

LGA Skills Taskforce roundtable: Careers and Retraining for a changing local economy

Thursday 7 February 10.30-13.00 (lunch included)
Beecham Room, LGA offices, 18 Smith Square, Westminster,
SW1P 3HZ

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This is the second of three LGA Skills Taskforce roundtables. This briefing covers:

1. Agenda
2. Purpose of the LGA Skills Taskforce
3. Focus and aims of today's roundtable
4. List of attendees
5. Summary of the LGA Work Local vision
6. Summary of the last roundtable (attached)

1. Agenda

- 10.30-10.40 Welcome and introductions (Cllr Hawthorne)
- 10.40-10.45 Overview of roundtable structure and key themes
(Fiona Aldridge, Director of Policy and Research, Learning and Work
Institute)
- 10.50-11.50 Two of the four themes to be discussed in turn
- 11.50-12.00 Comfort break and working lunch
- 12.00-12.55 Two of the four themes to be discussed in turn
- 12.55-13.00 Next steps and wrap up (Jasbir Jhas, LGA)

Briefing

2. Purpose of the LGA Skills Taskforce

In July 2017 the LGA launched [Work Local](#), an ambitious but practical vision for devolved employment and skills provision. This we believe is needed more than ever to offer more place based solutions to identify and address both our current and future skills and employment challenges and opportunities presented by Brexit and the ongoing productivity gap.

New national reforms and initiatives including apprenticeships, technical levels, skills advisory panels, the national retraining scheme, digital skills partnerships, local industrial strategies and a future UK Shared Prosperity Fund will seek to address these challenges. We argue that while they are all positive and important in their own right, without sufficient join up or focus around 'place', they risk being stand-alone and less effective.

While the LGA has an ambitious, long term vision, there are many things we – local and national partners – can do now to make the best of provision. So we are keen to develop links with policy makers, stakeholders and industry experts both nationally and locally. That's why we have established an LGA Skills Taskforce of elected members from our policy boards to convene three roundtables to bring together sector representatives and industry experts.

- The first roundtable, *Local coordination of a fragmented employment and skills system*, took place in December (see item 6).
- The third and final roundtable will consider *The future of work: how changing skills needs of sector-specific industries will play out in the local economy?* (March 2019)

Through it, we aim is to explore how we can combine efforts nationally and locally, recognising that while many of our invitees will have different viewpoints, all of us recognise some change is needed, and that common ground can be found.

We will draw together the roundtable findings this summer.

3. Focus and aims of today's roundtable

The aim of this roundtable is to discuss and build consensus on four themes:

- Careers advice and guidance;
- An integrated post-16 offer;
- Apprenticeships; and
- Adult training.

For each theme, we have set out key issues and questions to prompt discussion. The aim is to explore how we can work more collaboratively with you nationally and locally on each themed issue. To this end, we suggest rounding off discussions by agreeing any common ground to help achieve this.

We are also really interested in hearing about any innovation or best practice that you would like to share.

3.1 Careers Advice and Guidance (25 minutes)

An effective careers advice and guidance system is essential to help young people and adults navigate the world of learning and work. In England there are a range of initiatives and providers delivering provision in any one area: schools, colleges, councils, careers professionals, and national agencies including National Careers Service, Careers and Enterprise Company, and Jobcentre Plus.

However the system in itself is confusing. For young people, it is complex and fragmented, but for adults, it is generally limited to those seeking employment, with little on offer for those in-work.

The LGA argues for a locally relevant all age careers system. In reality this could involve all national and local partners and providers mobilising around a locally led and DfE endorsed all age careers advice and guidance strategy through which future provision is coordinated. This would avoid duplication and a cluttered offer, improve coherence of activity locally and provide consistency of message for young people and adults.

Points of influence?

- The Government's Careers Strategy (Dec 2017) aims to improve the quality and the quantity of provision to provide the '*right advice*' in the '*right place*' at the '*right time*'.
- As the National Retraining Scheme (NRS) will provide new careers support for adults, it is vital to think creatively about how to engage adults in seeking advice and guidance.
- Exploring the potential for the new Careers Hubs to support coordination.

Question for discussion:

- How we can help knit together the patchwork of existing and new national and local policies and initiatives into a locally relevant careers service for all ages?
- What measures can partner organisations adopt to ensure a consistent and coherent careers offer locally for both young people and adults?

Common ground? Local leadership is critical in developing a coherent and effective careers advice and guidance offer.

3.2 An integrated post-16 offer (25 minutes)

Government reforms to raise the quality of vocational and technical education are welcome. Their success will be critical in ensuring young people develop the skills needed to secure sustained skilled employment, and in meeting the needs of our changing economy.

