

LGA Skills Taskforce roundtable summary: Local coordination of a fragmented employment and skills system

Friday 7 December 2018

Leading councillors and stakeholders from the skills, education and employment sectors met at an LGA Skills Taskforce roundtable in December, where they discussed their concerns and priorities and began to identify common goals for future action. This is a summary of the event.

Background and context

Welcoming the participants, Councillor Sir Richard Leese, Leader of Manchester City Council and co-chair of the Skills Taskforce, outlined the issues set out in [‘Work Local’](#), the LGA’s vision for devolved employment and skills provision.

The LGA is concerned that **the current skills and employment system is fragmented, lacks coherence and is failing those most in need of support to help them gain skills, access employment and escape poverty**. Twenty employment and skills funding streams are managed by eight Government departments or agencies, spending more than £10 billion a year. However, they often fail to meet local need, address economic and social challenges, or make a decisive impact on outcomes.

The current challenges include:

- nine million people lack literacy and numeracy skills
- more than half of all unemployed people do not claim benefits or receive employment support from Jobcentre Plus
- 5.5 million people want a job or more hours
- a growing skills gap by 2024 will result in 4 million too few high skilled people to fill demand and 8 million too many intermediate and low skilled than there are jobs

The LGA’s vision is for combined authorities and groups of councils, working in partnership with local and national stakeholders, to have the powers and funding to plan, commission and have oversight of a joined-up service bringing together advice and guidance, employment, skills, and apprenticeship and business support for individuals and employers. To address the issues above, we need an integrated and strategic approach to skills-based provision, with a wide range of stakeholder partners at both national and local level working to deliver that.

Organisational context

Ten national organisations, think-tanks and charities were represented at the roundtable event, together with local councils and Local Enterprise Partnerships (LEPs). All share a strong interest in making the skills and employment system as effective as possible. They began by summarising the perspective of their own organisations.

Key points included:

- LEPs are keen to work with councils and combined authorities to identify local challenges and opportunities and deliver on skills investment plans (Craig Ivison, Head of Employment and Skills, Cumbria LEP).

“We agree that the current system is fragmented, but the 38 LEPs are in a position to work at a local level with their local authority partners to tackle this.” Ann Limb, Chair, South East Midlands LEP.

- Skills and employment give people the ability to transform their lives, so opportunities must be garnered locally (Councillor Muhammed Butt, Leader, London Borough of Brent).
- Voluntary and community sector partners have to work hard to join things up at a local level, and industrial strategies should have a strong focus on inclusion.

“The Trust has to work hard to join things up at a local level.” Gemma Hope, Director of Policy, Shaw Trust.

- It is important to engage with trade unions as they are experts on the needs of employers and workers. Nationally, priorities around skills are inclusion, improving the high-quality routes to learning, how that can be done at a local level, and access to good quality training, apprenticeships and retraining (Katherine Mackridge, Policy Officer, Trades Union Congress).
- Universities are looking towards greater collaboration with further education and schools to ensure there are local ‘ladders of opportunity’.

“We need to look at skills that are fit for the present and future, not the past, and in so doing we have to think very flexibly.” Professor Quintin McKellar, Policy Network Chair for Innovation and Growth, Universities UK.

- The Institute for Public Policy Research (IPPR) agrees with the diagnosis and prognosis outlined in ‘Work Local’.

“Devolution needs to come with resources and with the ability to raise resources, and councillors should have a much greater influence over apprenticeships.” Joe Dromey, Senior Research Fellow, IPPR.

- The Joseph Rowntree Foundation (JRF) is looking at how growth and skills can help tackle poverty, and what a local industrial strategy that delivers inclusive growth will look like.

“One in six low-paid people manage to escape low pay over the course of 10 years, and that is not enough.” Katie Schmuecker, Head of Policy and Partnerships, JRF.

- There needs to be much greater investment in the skills system at a national level and a strong national system in place (Gerry McDonald, Board Member, Association of Colleges).
- Small businesses need access to an appropriately skilled workforce, with a focus on apprenticeships (Chinara Rustamova, Policy Officer, Federation of Small Businesses).

