

LGA Submission to the House of Commons Public Bill Committee Skills and Post-16 Education Bill November 2021

1. About the Local Government Association (LGA)

1.1 The Local Government Association (LGA) is the national voice of local government. We are a politically-led, cross party membership organisation, representing local authorities from England and Wales. We work closely with Mayoral Combined Authorities (MCAs) and represent councils, which are constituent authorities of MCAs.

1.2 Our role is to support, promote and improve local government, and raise national awareness of their work. Our ultimate ambition is to support them to deliver local solutions to national problems.

2. Summary

2.1 Good jobs and career opportunities where people live are central to the Government's levelling up ambitions. Adults and young people deserve access to quality education and training opportunities provided by a joined up, place-based employment, skills and careers system.

2.2 Local government – local authorities (LAs) and mayoral combined authorities (MCAs) – has a crucial role in making the skills and employment system work for their areas with wide-ranging functions and expertise in the skills system. [During the pandemic, local government was trusted and relied upon by government to coordinate employment and skills provision locally.](#)

2.3 While we support the Bill's aim to make the skills system more responsive to employer's needs, the reforms need to be implemented as part of an integrated, place-based approach. Without a meaningful role for local government, the reforms risk creating an even more fragmented skills system, with different providers subject to different skills plans, a lack of progression pathways for learners and no local democratic accountability.

2.4 It is essential that the roles of MCAs in devolved areas, and local authorities in non-devolved areas, are written into the Bill and are recognised and named as a core and strategic partner, working with Employer Representative Bodies (ERBs) and FE providers, in the Local Skills Improvement Plan (LSIP) process. This is important due to their democratic legitimacy, accountability and wide-ranging functions and expertise in the skills system.

2.5 We welcome the Lords' amendment that embeds partnership working between ERBs, Further Education (FE) providers, local authorities, MCAs and wider local stakeholders, and gives local authorities and Mayoral Combined Authorities a more defined role within local skills improvement plans. This amendment should be maintained as the legislation is considered in the Commons and enacted, to enable all ERBs across England to work with local democratic organisations to better coordinate provision and align pathways of progression for learners.

- 2.6 The Government intends to amend the Bill to give an Mayoral Combined Authorities an expanded role in Local Skills Improvement Plans. This is a positive step forward for areas with devolution deals. We remain concerned that the Government have not similarly recognised the vital role local government plays in the rest of the country, in areas not covered by devolution. We therefore renew our call that in areas without devolution, local authorities should be written into legislation to work with ERBs and FE providers to develop LSIPs.
- 2.7 LSIPs should be strengthened through local approval and democratic oversight. Giving LAs and MCAs an opportunity to sense check LSIPs before approval, would ensure they work for local areas, add value and ensure join-up with other local provision.
- 2.8 Provision for Level 3 (A-Level or equivalent) and above courses within the Bill are welcome, but too many adults do not have a Level 2 (GCSE or equivalent) and will be unable to access this offer. To truly level up, urgent investment in Level 2 skills and below is needed. The complementary role of LAs' adult and community learning (ACL) provision is integral to a joined-up local provider base and should be properly resourced and recognised in FE reforms.
- 2.9 Clause 25(A), which was introduced by the Lords, would ensure that two thirds of apprenticeship funding is spent on people who begin apprenticeships at Levels 2 and 3 before the age of 25. While we recognise the need to boost training opportunities for young people, this clause needs further consideration to prevent unintended consequences and ensure it does not undermine the vital contribution of apprenticeships to adult reskilling.
- 2.10 The Bill's introduction of a National Provider Register should not impede LAs or MCAs' ability to take a place-based approach to provision and deliver on local needs. MCAs, which have devolved responsibilities for skills procurement, should be excluded from the register for reasons set out below.
- 2.11 In addition, and as part of our wider aspirations for local authorities in non-devolved areas, given no single authority has strategic responsibility to plan adult education at Level 2 and below, they should be empowered to do this through a new 'Community Skills Lead' role.
- 2.12 LAs and MCAs are ambitious to design and join up local provision to create a local, integrated skills and employment offers tailored to the needs of local businesses and residents. We want to work with Government to ensure the Bill and wider reforms utilises their expertise in the skills system to deliver the best outcomes for every community. We continue to advocate for [Work Local](#) to be a blueprint for employment and skills devolution.