However, while reforms to the 16-19 offer aim to 'produce a high quality and coherent system with different study programmes designed to lead people to valuable outcomes'¹, there is a risk each option – A levels, T levels, Apprenticeships – will be developed and delivered in silo, with young people and their parents/guardians expected to navigate this complex landscape on their own.

¹ DfE, T level action plan

It is important that young people have ready access to an impartial and well-communicated picture of all post 16 pathways available locally and how they relate to the world of work or further learning, with signposting for further information. This is especially important for disadvantaged young people, those with special educational needs and disability (SEND) or complex needs.

The coherence of the available offer is as important as the communication of it, but no one is responsible for developing or coordinating this locally, and we believe it should. How can this be addressed? And how do we ensure there are effective progression pathways at all levels?

Points of influence?

The introduction of T-levels should offer an opportunity to explore how an integrated post 16 local offer can be developed?

Questions for discussion:

- What steps should be taken to ensure that there is an impartial and coherent post 16 offer within local areas? What must change to make this happen?
- How can we ensure that the available post 16 offer is effectively communicated?

Common ground? That there is merit in a clear and integrated post-16 offer which should be developed and communicated locally.

3.3 Apprenticeships (25 minutes)

The introduction of the Apprenticeship Levy and target have changed the way employers manage their skills and training function. Nearing two years since its introduction, many employers affected by it have suggested ways to improve its application. To its credit, the Government introduced flexibilities late last year.

The LGA would like to see more flexibilities for our member authorities, both as employers in their own right, and for local businesses they work with through their economic development functions. These include:

- pooling of Levy contributions to enable more strategic local planning,
- extending the two year limit to spend the Levy against standards which have only just been approved or are still in development.
- using the Levy more flexibly including full costs of apprenticeship programmes and administration including on pre-apprenticeship training.
- local areas influencing unspent Levy money and non-Levy funds.

Points of influence?

Many employers would like to see more fundamental changes. The Government has promised a more in-depth review, yet there is still no timeline of when this will be published.

Questions for discussion

- What are the key challenges and / or restrictions with the Levy for your organisation / members what flexibilities are you seeking?
- How does your organisation feel the non-Levy funding could be more effectively used, and how can we make the most of this resource locally?

Common ground? To identify a number of areas where we would like to see flexibilities introduced or extended?

3.4 Adult learning (25 minutes)

The previous roundtable identified the following key issues:

- high numbers of adults with low levels of numeracy and literacy;
- improve basic skills to move people up the career ladder and out of poverty;
- we all need to work longer and are likely to need to upskill and reskill throughout our working lives; and
- difficulty in joining interventions to support people back into work

The nature of work is also changing rapidly. Digitalisation, rapid technological change and the gig economy are creating different jobs and / or forcing other sectors to adapt or fail. So as the world of work changes, so too must the way we learn, train, and refresh our skills.

But the number of adults in further education learning has halved (down two million) since 2005/06. The number of adults taking out advanced learner loans has fallen for the third year in a row, and a Social Mobility report (January 2019) reveals that the poorest adults with the lowest qualifications are the least likely to access training despite needing it the most.

It is vital we provide opportunities for adults to retrain and upskill throughout their lives. Councils and combined authorities working with local and national partners play a key role in their communities to both stimulate and meet demand for skills development, through targeted engagement and delivery of a relevant flexible offer.

Points of influence?

The Government is rightly focusing on adult learning. Devolving Adult Education Budget is an important step, and should be the start of a far more place based approach to skills policy. Where are the other opportunities to influence policy?

- The European Social Fund has been a vital resource for communities to match fund skills and employment provision. As our ability to access it will soon end, it is critical the successor UK Shared Prosperity Fund (UKSPF) is adequately resourced, has sufficient devolution and local commissioning, and an ability to target provision to support inclusive growth and productivity.
- The National Retraining Scheme (NRS), announced in June 2017 and again in the Industrial Strategy, is a national policy led by the CBI and TUC to support people upskill or retrain for a rapidly changing jobs market. Pilot work including career learning pilots² and a commitment to develop a new careers guidance service to help people identify work opportunities in their area, are all positive developments in helping to design the future scheme.

² Leeds, Devon and Somerset, Lincolnshire, Stoke-on-Trent and the West Midlands

Questions for discussion

- As working lives extend and our economy changes, in what innovative ways can adults – those in work but looking for a career change, those vulnerable to redundancy, and those out of work due to ill health or caring responsibilities – be identified, engaged and supported into local training and job opportunities?
- How do we ensure different parts of the skills system dock or align with one another to meet the skills needs of adults throughout their working lives?