“One of the most important aspects of the skills agenda, at both the national and local level, is its potential to lift people out of poverty.” Kate Allsop, Executive Mayor of Mansfield.

- There is real diversity in the challenges for different regions and councils (Councillor Judith Blake, Leader, Leeds City Council).
- Workforce is a huge challenge in the NHS – for example there are over 40,000 nursing vacancies and an ageing demographic. Public sector employers need to collectively look at what ‘good work’ will look like in the future and how they can make that happen.

“Public sector agencies have a common agenda on many issues, and a lot of work can be done locally.” Paul Wallace, Director of Employment Relations and Reward, NHS Employers.

Areas for partnership working

The future of work

Councillor Mark Hawthorne, Leader of Gloucestershire County Council and co-chair of the Skills Taskforce, said that in the context of the ‘fourth industrial revolution’, we need to address what the career ladder will look like in the future. It will become normal for people to retrain for multiple careers during their lifetime. Access to high-quality skills training will be important not only for young people, but for all adults of working age. Whatever is delivered in skills, education and employment will have to reflect that changing need.

“Local areas understand the needs of their local economies, and their role in tackling the current skills gap, but this must be reflected in how powers and funding are allocated.” LGA ‘Work Local’

There was consensus that we should work together to have a consistent message on this issue, given the scale of challenge faced nationally and locally in upskilling our workforce to meet our economy’s changing needs.

Apprenticeships

Apprenticeship reform was a key concern for many of those taking part in the roundtable event. Local areas are keen to ensure that as many people and businesses as possible can benefit from successful apprenticeships, but the LGA says they must be given the power and funds to ensure there is a coherent vision for apprenticeships across local areas.

It was acknowledged that the objective is to create parity of esteem between technical and academic education, so that apprenticeships are seen as an alternative to university for school leavers, and also offer progression pathways, including degree apprenticeships, for existing employees – all of which carries value.

At the end of the first full year of the apprenticeship levy (2017/18) there were 369,700 apprenticeship starts in England, down 125,000 on 2016/17 (according to Government figures¹). It was also noted that many levy-paying employers were using their budgets on higher-level apprenticeships.

The questions raised during this discussion included:

- Should apprenticeships be 'rationed' in the future, and how could this be done?
- Government needs to be clear on the strategy and purpose of the levy: is it there for all kinds of skills needs and employer-led, or to rebalance the bias towards training for people without a degree, or to do both and needs to be expanded?
- Is the word 'apprenticeships' putting older people off from accessing valuable training, and should organisations position and package apprenticeships as 'development programmes' to minimise the perception that they are only for young/junior people?

“We don’t want rationing of apprenticeships; we do want more investment to encourage more people to take them up.” Professor Quintin McKellar, Universities UK.

Basic skills

Another area of concern was the perceived failure of the system given that nine million adults have low levels of numeracy and literacy. Stephen Evans, Chief Executive of the Learning and Work Institute, noted that the number of adults in further education learning has halved (down two million) since 2005/06. Since 2010/11, the number of adults improving their literacy/numeracy has fallen by a

¹ page 3 of the House of Commons Library briefing paper number 06113, 4 January 2019 'Apprenticeship Statistics: England' <file:///C:/Users/Rachel/Desktop/SN06113.pdf>

third.²

There was consensus that action on basic skills enables people to move up the career ladder and move out of poverty, making it vital in unlocking the full potential of local areas.

“We must not lose sight of the nine million.” Mayor Kate Allsop, Mansfield.

Councillor Muhammed Butt said Brent Council has been trialling an approach called ‘The Living Room’, working in hard-to-reach communities to help residents develop the skills and confidence needed to get into work. It offers support from a range of partners in one service. “This will not be something simple for us to solve, but we need a targeted approach at a local level.”

