforce. Central government departments making the Skills Pledge are expected to make it on behalf of their agencies as well as for their core staff. In due course, and with sufficient preparatory work, departments should seek to extend the Skills Pledge to cover their NDPBs.

Many have expressed the hope that the Skills Pledge can eventually be extended to suppliers, as a consideration or condition on taking their services,

but further work remains on the precise regulatory basis for doing this. The issue of covering suppliers is currently under investigation by the Economic and Domestic Affairs Secretariat of the Cabinet Office, and Government Skills will keep you informed of the outcome. In the meantime, advice on the freedom to include skills considerations within current procurement rules can be obtained from the Office of Government Commerce.

2.5. How does Leitch fit with action to address literacy and numeracy skills?

Government departments have committed to playing their part in strategies to address literacy and numeracy skills needs. Addressing literacy and numeracy skills needs go part-way towards meeting the Skills Pledge and so, if you are already taking action in this area, it will help your overall progress.

All sorts of support is open to all and is widely available, both in terms of advice to employers and provision for individuals. The type of support that may help you with your Skills Pledge action planning includes helping staff assess their current skill levels; signposting relevant training and resources; and evaluating progress.

3. What will it cost?

This section provides a basic framework for you to determine the cost of the Skills Pledge to your organisation.

There are a number of important considerations in assessing the cost implications of the Skills Pledge. These considerations, once assessed, should provide a greater level of reassurance for you to move forward. Important factors in what it will cost your organisation to make the Skills Pledge include:

- *Baselining*: you will need to find out how many of your current workforce lack basic skills and a level 2 qualification
- *Timing*: by the end of 2010/11

The cost of the Skills Pledge also depends to a great extent on your own decisions about how much supporting benefit you will provide your employees—such as whether you choose to provide them with paid time off for training; contributions to course fees; or mixtures thereof.

3.1. Baselining

Many departments have had problems with availability of accurate and current data from their HR record systems. The Government Skills employee survey, conducted in summer 2007 suggested that around 15% of staff in central government lack a level 2 qualification. This will vary depending on the type of department. Large operational departments, such as those found in the HMRC, DWP or the Armed Forces, may have higher numbers of staff needing to gain a level 2 qualification, while smaller, more policy-focussed workforces, will have smaller numbers.

3.2. Timing

Making the Skills Pledge is a commitment which needs to be supported by an action plan tailored to your individual baseline and resources.

If we assume that up-skilling someone to level 2 costs on average £1,000 including VAT (and costs will vary substantially depending on the supporting benefits that you choose to provide and the price of the provision that you procure²), then:

15% of a 1,000-strong organisation would put the cost of having everyone educated to level 2 at £150,000

² This amount is purely an example based on a quotation that one department has obtained from one particular provider.

However, the target is 95%, which means that this would cover 100 staff and cost £100,000.

This cost can be spread over the 3 years and will therefore cost £33,000 per year (not accounting for any price adjustments in that time).

The bigger costs are going to be related to time off to undertake qualifications and a key to getting buy-in will be to look for ways to minimise this impact and to maximise the benefits gained from the learning undertaken.

4. Milestones

Important milestones that we suggest you include in your action plans include the following. You may want to include many others; we have merely suggested the ones that we judge to be critical.

- *Baseline determined*
As discussed, you can determine your baseline using the Government Skills Employee Skills Survey; your own records; or other data / benchmarks. If you are unable to obtain a single figure then you may have to settle for a range, such as 'between 5 and 10%'.
- *Target(s) agreed* The target set for government departments is:
“each Department to show how it plans to make progress towards attainment of 95% by the end of Year Three (2010/11).”
- *'Help' defined*
This is an important point in your planning: when you decide what exact mix of help you will give to those seeking to gain basic skills and level 2—whether paid leave, help towards course costs, a mixture thereof, or other support. Your help need not be available to all eligible employees in any one year; you may need to ration it according to your business needs.

You should also include in this milestone your decision on what subjects you will support, or a least your protocol for making sure that subjects studied are relevant to your work.
- *Communications plan initiated*
Your communications plan should have as its aim to make all of your employees aware of the Skills Pledge and what actions you will be taking as a result of it.

