

## The Leitch Review

### Skills in the UK: The long term challenge

Lord Leitch, publishing his interim report, said:

“Skills present a formidable challenge and a brilliant opportunity. They matter fundamentally for the economic and social health of the UK. Despite recent improvement, there is consensus that we need to be much more ambitious and a clear message that the UK must raise its game. This is an urgent task. The scale of the challenge is daunting. Delivering current plans will be difficult. Even then, it will not be enough to supply the skills that employers, employees and our nation needs in order to advance. The UK must become world class on skills – for all of our sakes.”

The Report finds that, over the last decade, the skills profile of the UK has improved because of an excellent higher education system; reforms to vocational training and an increasingly effective schools system. But the UK has much further to go:

- over a third of adults of working age in the UK do not have a basic school-leaving qualification;
- five million adults have no qualifications at all; and
- one in six adults do not have the literacy skills expected of an 11 year old and half do not have these levels of functional numeracy.

The UK is in a strong position with a stable and growing economy and world-leading employment rates. However, UK productivity continues to trail many international comparators and poor skills continue to have a direct effect on social inequality.

Looking ahead to 2020, existing targets mean that skill levels are set to improve with significant reductions in people without qualifications and increases in adults holding a degree. However, the Report concludes that, even though these ambitious targets will be very difficult to achieve, the UK's skills levels will continue to compare poorly in an increasingly globalised world. There is a risk that this will undermine the UK's long-term prosperity.

The Review analyses some ambitious scenarios for 2020 that tackle the stock of low skilled adults without qualifications, invest more in intermediate skills or further increase the proportion of adults with a degree. All show significant economic and

social benefits resulting from higher productivity or employment levels through improving skills.

The Chancellor of the Exchequer, Rt Hon Gordon Brown MP, highlighted the importance of this report, he said:

“To become world leaders in any sector we must become world leaders in education. All of us know that as global restructuring moves mass production to other areas, the UK’s future success will be founded upon high levels of skills. I thank Lord Leitch for this work. With these conclusions a national debate will lead to decisions about our vocational training goals for the future.”

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## NOTES FOR EDITORS

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1. In 2004, the Government commissioned Lord Sandy Leitch to lead an independent review to consider the skills base that the UK should aim to achieve in 2020 to maximise growth, productivity and social justice and to consider the policy implications of achieving the level of change required.
2. Sandy Leitch is Chairman of the National Employment Panel and holds a range of non- executive directorships. He was previously a Chief Executive of Zurich Financial Services (UK, Ireland, Southern Africa and Asia Pacific) and Chairman of the Association of British Insurers.
3. Lord Leitch has consulted extensively in preparing his interim report. Details of those consulted can be found in the interim report.
4. The Leitch Review of Skills will present its conclusions and recommendations to the Government in 2006.
5. Further copies of *Skills in the UK: The long-term challenge* can be obtained from the Review website at: [www.hm-treasury.gov.uk/leitch](http://www.hm-treasury.gov.uk/leitch)

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