
Report to: Employment and Skills Panel

Date: 23 February 2021

Subject: **FE Reform “Skills for Jobs”**

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

Author: Sonya Midgley, Policy Manager

1. Purpose of this report

- 1.1 To update the Panel on White Paper on FE Reform ‘Skills for Jobs’
- 1.2 The panel is asked to consider the reforms in relation to the work of the Panel
- 1.3 The panel is asked to comment on the next steps proposed for West Yorkshire

2. Information

- 2.1 The White Paper on FE Reform ‘Skills for jobs: lifelong learning for opportunity and growth’ is a cross departmental paper, led by DfE that was published on 21 January 2021¹.
- 2.2 The paper is the fifteenth white paper on FE since the 1992 Further and Higher Education Act. The paper contains 35 reforms in five key areas:
 1. Putting employers at the heart of post-16 skills
 2. Providing the advanced technical and higher technical skills the UK needs
 3. A Flexible Lifetime Skills Guarantee
 4. Responsive providers, supported by effective accountability and funding
 5. Supporting outstanding teaching
- 2.3 The three main policy aims of the paper are:
 - Putting employers at the heart of the system
 - Enabling people to upskill and retrain
 - Creating greater flexibility and accountability

¹ The full paper is available at www.gov.uk/government/publications/skills-for-jobs-lifelong-learning-for-opportunity-and-growth

- 2.4 Roles and responsibilities at the regional level are not fully detailed leading to a lack of clarity about the flexibilities to align skills provision with local skills needs. In particular, while Trailblazer pilots are anticipated in early 2021, the details of pilots and implementation have not been set out in the paper and there is a lack of clarity on the geography these will take place in.
- 2.5 Specified statutory functions are devolved to Combined Authorities, including Adult Education Budget, Local Digital Skills Partnership and delegation of the L3 entitlement. Skills Advisory Panels will continue to produce a Local Skills Report. Consequently, West Yorkshire Combined Authority remains responsible for working with key stakeholders to set the strategic economic objectives, and skills priorities in the region.
- 2.6 The Secretary of State will acquire new reserve powers including to intervene locally to close or set up college corporations, bring about changes to membership or composition of governing bodies or review leadership. The Government will be able to intervene quickly and decisively in cases where there are persistent problems that cannot otherwise be addressed, either where colleges are not delivering effectively, or where local providers are consistently unable to deliver the skills priorities for that area.

Key Elements of the White Paper

- 2.7 The following summarises the proposals included in the White Paper. A mindmap of all the reforms is available at Appendix 1.
- 2.8 **Local skills improvement plans (LSIPs);** LSIPs will ask employers to set out an 'evidence-based assessment of skills needs' over 3 years initially and reviewed regularly thereafter. LSIPs will be statutory and *build on the work* of MCAs, LEPs and SAPs, and will feed into the national Skills and Productivity Board. Trailblazer pilot areas will be announced early 2021 and will be led by accredited Chambers. There are two accredited Chambers operating in West Yorkshire; York and North Yorkshire (Bradford, Leeds, York and North Yorks) and Mid-Yorkshire (Calderdale, Kirklees and Wakefield). The Chambers work closely together and collaborate across their agendas.
- 2.9 **Strategic Development Fund ;** the £65m Fund offers capital and revenue funding to groups of colleges to upgrade existing facilities / equipment or to introduce new college business centres. Colleges outside 'trailblazer' areas will need to demonstrate employer support. Further details are imminent.
- 2.10 **College Business Centres;** Supported through the Strategic Development Fund and concentrating on local priority sectors, employers will be connected with others and technical experts to increase productivity and innovation. The model seeks to complement existing business support services, whilst also supporting businesses to navigate the skills system.
- 2.11 **Apprenticeships and traineeships;** From August 2021, levy-paying employers will be able to pledge specific amounts of their levy funds to transfer, and an online levy-transfer matching service will be made available.

- 2.12 **A flexible Lifetime Skills Guarantee;** A Lifelong Loan Entitlement will be introduced from 2025, to the value of four years' post-18 education and can be used over an individual's lifetime. The loan may be used for modules or full years of study at levels four to six. Pilots will be introduced to test models for flexible, modular learning and transferring module credits between providers. Providers will be encouraged to make use of digital and blended learning.
- 2.13 **New Level 3 qualification entitlement;** Allowing adults to obtain their first level 3 (A-Level equivalent) free in 'areas valued by employers' and determined nationally, will be delegated to MCAs. (see agenda item 8)
- 2.14 **Digital Bootcamps** are being piloted, including in West Yorkshire.
- 2.15 The **National Careers Service website** will become a 'single source of government-assured careers information for young people and adults', detailing all learning and careers routes available. Local and national alignment of the National Careers Service and Careers and Enterprise Company is identified as needed.