3. Part 1: Chapter 1, Local Skills Improvement Plans

Local Skills Improvement Plan development

- 3.1 The LGA supports the Bill's ambition to give local employers a strong role in the skills system through LSIPs. However, for LSIPs to be effective this must be done as part of an integrated, place-based approach.
- 3.2 MCAs in devolved areas, and local authorities in non-devolved areas, must be written into the Bill and related guidance, and have a core and strategic role in LSIPs. This will enable all ERBs in England to work with local democratic authorities to better coordinate provision and pathways for learners. Collectively, LAs and MCAs have democratic legitimacy, accountability and wide-ranging functions and expertise in the skills system so should have a seat at the table to work with ERBs and providers to join up the skills system for all employers and residents.
- 3.3 The Government has rightly recognised the importance of local government involvement to deliver effective LSIPs in devolved areas, but this recognition of local leaders' role in the skills system has not been extended to the rest of the country and areas without devolution. Without a meaningful role for local authorities in non-devolved areas on the face of the Bill and related guidance, we are concerned that there will be further fragmentation of the skills system, additional complexity for employers, individuals and providers, and disruption of pathways of progression from lower to higher levels of learning. This also goes against the grain of the Government's commitment to empower local leaders outside of the main metropolitan areas and take a more flexible approach to devolution, including through County Deals.
- 3.4 Not only are LAs and MCAs democratic leaders of place and convenors of all partners, they have wide-ranging functions that are vital to making the skills and employment system work for their local communities and economies. These should not be overlooked and include the following:
- **Plan, commission and deliver adult skills locally:** MCAs have used their devolved Adult Education Budget (AEB) to shape the adult skills offer locally. All local authorities – in devolved and non-devolved areas deliver adult and community learning (ACL) in a variety of community settings, and specialise in identifying and incentivising residents with the least qualifications to engage in further learning, who are least likely to seek it.
 - **Uniquely placed to understand current and future skills demand:** including through their economic development and inward investment functions, local authorities work with existing and incoming businesses of all sizes, representative bodies (chambers, federation of small businesses) and with all further education providers often supporting capital investments to improve the local Further Education estate.
 - **Data analysis and planning:** local authorities perform granular analysis of national data and generate their own data to ensure national / local provision is targeted and use this to develop and connect growth, inward investment, SME, employment and skills strategies and input into wider spatial strategies.
 - **Trusted by Government to be lead authorities for investment:** through the Levelling Up Fund, Community Renewal Fund and Shared Prosperity Fund councils have a lead role in infrastructure investment, so are well placed to align this with employment and skills provision.

- **Local authorities' statutory duties**, which include the September Guarantee to ensure sufficiency of learning places for all 16- and 17-years olds within their area; re-engagement of NEETs and to support those at risk of NEET from disengaging; support young people with SEND, and those who may need additional support including those in care and care leavers etc.
- **Support young people and adults with complex barriers** to be training or work ready through wide ranging services, including public health and its link into health services; support for parents through Family Information Services; childcare support; housing support and debt advice.
- **Connect, simplify and promote multiple national employment, training, skills and economic growth initiatives**, including the current Plan for Jobs initiatives so they are greater than the sum of their parts, run their own devolved or discretionary employment and skills services, and are committed to working closely with national agencies and providers including Jobcentre Plus and National Careers Service.

3.5 We welcome the Lords' amendment to the Bill that embeds partnership working between Employer Representative Bodies (ERBs), FE providers, local authorities, MCAs and wider local stakeholders. This would enable all ERBs across England to work with local democratic organisations to better coordinate provision and align pathways of progression for learners. This amendment should be maintained as the legislation is considered in the Commons and enacted.

3.1 The Government has committed to amending the legislation to recognise MCAs role as a critical stakeholder in developing LSIPs. This is positive step forward for devolved areas. We remain concerned that the Government have not similarly recognised the vital role local government plays in the rest of the country, in areas not covered by devolution.

3.6 In parallel, on 4 November, the Department of Education (DfE) issued guidance to ERBs who are leading on the development of LSIPs in the eight trailblazer areas. It sets out that ERBs must engage local leaders including Mayoral Combined Authorities (MCAs), Local Economic Partnerships (LEPs) and their Skills Advisory Panels (SAPs) when developing LSIPs, however it did not specifically outline a role for local authorities.

