



<b>SKILLS COMMITTEE</b>	<b>AGENDA ITEM No: 3.2</b>
<b>09 NOVEMBER 2020</b>	<b>PUBLIC REPORT</b>

## **LIFETIME SKILLS GUARANTEE AND POST-16 REFORM**

### **1.0 PURPOSE**

- 1.1. This paper gives an update and overview to the Skills Committee on the Governments recent policy announcement of a new Lifetime Skills Guarantee (LSG) and Post-16 Reform updates.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Councillor John Holdich, Lead Member for Skills</b>
<b>Lead Officer:</b>	<b>John T Hill, Director of Business and Skills</b>
<b>Forward Plan Ref: N/A</b>	<b>Key Decision: No</b>
The Skills Committee is recommended to:  (a) Note the updates around the Further Education Reform.	<b>Voting arrangements</b>  Simple majority of all Members

### **2.0 BACKGROUND**

- 2.1. The Department for Education (DfE) is planning to improve higher technical education to help people train or retrain for high-skilled jobs. The reforms are designed to improve the quality of higher technical education on offer and encourage more people to take higher technical education courses to enable them to develop the skills required by employers and to secure higher skilled technical roles.
- 2.2. To support reforms in technical education, the Government has already announced £1.5 billion to upgrade the existing further education estate in England and £2.5 billion for a National Skills Fund to help adults and employers access training, both announced in the Budget in April 2020.

- 2.3. On the 29<sup>th</sup> September 2020, the Prime Minister announced a “lifetime skill guarantee” which would offer a fully funded level 3 qualification for those aged over 18 in England without an A-level or equivalent qualification. This guarantee will be funded via the National Skills Fund.
- 2.4. Whilst both are still at policy stage, the CPCA along with the other eight Mayoral Combined Authorities (MCAs) (known collectively as the M9) are lobbying for devolved budgets of both the National Skills Fund and the FE Capital Upgrade fund to allow for greater localised control and maximised outputs that meet the labour market requirements of the Cambridgeshire and Peterborough region.
- 2.5. Initial discussions have taken place between some MCAs and Department for Education on how this might work, but they have been high level and not yet provided detail.

### **Lifetime Skills Guarantee**

- 2.6. Whilst qualifications that will be funded are yet to be confirmed, there are over 4,300 qualifications that are likely to be eligible for funding.
- 2.7. Spending on adult skills has decreased by 25% in the last 10 years. Skills funding is often complex and currently for those aged 24 and over, level 3 qualifications can only be funded via an Advanced Adult Learning Loan.
- 2.8. Employers report of hard to fill vacancies due to a skills shortage of higher technical skills. Due to job displacement as a result of Covid-19 there are a much higher proportion of adults needing to retrain to remain in the labour market.

### **FE Infrastructure Fund**

- 2.9. The £1.5b fund will support FE colleges to undertake immediate remedial work in this financial year to upgrade the condition of their estate and provide a boost as the country and its education system emerges from lockdown.
- 2.10. Money for this financial year has been allocated proportionately to eligible colleges based on their Education Skills and Funding Agency (ESFA) revenue funding.
- 2.11. The Prime Ministers Speech at Exeter College on 29<sup>th</sup> September 2020 suggested a stronger role for colleges at the heart of their local communities, supporting economic development.

### **Potential Future Devolution**

- 2.12. One of the key reasons that Combined Authorities (CAs) and Mayoral Combined Authorities (MCAs) were established was to drive strategic economic development and improve productivity levels. There has been much good work

in local areas, and the additional focus, capacity and funding that comes from CAs/ MCAs provides significant added value, especially in the integration of complex and other unaligned interventions, such as planning, transport and skills.

2.13. Devolved employment and skills provision have had real impact across our areas, enabling decisions focused on driving better outcomes for individual economies:

- Our skills systems are increasingly aligned to the needs of local businesses
- Skills providers are more closely linked to the delivery of local industrial and economic strategies and are working in closer collaboration with other local agencies
- Locally designed support for those out of work is helping more residents re-enter and progress in the labour market; and
- Most recently, devolved areas were more quickly able to respond to the COVID crisis, agreeing different skills and training offers that could be provided, matching providers with employers seeking urgent recruitment, offering training to furloughed workers and implementing profile payments to providers

2.14. The improvement of skills levels in people and availability across businesses has been embedded within local and national economic development and recovery planning for some time. This importance is acknowledged within the devolution deals that all M9 authorities have put in place, with devolution of Adult Education Budget and greater responsibility for locally cohered and delivered employment and skills activity included as a given. The principles applied to the devolved Adult Education Budget should be replicated for the National Skills Fund.

2.15. The CPCA have been working closely with government officials on our recovery plans, ensuring that measures taken nationally cohere with local programmes. Our ability to respond rapidly, has meant that we have been able to ensure the stability of our training providers whilst also giving our residents the support they need to continue learning, to retrain and upskill. The devolved arrangements have provided an opportunity to flexibly align existing support, and funding has enabled us to better address the differing impact and needs that the crisis is having in our area and for our distinct labour markets. This further illustrates that place-based design and delivery of an offer can add real value to national policy, not detract from it.

2.16. We have requested engagement with Government officials on the detail of the Lifetime Skills Guarantee as a matter of urgency. This should include devolving new funding for adult skills, as well as co-designing the Lifetime Skills Guarantee's other components, such as boosting apprenticeships.

2.17. The ability of the CPCA to respond rapidly during the pandemic so far, resulted in the stability of our training providers whilst also giving our residents the support they needed to continue learning, allowing them to retrain and upskill.

The devolved arrangements have provided an opportunity to flexibly align existing support, and funding has enabled us to better address the differing impact and needs that the crisis is having in our areas and for our distinct labour markets. This further illustrates that place-based design and delivery of an offer can add real value to national policy, not detract from it and help to build back our economies.

2.18. Should a devolution deal not come to fruition, the CPCA will need to ensure they can best support, guide and advise providers of labour market needs via the Local Economy Recovery Strategy and Skills Advisory Panel Data to influence the regional delivery to ensure it is fit for purpose.

### **3.0 FINANCIAL IMPLICATIONS**

3.1. There are no Financial implications.

### **4.0 LEGAL IMPLICATIONS**

4.1. Legal implications will become clear at the point devolved funding is agreed.

### **5.0 OTHER SIGNIFICANT IMPLICATIONS**

5.1 There are no other significant implications.

<b><u>Background Papers</u></b>	<b><u>Location</u></b>
None	