Other points made included:

- There is free entitlement to this learning provision, but people are not accessing it: the infrastructure is lacking, and other services are not referring people into it.
- Basic skills is an important element of how we reduce poverty and is at the heart of what ‘inclusive growth’ means.
- People with low skills are less likely to have an employer that is investing in their skills; smaller employers do not see themselves as having that role.
- There is a fragmented approach to tackling basic skills: coordinated activity at a local level is needed to address that.

“We have to think about more flexible and interesting ways of getting people involved who may not thrive in a classroom, through alternative provision. Learning must be open to all.” Gemma Hope, Shaw Trust.

“The Spending Review on the horizon is a real opportunity for lots of voices to be saying the same things on what is needed.” Katie Schmuecker, Joseph Rowntree Foundation.

Funding

“The disparate pots of money are a nightmare. If central government could put that funding into one skills pot, it would enable us to work together much more effectively.” Dr Ann Limb, South East Midlands LEP.

- The current funding system should be reviewed. The separate pots of money are difficult to access, and this disconnect between funds reflects the fragmentation of policymaking by different Whitehall departments.

² Further Education and Skills Statistics: <https://www.gov.uk/government/statistics/further-education-and-skills-november-2018>

- Current funding provision is focused too much on the short term; a longer-term approach is needed.
- The future Shared Prosperity Fund should be devolved out to council areas and should involve longer-term funding to enable testing of new approaches.
- A lot of the pots of funding are capital skills funding; revenue funding would also be useful.

The role of councils

'Work Local' identifies a clear need for councils, working within combined authorities and in sub-regional groups, to take a lead in addressing the skills needs of local economies. This activity needs to operate within an integrated system and link into local industrial strategies.

“The basic message that is coming through is that these are all areas that are best tackled at the local level. Central government needs to let go and let us deliver.” Councillor Judith Blake, Leeds City Council.

- Local areas should talk to local businesses about the skills they require.
- There should be more testing of ideas and initiatives at both local and national levels, for example around engaging hard-to-reach people.
- Where there is already evidence that an approach works, local areas should be able to get on with delivering that.

“We need to be clear about what is it that is going to work nationally and what is going to work locally.” Gerry McDonald, Association of Colleges.

Devolution and decentralisation

Councillor Sir Richard Leese said that rather than being an either/or situation, devolution involves a local/national partnership delivering on ambitions in the most successful way. For example, the 'devolution' of health and social care has been a mix of devolution and decentralisation. Much of it is set nationally, but with the flexibility to address local circumstances. This is the approach being advocated for employment and skills through 'Work Local'.

The LGA says local leaders are ready to work in true partnership with the Government to reduce worklessness and create good employment opportunities across places, but Government must commit to ensuring that national agencies put practical mechanisms in place to allow local areas to lead employment support.

“This is an offer to Government about how we can make what they want to do work better for them.” Councillor Sir Richard Leese.

Roundtable participants made the following points:

- Local partners need to demonstrate a degree of 'joined up-ness' that is not in place at Government level.
- Evidence of what works could be gathered and presented, jointly badged where possible.
- There will be real benefits to a united approach in taking these ideas forward and to an integrated approach to the forthcoming Comprehensive Spending Review.
- The LGA is keen to explore, with other organisations and partners, areas where they may be able to work together.

This was the first of three LGA Skills Taskforce roundtable events. Future events will look at 'careers and retraining for a changing local economy' (February 2019) and 'the future of work' (March 2019).

For further information, please contact Jasbir Jhas, LGA Senior Adviser for Employment and Skills: jasbir.jhas@local.gov.uk

List of organisations represented at the Skills Taskforce roundtable, Friday 7 December 2018:

Local Government Association

Association of Colleges

Association of Employment and Learning Providers

Federation of Small Businesses

Institute for Public Policy Research

Joseph Rowntree Foundation

Learning and Work Institute

NHS Employers

Shaw Trust

Trades Union Congress

Universities UK

Cumbria Local Enterprise Partnership

South East Midlands Local Enterprise Partnership