Responsive providers, supported by more effective accountability and funding

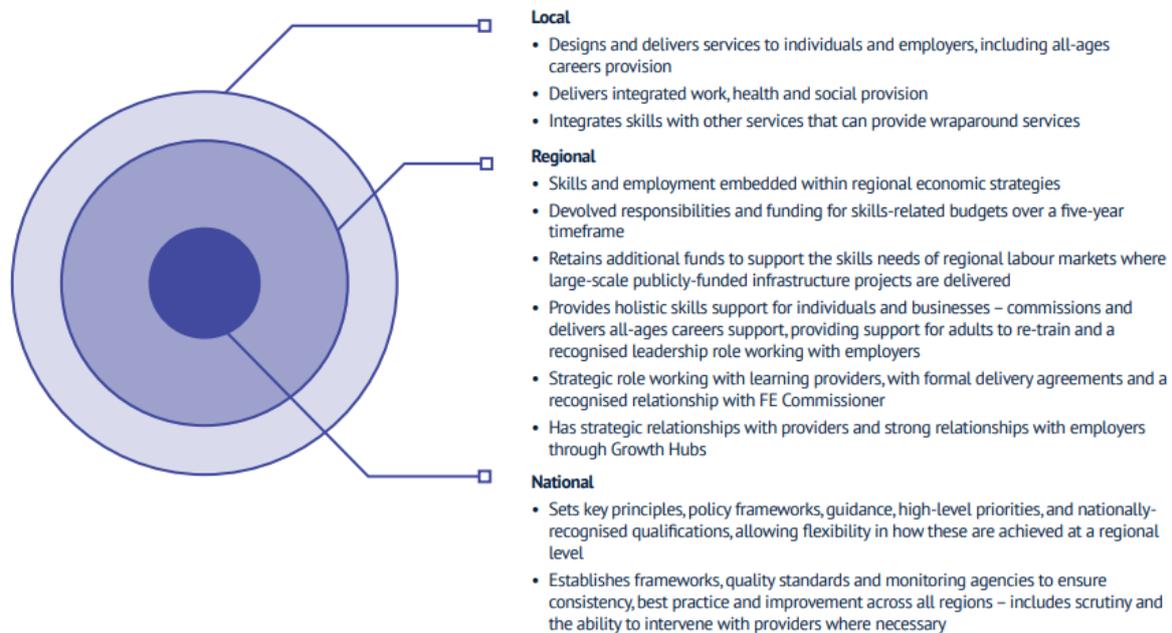
- 2.16 An outcomes-based funding model will be introduced for providers, with strong links to the needs set out in LSIPs. Multi-year funding introduced for providers with allocations being based on needs rather than historical allocations.
- 2.17 **UK Shared Prosperity Fund** programme to provide 'first step' provision in social inclusion, employment and skills for vulnerable adults, and the rest of the system will be aligned accordingly.
- 2.18 **Supporting outstanding teaching;** A national recruitment campaign will be launched in 2021, targeting individuals with industry experience. An employer-led standard for FE teaching will be developed for introduction in September 2021. Industry placements and teaching secondments will be trailed to build networks with employers and update teaching expertise.
- 2.19 **Skills Capital;** The Lifetime Skills Guarantee has already announced £200m during 2020/21 to upgrade college estates. In addition, a Further Education Capital Transformation Programme will provide £1.3bn. T-level providers will benefit from £268m investment over 3 years. There will be an initial focus on increasing funding for 16-19 places, with £83m available from 2021/22 with a review of future demand undertaken ahead of the next spending review.

Responses to the White Paper

- 2.20 There is some commonality between the Future-Ready Skills Commission recommendations and the White Paper. Six of the nine recommendations are touched on in the reforms, although the White Paper mainly deals with a centralised approach to skills, including setting national skills priorities. It does not make the MCA, LEP or Local Authority roles and accountabilities clear in the same way the Skills' Commission blueprint does (see figure 1).

Figure 1; Skills Commission proposed roles and responsibilities within a reformed post-16 skills system

We propose a devolved system that is responsive to the needs of local labour markets and able to meet future challenges and opportunities in the workplace



2.21 The White paper includes proposals relevant to the following Commission recommendations.

- A response to the call for greater investment in training, including investment in facilities and staffing, to meet the current and future regional skills needs. The proposals in the White Paper include a £65m fund to support implementation of LSIPs and College Business Centres, as well as recruitment campaigns and development opportunities for teaching and industry staff.
- The Commission outlined the case that areas are best placed to understand their own skills requirements and implement statutory five-year strategic skills plans to make it happen. Skills Advisory Panels will continue to be funded and new LSIPs will be 3 years initially and then renewed regularly, with the approach to this will be piloted in early 2021.
- The introduction of the lifelong learning loan entitlement for higher technical education for up to four years of study and proposals for credit transfer aligns with the Commission's recommendation to ensure the funding system offers fair access regardless of age, level of attainment, background and learning route.
- Government-backed careers information, occupational maps and access to regional and local labour market information, align with the recommendation for access to quality information about jobs and careers at all life stages. The Commission set out the need for locally rooted careers information and coordinated services.

