







Economy and transport

Local learning and skills conversations:

new responses to local needs

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Setting the scene

Representatives from business, councils and colleges met in early October 2010 to discuss how to promote local economic growth through learning and skills in a climate of severe funding constraint¹. The event, arranged jointly by the Local Government Association (LGA), 157 Group of colleges, and the British Chambers of Commerce (BCC), took place ahead of the spending review announcements but their probable impact was, inevitably, a major consideration.

Many of the issues raised – improving collaboration and progression, working smarter, increasing cost efficiencies – are not new, and strategic partnerships of different forms are already working hard to address them. However, the context is changing profoundly.

A critical role for the LEPs will be identifying how to deal with market failures, both for organisations and individuals. This is likely to include the match and fit between local demand for skills and the availability of suitable provision. Greater freedoms for providers to respond more flexibly to that demand will replace existing target-driven planning and funding arrangements.

The government frameworks for these new arrangements will unfold over time through expected white papers and legislation. But local actors are not waiting that long. Echoing the spirit of the October meeting, providers and business are already 'getting on with it' and identifying what needs to be done to make local conversations work for local learners.

Deep cuts in public funding, economic rebalancing to locate private sector growth and enterprise at the centre of economic policy, and a shift in the Government's spatial thinking from regions to local geographies, means an unprecedented focus on working arrangements at local level. Structurally, the new Local Enterprise Partnerships (LEPs) are intended to strengthen existing ways in which public funders, working with business and learning and skills providers, can identify the employment and economic needs of their areas.



¹ See Annex A for details of LGA, 157 Group and BCC attendees.

Common ground

The pragmatic and positive tone of the October discussions suggests significant ground for shared objectives and work on solutions. For example, all three groups are comfortable with:

- a demand-led skills system based on well-informed choice, supported by good intelligence and high-quality information, advice and guidance (IAG)
- spaces for strategic conversations between business and providers about learning and skills including, but not limited to, LEPs
- greater freedoms and flexibilities for providers to respond to local demand.

We strongly endorse the drive from centralism to localism and are sceptical of a tendency for Whitehall to seek to 'build a system' for learning and skills – to borrow a phrase used frequently in the BIS consultation document – which seems in tension with the Government's commitment to real learner choice and the radical devolution of decision-making power and responsibility to local levels. And we agree on the need for a much sharper focus on the effectiveness of public investments and their possible future redeployment in the interests of local learners and the economy, with the challenge that offers to existing interests and histories.

We welcome the renewed impetus for institutions to work together and eliminate unnecessary competition but see in the Government's enthusiasm a need to make

existing successful collaboration more visible at a policy level – LEPs should be the vehicle of choice. We agree that to succeed in fostering local economic growth, strategic partnerships, including LEPs, require robust labour market intelligence and the freedom to develop local accountability.

Similarly, we support a bureaucracy-busting reduction to a single funding agency for colleges and other providers (saving some £100 million annually), and a simplified qualifications system with fewer awarding bodies and more qualifications, including unit-based approaches, that reflect what employers and other constituencies need and value.



Three perspectives

Inevitably, we also have sectoral perspectives on the issues. Synopses of these were offered in brief presentations at the October meeting and are summarised below.

British Chambers of Commerce

The BCC is the national body for a Network of Accredited Chambers of Commerce across the UK; a network that directly serves not only its member businesses but the wider business community.

Paul Thomas – Chair of BCC Skills Policy Group and Skills Policy Advisor, Manchester Chamber of Commerce

- Skills supply is not exclusive to Further Education (FE) providers. Employers spend £39 billion annually and, typically, are prepared to pay for value-for-money provision.
- Incoherence, instability, excessive bureaucracy and complexity, insufficient flexibility and responsiveness, inadequate IAG, and mismatches between demand and provision are all major supply-side problems in the skills market.
- Improvements will entail closer working between providers and employers including through the LEP mechanism, and greater emphasis on generic skills and STEM subjects².