3.7 In practice, many local authorities are already working with their Chambers of Commerce in trailblazer areas to help them prepare for the introduction of LSIPs, so it is unhelpful for their role in delivering these reforms not to be acknowledged or facilitated within the Bill and related guidance. In addition, as much of the expertise on local skills and labour markets sits directly within the local authority, many of them spend time relaying this expertise to other organisations including the local enterprise partnerships. For the reasons set out above, it should be democratically accountable local authorities that have a seat at the table to work alongside ERBs in non-devolved areas. We therefore renew our call that in areas without devolution arrangements, local authorities should be written into legislation to work with ERBs and FE providers to develop LSIPs.

- 3.8 Strategic involvement of LAs and MCAs will add significant value to LSIP process by ensuring they take a holistic view of the whole local skills and employment system, including integrating the vital role of LA-run Adult Community Learning (ACL), to create a joined-up offer with clear pathways of progression from lower-higher levels of training. This will be essential for social mobility and to provide opportunities for people with the least qualifications to improve their life chances.
- 3.9 This is particularly important given that as we understand it, higher-level technical skills are likely to be the primary focus of LSIPs in many areas, so providers will have a new legal obligation to meet this training in a way that they do not for other levels of provision. Without adequate local coordination, this could result in skewing the balance of provision within an area and disrupt the 'skills escalator' from entry level to higher technical qualifications. Local authorities can help ensure that progression is built in from entry-level to higher qualifications so that all residents have the opportunity to be part of the talent pipeline and increase social mobility.
- 3.10 Local authorities are a critical partner in delivering net zero, working with a range of local partners to shape and implement local net-zero strategies. They are already working with businesses and local partners to build a pipeline of the 'green skills' that will be needed to decarbonise the economy by 2050, or sooner. Following the publication of the [LGA's Green Jobs report \(2020\)](#), the LGA have created a resource to provide councils across England with tools, skills, opportunities and capability to accelerate the transition to a low-carbon economy. Local authorities' absence from the Bill is another missed opportunity to build in their significant expertise on this agenda, and work in partnership to align LSIPs with local net zero strategies and investments.

LSIP accountability and approval

- 3.11 LSIPs should also be strengthened through local approval and democratic oversight. The Bill provides for MCAs to have a role in the approval of the final drafts of LSIPs where they cover the same spatial footprints. However, outside of devolution areas, the Bill states that LSIPs will be approved directly by the Secretary of State.
- 3.12 This means that in non-devolved areas, there is no opportunity for local authorities to 'sense check' skills plans and raise any identified issues before plans are implemented. Crucially, as the Bill stands, there will be no local democratic accountability for the outcomes LSIPs deliver for learners, businesses or value for money outside of MCA areas. To remedy this, local authorities in non-devolution areas should have a role in the LSIP approval process in line with the role given to MCAs. There are various ways democratic accountability can be built into LSIPs to provide oversight and ensure they are delivering on local areas' needs, for example through scrutiny committees or local employment and skills boards.

4. Part 1: Chapter 3, Lifelong Learning

- 4.1 The Government's commitment to offer all adults a flexible, lifelong access to train for a Level 3 in-demand qualification through the Lifelong Skills Guarantee is welcome, as is the 'delegated' role for MCAs to plan how the offer will work locally and that some of these qualifications are being delivered in council-run adult learning centres. To improve outcomes, this offer should be expanded to those already qualified to Level 3 but who need to retrain to find new work.

