
Report to: Employment and Skills Panel

Date: 11 September 2018

Subject: **Skills System Review**

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1 Purpose of this report

- 1.1 To update the Employment and Skills Panel on plans to undertake a review of the education and skills system and to invite two members of the Panel to join the commission that will oversee the review.

2 Information

- 2.1 There is strong evidence to show that the national skills system is not delivering at a local level for areas like the Leeds City Region. The City Region faces a skills deficit relative to other parts of the country, employers find it difficult to get the skills that they need, levels of lifelong learning are low in spite of a rapidly changing labour market and disadvantaged people often find it difficult to access opportunities. Many of these issues can be traced to an education and skills system that undervalues vocational routes, is overly centralised and is inflexible in the face of the needs of individuals and employers.
- 2.2 In response to these challenges, the Chair of the Combined Authority has requested that a radical review of the education and skills system be undertaken.
- 2.3 In summary, the key purpose of the proposed review of the education and skills system is to develop a blueprint for a reformed education and skills system that can contribute to the delivery of the outcomes needed at local level: i.e. the achievement of local economic priorities, the fulfilment of individual potential and the promotion of inclusive growth.
- 2.4 In terms of scope, current thinking is that the primary focus of the review should be on the vocational education and skills system but with consideration

given to the way in which this system interacts with other key policy areas, including compulsory education and employment support services. This would provide the basis for a wide-ranging but manageable study. However, we would welcome the views of the panel on the question of the most appropriate scope for the study.

- 2.5 The review will incorporate a forward-looking perspective, reflecting the fact that the demands placed on the system are set to increase as automation and other developments re-shape the nature of work and the skills required from workers.
- 2.6 The review will assess the current performance of the system, identify future challenges and set out a coherent blue print for a reformed system that can meet needs more effectively at both local and national level.
- 2.7 The findings of the review will be used to inform the national policy debate and to develop our thinking around the powers and responsibilities that can best be exercised at local level in a reformed skills system. The period over which the review will be undertaken is expected to be at least one year, culminating in a conference style event.
- 2.8 Consideration is currently being given to the resourcing of the review. A core project team of officers has been formed within the Combined Authority to take forward the review and a suitable budget to cover external costs is being explored. A project initiation document is currently being drawn up which will provide full detail of how the review will be implemented, including timings and resources.
- 2.9 It is intended that a high level commission, comprising employers, education and training providers, local authorities and thought leaders should oversee the review. The commission would be independently chaired by a high profile employer. Suggestions for a suitable chair and members are currently being gathered. **It is proposed that two private sector members of the Employment and Skills Panel serve on the commission.**
- 2.10 Oversight of the work of the review commission would be integrated within existing governance arrangements. The chart contained within appendix 1 shows the roles of the Combined Authority, the LEP Board and the Employment and Skills Panel with regard to input and challenge and sign-off of review outputs.

3 Financial Implications

- 3.1 The review is currently unbudgeted and costs cannot be met from existing Combined Authority budgets. Financial resourcing of the review is currently being explored.

4 Legal Implications

- 4.1 There are no legal implications directly arising from this report.

5 Staffing Implications

- 5.1 A project team for the review is being formed and currently comprises of existing members of staff from within the Combined Authority.

6 External Consultees

- 6.1 No external consultations have been undertaken.

7 Recommendations

- 7.1 It is recommended that members of the Panel:
- Note the proposals for a review of the education and skills system
 - Provide comments on the proposed scope of the study
 - Consider whether they (private sector members) would like to serve on the review commission
 - Consider how the ESP as a whole can input into the review.

8 Background Documents

None.

9 Appendices

Appendix 1: Developing a future-ready education and skills system: a brief for a comprehensive review