- Local authorities are urged to address inadequacies in pre-19 IAG and provide a strong lead on skills, including working with employers to ensure the LEPs function well.
- Chambers of Commerce can contribute by: explaining the new skills environment to local employers and encouraging them to engage with learning and skills providers; and researching the skills needs of their members.

157 Group

The 157 Group is a membership organisation that represents 28 large, regionally influential Further Education colleges in England. Its members are key strategic leaders in their locality.

Peter Tavernor – Principal, The Manchester College

- The current environment public expenditure cuts and structural changes – offers a real chance to assess prevailing patterns, challenge the effectiveness of existing spend and do things differently. Economic geography, through the LEPs, will rightly replace compensatory forms of investment in areas with least impact on GDP.
- "LEPs give us a real chance to do things differently."

² Science, Technology, Engineering and Maths

- Rapid, consensual local government reform is already being driven by the fiscal climate, along with a challenge to existing council functions and new scope to reconfigure service delivery through other providers.
- College rationalisation should be determined sub-regionally. The products of £500 million capital expenditure on colleges over the last 12 years must be looked at in new ways to get maximum benefit, for example, through combining facilities such as libraries.

Local Government Association

The LGA is a voluntary, membership body. Its 422 member authorities cover every part of England and Wales, together representing over 50 million people and spend of around £113 billion a year on local services.

lan Forward – Head of Community Learning and Skills, Kent County Council

- Learning and training for economic growth needs to be delivered in diverse ways and with multiple points of entry into provision.
- Adult and Community Learning (ACL

 or more informal, non-accredited
 learning) makes a direct contribution to
 the economy by offering opportunities to
 acquire vocational and transferable skills
 that work particularly well for adults less
 suited to more conventional skills-based
 programmes.
- "Adult learners make the journey in different ways. We cannot assume the motorway network meets all needs. The A and B roads are important also and sometimes those unclassified roads provide access to the main routes."

- The Minister for Skills, Lifelong Learning and FE, John Hayes, has spoken of a 'continuum of learning' that can deliver progression and achievement for all adults. More advantaged learners access the continuum already but it fails many citizens who still find opportunities to learn disconnected and remote. This poses a challenge to providers to balance distinctiveness with their contribution to a local spectrum of opportunity. To enable everyone to reach their potential and maximise available talent in the workforce we need to do things differently and also ensure a varied learning offer.
- "It would be a huge mistake to decide ACL is unaffordable on the grounds it does not contribute to the economy".

In the Bristol area, the local providers, businesses and the local councils are initiating a new voluntary strategic relationship. This is built around working relationships on the ground that make sense. It doesn't need a Local Enterprise Partnership to make it work —it is the local energy that is making it happen.



Successful local leadership of learning and skills

Local authorities, colleges and businesses, working together with local partners, can support and supply the strategic leadership and operational delivery of learning and skills needed for local economic growth and community wellbeing.

We suggest the following six key ingredients for a successful local model.

First - genuine freedoms and autonomy

Government must follow through with the promised freedoms for learning and skills and allow us to develop our own local accountability. We know what works locally - the skills needed to grow the local economy and the differing needs of local communities.

Second - effective localism

The combination of local democratic accountability, expertise, training, committed workforces, networks and entrepreneurship, strengthened by the know-how of local partners (such as voluntary organisations, charities and social enterprises), will provide a sound basis for building local economic recovery and social resilience in tough economic times. It will also help create the right conditions for achieving the three defining goals of the Big Society: social action, public service reform, and empowered communities.

In 2008 Tesco Stores in Derbyshire trained volunteers to become community health champions. Tesco partnered the local adult learning service and trained their own in-store health champions.

A new public library has been opened in Manchester College. It replaces a previously out of date building. Local use has increased significantly.



Third - learners and customers first

Our strategic discussions will be based around the needs of the learner viewed in the local context. This means meeting the needs of business and ensuring community wellbeing. And for the individual, it means raising aspirations, gaining or progressing in employment, acquiring and maintaining skills, enhancing confidence and health, and becoming more active in the community. This reflects the learning continuum identified by the Skills Minister and would provide the 'scaffolding' needed for young people and adults to achieve through the varied, sometimes circuitous routes that are best for them.