- The Commission recommended a joined-up approach to business support so that people find the help they need, regardless of route, and that employers should take greater ownership of talent management and skills development. The proposed College Business Centres and LSIPs are mechanisms to do this.
- The Commission recommended that the Apprenticeship system should recognise and resource local areas as the key route for employers and individuals. The White Paper proposes a central, national levy matching system.

2.22 The sector response from West Yorkshire Learning Providers (Appendix 2), Yorkshire Universities (Appendix 3), and Association of Colleges (Appendix 4) are included with this paper.

What is already happening?

- 2.23 There are several existing programmes that respond to local labour market needs and strategic priorities for Employment and Skills agreed with key stakeholders in the region, that support the White Paper proposals:
- [Skills Capital funding](#) through the Growth Deal has enabled FE colleges to invest in world-class facilities to meet current and future skills demand.
 - The [AEB strategy](#) and devolved budget will deliver a more efficient and responsible system to ensure the right training and support offers are made to fill prevalent local skills gaps.
 - [Delivery agreements](#) between the LEP and the seven West Yorkshire FE colleges, ensuring that delivery and curriculum are planned to reflect the region's skills priorities.
 - The [LEP's levy transfer service](#) supports businesses wishing to transfer their unused levy, the sourcing of training providers and managing applications for support from SMEs.
 - ESF [Skills For Growth](#) programme has worked with 90 businesses in its first four months, supporting them to navigate the skills system and access appropriate offers to meet local needs. The programme also encourages employers to collaborate with education providers on graduate recruitment fairs, placements and careers resources.
 - [FutureGoals](#) is the LEP's careers inspiration and information platform, showcasing jobs and careers to help people of all ages choose their career paths, using resources linked to local labour market information and developed in collaboration with employers and education.
 - The School Partnerships includes the [Enterprise Adviser Network](#) and Careers Hubs continue to support secondary schools and colleges to engage with employers and ensure the Baker clause is delivered.

Next Steps

2.24 Further communications will include clarification on the LEP role in relation to FE capital investment and links to strategic priorities and functions.

- 2.25 Following a meeting between Minister for Apprenticeships and Skills and the Chair of the Combined Authority, the Department has committed to continue working with the Combined Authority on implementation of Trailblazer pilots to support the delivery of the White Paper's aims of an employer-led post-16 skills system that is simplified for individuals, and promotes quality technical education in line with labour market needs.
- 2.26 Following conversations with our key strategic partners including both local Chambers of Commerce, college Principals, Yorkshire Universities and West Yorkshire Learning Providers the Combined Authority has agreed to:
- work strategically with the Chambers and other business membership organisations
 - collaborate to create a template for a trailblazer LSIP pilot area that builds on the strengths of partners in the region, and across a FEA
 - work together to secure a pilot for West Yorkshire for a trailblazer pilot

3. Tackling the Climate Emergency Implications

- 3.1 It is currently unclear how the regional priorities will be reflected in national skills priorities. This will be a continued area of focus, and we will proactively seek to influence the national approach where relevant.

4. Inclusive Growth Implications

- 4.1 The Lifetime Skills Guarantee offers a funded progression route to higher level skills for adults without a L3 qualification in economically valuable areas. This will be monitored to ensure that learner outcomes lead to progression.
- 4.2 There is a great emphasis on employers, and employer-led skills system. Engaging a representative range of employers across the skills agenda will require investment in capacity building and a change of culture. There is a risk that the skills system will over rely on a small number of employers that have the capacity and goodwill to engage with the system
- 4.3 Implementation at a local level will be key to ensuring that all neighbourhoods and citizens benefit from lifelong learning, including alignment of UKSPF and devolved AEB. This includes supporting individuals aspirations through quality careers advice that is locally rooted, and delivered by services that are trusted.
- 4.4 LSIPs should take into account the strategic economic, and employment and skills priorities that MCAs, LEPs and key partners have agreed.

5. Financial Implications

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

6. Legal Implications

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

7. Staffing Implications

7.1 There are no staffing implications directly arising from this report.

8. External Consultees

8.1 No external consultations have been undertaken.

9. Recommendations

9.1 The Panel is asked to recommend that officers continue conversations with senior government officials to support implementation of the trailblazer pilots in West Yorkshire

9.2 The Panel is asked to recommend that officers continue to work with key partners on implementation of the White Paper proposals, building on the achievements secured to date.

9.3 The Panel is asked to consider the following questions:

- How can we build on our existing strengths and work together in West Yorkshire to support implementation of the trailblazer pilots?
- How do we ensure that all sectors and sizes of employers are represented in pilots?
- What are the successful elements of a trailblazer pilot and how can we build on what is already in place?
- How will LSIPs align with the strategic economic priorities identified in the SEF and Employment and Skills Plan?

10. Background Documents

None.

11. Appendices

11.1 Appendix 1 – Mindmap from Northern Skills Network

11.2 Appendix 2 – WYN Learning Provider Response

11.3 Appendix 3 – Yorkshire Universities Response

11.4 Appendix 4 – AOC Response