

## In Demand

Adult skills in the 21st century – part 2:  
an action plan for adult skills in the 21st century



Change is happening fast in every aspect of our lives – at home and in the workplace. Modern businesses know that to survive they must adapt. And to adapt, they need a flexible and skilled workforce.

Better skills mean better productivity, and higher incomes for all. A workforce with the right blend of skills helps create and sustain vibrant and successful businesses – the bedrock of national economic success.

This Government has made progress on raising standards in schools, revitalising our system of apprenticeships and increasing participation in higher education. So the workforce of the future will be more highly skilled and productive than ever before.

But the challenges we face are still immense. High drop-out rates at 16. Most shameful of all, 7 million adults lacking basic literacy and numeracy skills. Six million more lacking the skills necessary for progression. Low levels of craft and intermediate qualifications in our workforce.

We need to tackle this legacy of poor skills among adults. This is why I commissioned the Strategy Unit to develop a more strategic approach to workforce development.

The unit's first report *In Demand: Adult skills in the 21st century* (November 2001) set out proposals for a more demand-led system. It placed development of skills firmly in the context of wider business needs. It meant employers and employees have a central role in determining the nature of provision.

For too long skills development has been based on what is provided – not what is needed. I believe that for Government to deliver improvements, public services have to be rebuilt around the needs of customers.

This second report represents a comprehensive action plan for workforce development in England to 2010. Devolved administrations are taking forward complementary approaches.

The plan reflects the experience being gained from pilot programmes to test various ways of raising demand for training among companies and their employees. It also takes forward the action signalled in this year's Spending Review to tackle the legacy of low skilled adults in the workforce. It sets these in a strategic framework for the development of policy.

In the Spending Review we announced new targets for raising the level of the lowest skilled – improving the basic skills of 1.5million by 2006. We committed to increasing the numbers of young people going on to a Modern Apprenticeship. And we are setting new long-term targets for the number achieving level 2 and vocational qualifications. These targets map out our aspirations. Together with other related targets they will lead to real improvements in the skills of our workforce.

In achieving them our emphasis is upon testing new approaches. Approaches that minimise bureaucracy while retaining safeguards and avoiding any unjustified regulatory burdens. So we are piloting innovative approaches to better joint working at a regional level. And we will review the use of the education budget for over-19s to make it more responsive to the needs of businesses and individuals.

Actions on the ground are what matters if we are to achieve the goal of a more skilled workforce. That's why I have asked the Delivery Unit to monitor closely progress on improving skills. Delivering this change will be a priority for Ministers from the key Government departments.

Government can provide the right context and funding, but it cannot act alone. Workforce development is about businesses having a clear understanding of the skills their workforce needs. It is about individuals knowing what skills they need to improve their prospects of promotion. It is about training providers responding to these demands.

We all want a more prosperous and inclusive country. That can only be achieved by a partnership of government, employers and employees.



Tony Blair  
Prime Minister

## AN ACTION PLAN FOR WORKFORCE DEVELOPMENT

The Strategy Unit's first report *In Demand: Adult skills in the 21st century* set out a strategic framework for Government policy in this area. This diagram summarises the actions Government will take to deliver that strategy. Further information can be found in the full report *In Demand: Adult skills in the 21st century – part 2* and on the Strategy Unit website at [www.strategy.gov.uk](http://www.strategy.gov.uk)