Common ground?

- Supporting people to increase their skills and progress in the labour market is critical to inclusive growth, and should be integral to the development of Local Industrial Strategies.
- Local expertise and reach into communities is crucial to both stimulate and meet demand for skills development, through targeted engagement and delivery of a relevant flexible offer. This should be an important component of the National Retraining Scheme and a future UKSPF.

4. Attendees

LGA Skills Taskforce

Elected member	Local authority
Cllr Mark Hawthorne (co-chair)	Gloucestershire County Council
Cllr Lucy Nethsingha	Cambridge City Council
Cllr Muhammed Butt	London Borough of Brent
Cllr Colin Spence	Suffolk County Council

Stakeholders

Representative	Organisation
Jo Maher, Principal, Boston College	Association of Colleges
Paul Warner, Director of Research and Development	Association of Employment and Learning Providers
Adam Marshall, Chief Executive OR Jane Gratton, Head of Business Environment and Skills Policy	British Chambers of Commerce
Bob Pickles, Canon UK	Surrey Employment and Skills Board
Paula Neal, Surrey County Council	Surrey Employment and Skills Board
John Cope, Head of Education and Skills	Confederation for British Industry
TBC	Employment Related Services Association
Anthony Impey MBE, Founder, Optimity	Federation of Small Businesses
Katie Schmuecker, Head of Policy (dialling in)	Joseph Rowntree Foundation
Expert: Dr Fiona Aldridge, Director of Policy and Research	Learning and Work Institute
Warren Ralls, Chief Executive	LEP Network
Asif Hamid, Chair, Liverpool City Region LEP	Local Enterprise Partnership
Paul Wallace, Director of Employment Relations and Reward	NHS Employers
Nicki Jenkins, Director of Economic Development	Nottingham City Council
Dr Deirdre Hughes	Director, DMH & Associates Ltd and Former Chair of the National Careers Council
Sophie Wingfield Head of Policy and Public Affairs	Recruitment and Employment Confederation
Darryl Eyers, Director for Economy, Infrastructure & Skills	Staffordshire County Council and Staffs and Stoke LEP
Iain Murray, Senior Policy Officer	Trade Union Congress
Greg Wade, Senior Policy Officer	Universities UK

Section 5. Overview of the LGA's Work Local vision

The challenge

Councils and combined authorities, working with local businesses and partners, want to build strong, resilient economies where residents contribute to, and benefit from inclusive growth around a shared vision for their local area. Fundamental to achieving this is a steady supply of skills and jobs, fostering local business growth and effective support to help people get on in life.

However our employment and skills system is designed and commissioned by a range of Whitehall departments and agencies in a way that disincentivises collaboration. For instance none of them have a plan on how to coordinate activity, nor a duty to discuss with councils or combined authorities how provision will land in local areas around service users and reflect local economic and social priorities.

Research for the LGA showed that in 2016/2017, the Government spent £10.5 billion across twenty different national skills and employment policies and schemes. Local areas have little or no influence over these which is a missed opportunity to target support and make the best use of available resources.

Despite best intentions, a centralised system simply cannot identify and address the unique economic and social challenges and opportunities within and between places, and the people that live within them. It is staggering that nine million people lack basic skills, more than half of all unemployed people do not claim benefits or receive national employment, 5.5 million people want a job or more hours, and one in ten are in insecure work. This affects places differently. For instance, the proportion of residents with low qualifications ranges from 1/3 in parts of the West Midlands to 1/17 in parts of London.

And there are more acute challenges ahead. Research for the LGA suggests that by 2024, a growing skills gap will result in 4 million too few high skilled people to fill demand and 8 million too many intermediate and low skilled than there are jobs. Failure to increase our skills levels is bad for individuals, employers and the local and national economy.

Brexit and the ongoing productivity gap are presenting growing skills challenges both nationally and locally. New national reforms and initiatives including apprenticeships, technical levels, skills advisory panels, the national retraining scheme, local industrial strategies and a future UK Shared Prosperity Fund will seek to address these challenges. While they are all positive and important in their own right, without sufficient join up or focus around 'place', they risk being stand-alone and less effective. There needs to be a better way of coordinating policy and provision, both nationally and locally.

The solution

The LGA believes a far more place based and integrated approach to policy and funding is needed to coordinate the myriad of initiatives. That's because what works for major cities will be different to what is needed in suburbs, towns, rural areas and more mixed communities.