- 4.2 Some MCAs found that sections of their foundation economy would not benefit from the national list of economically viable approved Level 3 qualifications, so used their devolved Adult Education Budget (AEB) to widen access to supplementary qualifications, enabling more people to upskill. As local government seeks to support communities recover from the pandemic, this type of flexibility should be afforded to all local areas.
- 4.3 Level 3 provision alone will not deliver on the levelling up agenda, nor address longer-term productivity gaps in many areas of the country. [Thirteen million adults in the UK do not have a Level 2 Qualification \(equivalent to a GCSE\)](#) and nine million adults in England lack functional literacy and numeracy skills (OECD), so they are unable to take advantage of the Government's expanded Level 3 offer. A mixed and balanced skills funding offer, which invests in community skills, basic and functional skills, technical skills, and higher-level skills, will be essential for addressing inequalities and supporting those with the fewest qualifications.
- 4.4 The complementary role of LA adult and community learning (ACL) provision is integral to a joined up local provider base, and it is important that it is recognised and properly resourced in proposals to reform the FE system. ACL plays a vital role in supporting adults on their journey to learn skills; to enter, return or progress in work, and support their personal, social, health needs. Without it, many of the 600,000 adults – including some of our hardest to reach, vulnerable or isolated residents – that access these services every year would not progress into further learning and work. ACL is successful because it works with the grain of other local services including employment, regeneration, education, health and culture, and adds value to each, as well as connecting with agencies like Jobcentre Plus.
- 4.5 LAs and MCAs work with their local colleges and the wider FE provider base to identify gaps in provision (English for Speakers of Other Languages (ESOL) STEM and digital) and, where they can, use AEB to commission provision that fills in the gaps. This enables learners to gain the skills they need to progress into other qualifications or take part additional learning alongside FE courses. The Government needs to focus on supporting, funding and encouraging collaboration between both sides of the provider base - below Level 3, and above Level 3 – to align provision and help learners progress.
- 4.6 There is now an urgent need to prioritise support that helps adults progress from community-based, pre-entry level learning through to Level 2. Funding for adult skills at Level 2 and below mainly comes from the £1.5 billion annual Adult Education Budget (AEB), which has been reduced by 50 per cent over the last decade. To expand lower-level training opportunities, this should as minimum, [be restored to its 2010 levels](#) and fully devolved to LAs and MCAs to target funding.

5. Part 1: Chapter 3, Universal Credit conditionality

- 5.1 Clause 17, introduced in the Lords, commits the Secretary of State to reviewing universal credit conditionality with a view to ensuring that adult learners who are unemployed and in receipt of universal credit, remain entitled to universal credit if they enrol on an approved course for a qualification.
- 5.2 The LGA supports this addition and wants to see it enacted. Particularly for those on low-incomes or who are unemployed, taking out maintenance out loans to study will not be a viable option. Allowing people to retain their benefits when training will be vital to removing barriers for those in the lowest paid jobs and those furthest from the labour market and help more people back into, and progress in, work.

6. Part 2: Quality of Provision, Special Educational Needs and Disabilities

6.1 This section of the Bill provides for the Secretary of State to make regulations for the purpose of securing or improving the quality of courses of initial teacher training for further education initial teacher education (ITE) courses. Clause 3, introduced in the Lords, requires courses to include special educational needs awareness training for teachers of ITT(FE) provision.

6.2 The FE sector supports a high number of learners with special educational needs and disabilities (SEND), so it is important that the needs of disadvantaged young people and adults or those who have difficulty accessing further learning, including those with learning difficulties and disabilities, are sufficiently considered within LSIPs. This should include strategies to address the disability employment gap and ensure training opportunities are inclusive.

6.3 ACL provides vital opportunities for continuing learning for adults with SEND. Local authorities have used AEB [to commission targeted provision for people with learning difficulties and/ or disabilities](#) to develop skills for independent living, social skills and employment skills, as well as courses for leisure and enjoyment. However, funding for adult learners with learning disabilities is often insufficient and the DfE should work with the sector to assess what additional funding is needed.

7. Part 3: Chapter 1, List of relevant providers

7.1 The proposal for a National Provider Register (section 21 and 22) risks impeding local and devolved authorities' ability to directly fund or sub-contract, any provider not on the new national provider register.

7.2 We are concerned that there may be unintended consequences to this policy. For instance, a national provider register could:

- Hinder local and devolved authorities' ability to take a place-based approach to provision
- Restrict their ability to commission services from local Voluntary, Community and Social Enterprise (VCSE), specialist and niche providers, and prevent market-entry for small local providers
- In rural and inner-city areas, LAs and MCAs may not be able to fill gaps in provision at-pace, if larger providers on the register cannot deliver for financially viable reasons

7.3 Local flexibility is needed to ensure local government can target and commission provision to local need. The list should also be developed in consultation with local authorities to ensure that the introduction of the assessment criteria does not disrupt local provider markets and leave gaps in provision.

