

Effects on the Leitch agenda

112. The Leitch agenda is the Government's flagship policy on skills. It is based on the thesis that increasing the skills attainment of the population will increase productivity, skills attainment being measured by the proportion of the working-age population with qualifications. It also contends that employers and learners should determine the amount of provision in the system – only the courses they choose should receive public funding.
113. For the past couple of years, the Government has restricted public funding to courses that lead to full qualifications, to meet the Leitch measurements (even though many employers wanted smaller courses that did not lead to qualifications). In the autumn of 2008, the Government relaxed these rules, in an effort to support training and keep people employed during the crisis. Public funding can now be directed towards courses that do not lead to full qualifications.
114. In January 2009, the House of Commons select committee⁷ that oversees skills released a report highly critical of Leitch. It questioned whether there was sufficient evidence to argue that increasing skills really increased productivity, and whether qualifications really did indicate that a person possessed equivalent skills in a real sense. The report also criticised the machinery of government reforms, saying *'the abolition of the LSC and the establishment of the Skills Funding Agency is likely to lead to considerable further disruption and the reward for this is as yet uncertain'*. The report said of Train to Gain that it *'will only achieve its aim of producing long-term improvements in competitiveness if its brokerage service is more closely tied to helping firms develop more ambitious business plans and more tightly linked to wider economic development and business improvement services'*.
115. As noted above, there is also some concern that Train to Gain will become oversubscribed as it becomes more successful. This could force the LSC to renegotiate contracts with providers, and possibly lead to cuts in revenue (see paragraph 88).

⁷ An LSIS Brief Guide to this report can be found on the LSIS website at <http://www.lsis.org.uk/Libraries/Documents/BGCommonsReport.sflb>