Andy is a Chef for P&O Ferries. In 2007 he enrolled at Dover Skills Plus, one of a network of flexible learning and skills centres in Kent. He quickly improved his writing skills and confidence. He has now gained promotion at P&O and helps train junior staff. P&O say they highly value Skills Plus which complements the courses run by their local FE college.

Fourth - efficient collaboration

By working across institutional and organisational boundaries we will free up resources currently wasted through unnecessary duplication, competition and misdirection.

Fifth - opportunities for all

We will put fairness, access and equality at the centre of our plans. Our strategic discussions will include those who aren't there, as well as those who can articulate their own learning and skills needs.

Sixth - shared understanding

Language is critical to purposeful discussion and decision making. We won't take a common understanding for granted but endeavour to make all our communications (across LEPs and other strategic partnerships, and more widely with local employers and communities) accessible and clear. We will work to ensure different sectors' use of language doesn't stand in the way of better collaboration.



Next steps

Our three organisations are committed to working together to ensure the right opportunities for adult learning and training are available at a local level, despite the difficult financial climate. This joint account of our discussions is the first stage.

Through collaboration and working with other partners, we will identify and advance the changing learning needs of localities as they move through the next three years of economic rebalancing and social and economic growth. We will do this by:

- undertaking a piece of short-term, joint research into the availability of local labour market intelligence, its sources and use, and how it can best support the work of LEPs and other strategic partnerships
- promoting and putting into action our ingredients for successful, local leadership with our respective members
- developing opportunities for joint work and discussion with other key partners
- accepting shared responsibility for ensuring organisational boundaries don't override the needs of the learners
- sharing, through our networks, our best practice and the challenges we have worked to overcome.



Annex A

Promoting economic growth against a background of cuts

Participants List		
Christine Braddock CBE	Principal, Birmingham Metropolitan College	
Denise Brown-Sackey	Principal, Newham College of Further Education	
Steve Cameron	Head of Service, Post-19 and Out of School Learning Service, Children and Young Peoples Service, London Borough of Newham	
Mariane Cavalli	Principal, Warwickshire College	
Keith Elliott CBE	Principal, City of Bristol College	
Dan Fell	Head of Policy, Doncaster Chamber of Commerce	
Ian Forward	Head of Service, Kent County Council	
Peter Funnell	President, Suffolk Chamber of Commerce	
Kate Green	Director, Employer Engagement and Partnerships, 157 Group	
Clare Harper	Deputy Head, Adult Education Service, Cornwall Adult Education Service	
Tim Hutchings	Chief Executive, Hertfordshire Chamber of Commerce	
Gareth Humphries MBE	Member, Hertfordshire Chamber of Commerce	
Penny Lamb	Programme Director, National Institute of Adult Continuing Education	
Stella Mbubaegbu CBE	Principal, High College, Portsmouth	
Joe McHugh	Member, Hertfordshire Chamber of Commerce	
Philip Mind	Senior Policy Consultant, Local Government Association	
Chris Minter	Head of Adult Skills and Learning Service, Leicester City Council	
Ros Parker	Service Manager Adult and Community Learning, Adults and Children - Learning, West Sussex County Council	
Chris Payne	Group Director, Planning and Performance, Newcastle College Group	
Paul Raynes	Programme Director, Local Government Association	

Ros Sanders	Principal Officer, Adult Community Learning, Essex County Council
Lynne Sedgemore CBE	Executive Director, 157 Group
Peter Tavernor	Principal, The Manchester College
Paul Thomas	Chair of BCC Skills Policy Group and Skills Policy Advisor, Greater Manchester Chamber of Commerce
Martin Traynor	Chief Executive, Leicestershire Chamber of Commerce
Alan Tuckett OBE	Chief Executive, National Institute of Adult Continuing Education
Cheryl Turner	Senior Policy Consultant, Local Government Association

Local Government Association

Local Government House Smith Square London SW1P 3HZ

Telephone 020 7664 3000 Facsimile 020 7664 3030 Email info@local.gov.uk

www.local.gov.uk



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