Your communications planning could include consideration of delivery channels, and particularly the role of line managers. Line managers can help identify gaps and encourage people to fill them, but they may need some persuading and, at a basic level, they may need to be made aware of the entitlement that employees have under the Pledge. Unions and their learning reps can also play an important part in helping spread the message, including through links with the Skills for Life agenda.
- *Initial six month review*
We suggest that you review your implementation of the Skills Pledge six months in, and thereafter annually (as below).
- *Annual review*
You should aim to monitor your progress at least once a year, as your data allow. This review would be assisted if you kept details of each time that sometime achieves level 2 as a result of your efforts under

the Skills Pledge. Your annual review could be linked in to your updates of your overall Skills Strategy.

- *Target(s) achieved (within tolerance you set)*

By this point, you should have begun to think about your future ambitions for raising overall skill levels in your organisation—e.g. whether you may wish to aim for level 3.

5. Contact

Please direct all enquiries to:

Brigid Feeny
Government Skills
First Floor, Kingsgate House
66–74 Victoria Street
London
SW1E 6SW
Phone: 020 3300 8960
Email brigid.feeny@government-skills.gsi.gov.uk

ANNEX: SUMMARY OF LORD LEITCH'S RECOMMENDATIONS OF DEC. 2006

Lord Leitch paints a stark picture of the skills challenge facing the UK, outlining our relatively poor record against our leading competitors. His report says that the scale of the problem appears daunting given that, even if the existing ambitious PSA targets for skill development are achieved, we will not be significantly better off in 2020 than we are now – in effect 'running to stand still' given competitors' gains. Becoming 'world class' is therefore a moving target; one that is increasingly difficult to achieve.

Lord Leitch reminds us that over **70% of the 2020 workforce is already in the labour market**. Affecting a step-change in attitudes to continuous skill development by employees and employers is therefore essential, as is ensuring that the flow of low-skilled individuals is reduced. Despite the scale of the challenge, Lord Leitch is optimistic that the UK can become a world leader in skills. His principal recommendations to this end are as follows.

- A new ambition to achieving world class skills, with targets for 2020 that:

- 95% adults have basic skills of functional literacy and numeracy (from 85% & 79% in 2005)
- 90% or more of adult population are qualified to at least level 2 (from 70% today)
- We shift the balance of intermediate skills from level 2 to level 3
- Exceeds 40% of adult population qualified to level 4 or above (from 29% in 2005)

Lord Leitch recommends that all publicly funded, adult vocational skills in England, apart from community learning, go through **demand-led routes by 2010** (Train to Gain and Learner Accounts). He further calls for a campaign to encourage all employers to make a **skills pledge that every employee be able to gain basic skills and a full level 2 qualification**. The government should review progress against this aim in 2010, says Lord Leitch, and if insufficient progress is being made, it should introduce a statutory entitlement to workplace training for individuals without a level 2 qualification.

- Strengthening the voice of employers through the creation of a single, employer-led Commission for Employment and Skills (CES): delivering leadership and influence within a national framework. The commission will be created out of the SSDA and the NEP.

- A new, clearer remit for Sector Skills Councils: a remit focussed on raising employer engagement, demand and investment; leading on sectoral labour market data; and considering collective measures. SSCs should also be responsible for approving qualifications, finds Lord Leitch, with only those vocational qualifications approved by SSCs qualifying for public funding.

- Employers to drive up attainment of intermediate and high skills: including in apprenticeships, led by SSCs and skills brokers. As with qualifications, SSCs should control the content of apprenticeships and set attainment targets by sector to try and **boost the number of apprenticeships in the UK to 500,000 by 2020**.

- A new offer to adults to help further embed a culture of learning across the country: raising awareness and aspiration; making informed choices; and ensuring individuals can afford to learn. All adult further education funding for individuals should be channelled through Learner Accounts by 2010, recommends Lord Leitch.

A new integrated employment and skills service. This includes a:

- New programme screening benefit claimants and help with their basic skills
- New universal adult careers service providing market focussed careers advice
- New objectives for employment & skills services: sustainable employment and progression
- Network of Employment & Skills Boards giving employers central roles in recommending improvements to local services, mirroring national role of CES.