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**Report to:** Employment and Skills Panel

**Date:** 12 September 2019

**Subject:** **Skills Commission and Policy Insight**

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**Director:** Alan Reiss, Director of Policy and Strategy

**Author(s):** Sonya Midgley, Peter Glover

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## **1. Purpose of this report**

- 1.1 To update the Panel on the work of the Future-Ready Skills Commission.
- 1.2 To seek comments from the Panel on the role of technical education and training in meeting the needs of the local economy that will be used to inform a policy statement on Technical Education. Discussion at the meeting will be informed by a short presentation.

## **2. Information**

### **Employment and Skills Plan Policy Statements**

- 2.1 At the September 2018 meeting of the Panel it was agreed that the refreshed Employment and Skills Plan will consist of thematic policy statements, each of which will be separately developed and approved by the Panel.
- 2.2 The statements will ultimately be presented via an online resource (currently under development) that will incorporate the LEP's entire policy framework. This will provide a more agile and flexible system which will be easier to update and will be accessible to the public.
- 2.3 Three policy statements have been approved by the Panel to date, relating to higher level skills, apprenticeships, and careers information and inspiration.

### **Future-Ready Skills Commission for a Devolved UK**

- 2.1 The Future Ready Skills Commission was launched in January 2019, is chaired by Councillor Hinchcliffe, and is made up of leading thinkers from education, think tanks and business (full membership is available via <http://futurereadyskillscommission.com/meet-the-commissioners/> ). Its aim is to set

out a bold and ambitious blueprint of how the skills system can work better for regional and national economies, using Leeds City Region as a case study. The Commission is supported by the Combined Authority, although it sits outside LEP and CA governance arrangements.

- 2.2 The Commission has considered evidence against the three key themes within its scope: technical education, careers information and inspiration and workforce skills. A call for evidence and literature review have been completed and the Commission will now move into a phase of defining the key principles of a Future-Ready Skills System before publishing an interim report in October, and final report in late Spring 2020.

### Technical Education

- 2.3 Technical education and training provides individuals with the technical knowledge and skills required to enter skilled employment. Its scope extends from a level 2, the basic threshold for employability, through to levels 4 and 5 and beyond, equipping people for professional-level employment. Within the Commission's definition, basic skills provision is also within the scope, since literacy and numeracy are preconditions for entry into and progression within the technical education and training system.
- 2.4 The above definition is reflected in the following activities and funding streams:
- Apprenticeships at all levels from intermediate (level 2) to higher / degree level (levels 6 and 7)
  - Technical education study programmes for young people (16-19), soon to be reformed through the introduction of T-Levels
  - Technical and professional education at level 4/5 and above, delivered through further and higher education institutions, in the form of higher and degree apprenticeships, foundation degrees, HNCs/HNDs etc
  - Adult (post-19) education delivered through further education colleges and independent training providers.
  - Basic skills provision and community learning are also included, since they provide an important progression route into mainstream technical education and training.
- 2.5 At local level, and particularly within mayoral areas, a range of activities are underway that seek to provide leadership to the local skills system, including technical education and training. The focus is on making provision more responsive to the needs of the local economy, addressing local skills priorities and reducing the complexity and fragmentation of national skills policy through an integrated and coherent local approach.
- 2.6 At national level there is also a series of policy reforms underway that seek to improve the workings of the technical education and training system, including the ongoing implementation of the apprenticeship levy, the development of T-Levels and the review of Level 4-5 education.

- 2.7 The early findings of the Commission that relate to the technical education agenda are:
- The apprenticeship levy is not enough and is creating a “false choice”, between entry level and high-level provision of apprenticeships. The scope of the levy is limited but there is increasing evidence that businesses are turning to apprenticeships to address all of their skills requirements.
  - Adult learning is in sharp decline. The learner finance system is misunderstood and under-utilised by individuals which has contributed to the decline with adults unclear about which courses would be valued by employers.
  - More investment is needed. There is a lack of fair and sufficient funding within the skills system, particularly in FE. Future funding should take into account the current and future local labour market needs and seek to be more flexible in meeting the requirements of employers.
  - Business engagement with the technical education system needs to be simplified and made local. Businesses are overwhelmed with the volume of choice and brokers seeking to engage with them. At the same time the skills offer does not resonate with many SMEs, and some disengage altogether. A skills offer for business requires local coordination.
  - There should be local influence over the prioritisation of the funding of technical training routes, including T-levels and apprenticeships, at the level of a functional economic area and linked to local skills priorities.
- 2.8. To provide the basis for discussion a short presentation will be given at the Panel meeting that will cover the following areas:
- The current landscape
  - The challenges facing the current system
  - Lessons from the Mayoral Combined Authorities
  - Potential responses to the challenges
  - Questions to inform discussion by the Panel.
- 2.9 The Panel should consider the local implications of this information, including the early findings at 2.7 above.
- 2.10 Panel members will be asked to discuss the following questions after the presentation:
- What should the LEP’s overarching objective be in this area?
  - What should be the key messages to Government on national policy development, including priorities for a devolution deal?
  - How can the LEP engage with employers on this agenda?

### **3. Financial Implications**

- 3.1 There are no financial implications directly arising from this report.

### **4. Legal Implications**

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

**5. Staffing Implications**

- 5.1 There are no staffing implications directly arising from this report, work will be completed within current staffing structures.

**6. External Consultees**

- 6.1 No external consultations have been undertaken.

**7. Recommendations**

- 7.1 That Panel members note the progress made by the Commission and provide comments on the emerging findings relating to technical education.

**8. Background Documents**

None.

**9. Appendices**

None.