Work Local is the LGA's positive proposal for change. Led by combined authorities and groups of councils, in partnership with local and national stakeholders, local areas should have the powers and funding to plan, commission and have oversight of a joined-up service bringing together advice and guidance, employment, skills, apprenticeship and business support for individuals and

employers.

This requires the various parts of Whitehall to coordinate activity, and would be achieved through the establishment of Local Labour Market Agreements (LLMAs) which would be negotiated between local areas and national Government. Across a medium sized combined authority, *Work Local* could each year result in 8,500 people off out of work benefits, a fiscal boost of £280 million, and contribute £420 million to the economy.

We believe our Work Local approach is now critical as combined authorities, councils and local partners plan how their areas will respond to the challenges and opportunities. While our Work Local vision is big, there are many things we can do now to make the best of provision.

Our campaign objectives include:

1. To help councils and combined authorities can close their skills gaps in their local areas, the Government should:

- Enable local areas to coordinate a **localised approach to skills**. This includes loosening Apprenticeship Levy restrictions, ensuring skills advisory panels bring national and local partners together, that Technical levels are designed as part of coherently planned local post 16 offer, and that the national retraining scheme is tailored to the needs of local communities.
- **Create a localised / devolved Shared Prosperity Fund** within a radically different post 2020 funding landscape.
- Enable local areas to co-commission the development of a **locally relevant careers advice offer to young people and adults**.
- ensure **Local Industrial Strategy ambitions are fulfilled with devolved powers and funding**, and Work Local a framework for their development
- ensure Adult Education Budget is successfully devolved to combined authorities and progressively localised to all other areas, and that it is the first of a succession of skills funding streams to be localised

2. To ensure councils and combined authorities can make apprenticeships work for the local economy, the Government should go further and faster by:

- **Using the upcoming Levy review to enable local areas to pool Levy contributions** across local economies, so that employers can plan provision together more strategically for the good of the local area and residents.
- **Extending the two year limit (from April 2017) to spend the Levy** against key standards for local authority workforces, some of which have only just been approved or are still in development.
- Giving local areas the power to **use the Levy more flexibly to recognise the full costs of apprenticeship programmes and administration** including on pre-apprenticeship training, so long as there is a final apprenticeship outcome.
- Making transparent how much Levy underspend there is and that **local areas retain the Levy underspend rather than handing it over to Whitehall**.

3. To create good employment opportunities across places which residents can enter, retain and progress in, the Government should commit to a partnership with councils and combined authorities by:

- **co-designing with local areas an employment support offer** to include local commissioning of the Work and Health Programme successor arrangements, and Jobcentre Plus' Flexible Support Fund
- develop a partnership with local government to understand local skills challenges potentially stemming from our exit from the European Union.

6. Summary of the first roundtable

The first roundtable, *Local coordination of a fragmented employment and skills system*, took place in December. All attendees felt improvements need to be made to the way in which job search and skills interventions are designed and managed, that there is more that unites than divides us, and that we should explore efforts to coordinate activity around the Spending Review. A [summary](#) of the first roundtable discussion is attached with key quotes below.

- ***“We agree that the current system is fragmented, but the 38 LEPs are in a position to work at a local level with their local authority partners to tackle this.”*** Ann Limb, Chair, South East Midlands LEP.
- ***“The Trust has to work hard to join things up at a local level.”*** Gemma Hope, Director of Policy, Shaw Trust.
- ***“We need to look at skills that are fit for the present and future, not the past, and in so doing we have to think very flexibly.”*** Professor Quintin McKellar, Policy Network Chair for Innovation and Growth, Universities UK.
- ***“Devolution needs to come with resources and with the ability to raise resources, and councillors should have a much greater influence over apprenticeships.”*** Joe Dromey, Senior Research Fellow, IPPR.
- ***“One in six low-paid people manage to escape low pay over the course of 10 years, and that is not enough.”*** Katie Schmuecker, Head of Policy and Partnerships, JRF.
- ***“One of the most important aspects of the skills agenda, at both the national and local level, is its potential to lift people out of poverty.”*** Kate Allsop, Executive Mayor of Mansfield.
- ***“Public sector agencies have a common agenda on many issues, and a lot of work can be done locally.”*** Paul Wallace, Director of Employment Relations and Reward, NHS Employers.
- ***“The basic message that is coming through is that these are all areas that are best tackled at the local level. Central government needs to let go and let us deliver.”*** Councillor Judith Blake, Leeds City Council.
- ***“We need to be clear about what is it that is going to work nationally and what is going to work locally.”*** Gerry McDonald, Association of Colleges.
- ***“This is an offer to Government about how we can make what they want to do work better for them.”*** Councillor Sir Richard Leese.

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