

Adult Skills and the Transition from the Learning and Skills Council

Summary

This paper updates the Board on adult skills decision making and funding, and asks members to comment on the issues raised.

Recommendations

- That members note the report and comment on the issues raised.

Action

- Officers to report Board views in the brief for Councillor Eaton's meeting with government ministers to discuss regional skills strategies.

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Background

1. Local government has a strong interest in the organisational landscape for making the strategic decisions about adult skills. For some time the LGA has made the case for councils, acting sub-regionally, to take these decisions. In particular, we have made the case for Employment and Skills Boards and the devolution of adult skills decision making and funding through “Section 4” powers which allow the Secretary of State to delegate these functions.
2. There is a strong economic logic underpinning our position – labour markets tend to function at sub-regionally based on travel to work areas. Many of the skills gaps are the result of sub-regional clustering of economic activity – for example, for nuclear engineering skills in Cumbria, Somerset and Suffolk.
3. The development of the Skills Funding Agency – the new national body for funding adult skills which replaces the Learning and Skills Council from April 2010 - has been marked by differences about how it will operate. In an earlier formulation, it was to be a strategic funding body. As the recession took hold of the economy, government took the view that it should be a more interventionist body. We campaigned against this.
4. More recently, the government has been considering the relationship between the new Skills Funding Agency (SFA) and the Regional Development Agencies.
5. The government’s view coalesced over the summer. Lord Mandelson set out his views on the lead role of the RDAs in identifying the regional skills needs as part of the integrated regional strategy. The skills element would become a binding investment plan on the SFA. This would bring skills within scope of joint decision-making between RDAs and regional boards of local government leaders. However, government plans for the devolution of Section 4 powers to Leeds and Manchester city-regions also continue on track.
6. In August, we asked for a meeting to clarify government’s intentions, and Councillor Margaret Eaton and the chairs of regional leaders’ boards have been invited to meet Kevin Brennan and Rosie Winterton on 1 December.
7. We will want to explore:
 - How the funding decisions will work in practice - whether there are regional allocations, how they will be determined and whether the RDA mandate relates to the mix of training provision within a given allocation;
 - The process envisaged for developing the skills strategies including the relationship between council’s economic assessments and regional skills strategies;

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- The extent to which government will want to see its sectoral priorities – for say digital industries or bio-technology – reflected in the strategies;
- The respective responsibilities of the RDA and the SFA, and the role of Ministers in “signing off “regional skills strategies.
- The future evolution of the skills element of MAAs and the further use of Section 4 powers.

Financial Implications

8. None arising from this report.

Implications for Wales

9. Adult skills provision is a devolved matter. This paper applies only to England.

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