7.4 To uphold both the spirit and the letter of devolution agreements, MCAs should not be included in the list of funding authorities that are obliged to adhere to the national list. Through AEB devolution, MCAs and the Greater London Authority have developed their own local commissioning and procurement arrangements, including rigorous due diligence and stringent quality requirements, which in many cases, go beyond the thresholds set by national bodies such as the ESFA. Mayoral Combined Authorities should therefore be excluded from the National Provider Register.

New apprenticeship funding requirements

- 7.5 Clause 25(c) also requires any employer receiving apprenticeship funding to spend at least two thirds of that funding on people who begin apprenticeships at Levels 2 and 3 before the age of 25.
- 7.6 We recognise the intention to expand access to vital early career opportunities for young people and prevent employers using their Apprenticeship Levy primarily to develop already experienced staff. However, this clause is not the solution to increasing apprenticeship numbers among young people and alternative solutions should be considered to reform the apprenticeship system and address the systemic barriers to youth-take up.
- 7.7 Ringfencing two thirds of apprenticeship funding for under 25s would go against the policy direction of apprenticeships being an all-age, all-levels career development tool. The Bill should not undermine apprenticeships' role in supporting people to retrain, change careers or return to work, including young adults over the age of 25 who may not have been ready for an apprenticeship at an earlier age (such as care leavers) and the over 50s, for whom it's widely acknowledged as being harder to re-enter the labour market after redundancy and are a priority cohort for targeted skills and employment support. It is also not clear how this clause aligns with employment and equalities legislation.
- 7.8 In line with Levy rules, businesses with a payroll of over £3 million or more pay levy funds monthly and have a rolling two-year deadline to spend the funds. Unspent funds are meant to be invested back into the system and distributed to small businesses who do not pay the Levy. However, since the Levy was introduced DfE has returned a significant amount of unspent levy funds to the Treasury: [£250 million \(2020/2021\)](#), and [£330 million \(2019/20\)](#). Without wider reform of the apprenticeship Levy, this change would result in even more expired funds being returned to the Treasury if employers cannot attract enough young people to take up places.
- 7.9 The proposed change to apprenticeship funding will also cause issues for local authorities as employers and risks exacerbating existing workforce challenges in sectors such as social care. Many skills gaps which local government faces are at intermediate and higher levels, such as social workers, environmental health and public health officers, so it is vital they retain flexibility to use the Levy to fill these gaps.

Boosting apprenticeship starts for the under 25s

- 7.10 Apprenticeship [starts have fallen across the board since the Levy was introduced in April 2017](#), but the biggest drop has been among those learners aged under 19. This has been caused by a variety of reasons. The simplest answer for many has been that the number of Level 2 apprenticeships and those being taken by under 19s have fallen at the same time as the number of higher-level apprenticeships has increased, which tend to be undertaken by older learners. However, this explanation ignores other key factors which have played a role in reduction of the number of young people under the age of 19 taking apprenticeships up. These include:
- The removal of old apprenticeships frameworks reduced the number of Level 2 qualifications available across the board - not all of these have been replaced with an equivalent standard
 - The Business Administration level 2 apprenticeship was removed and has not yet been replaced with an adequate equivalent. This was extremely

popular across all sectors and was a common entry level qualification for young people.

- SME's apprenticeship starts have declined since the introduction of the levy; they often report struggling to understand the new system and navigate the extra administrative burden. Many of the starts SMEs created in previous years were in the 18-25 age bracket, so this has affected the number of opportunities available for young people.
- Young people who live independently or do not have financial support from their families, may not be in a position to take up an apprenticeship and instead opt for direct employment that can offer higher salaries.

7.11 The number of young people and school leavers who decide to take up apprenticeships is heavily influenced by the careers advice and guidance they receive. Currently education and training providers have a duty to ensure that pupils are provided with independent careers guidance from Years 8 to 13. However, for young people and their parents or guardians to be able to make more informed decisions about pathways, careers advice must be sufficiently funded, delivered at an earlier stage (we note that the Government is considering this for Year 7s), based on local labour market intelligence and cover the suite of post-16 routes available. Apprenticeships need to be better communicated as an available option, with a strengthened link between T levels and apprenticeships during the 16-18 phase of learning, so more young people see apprenticeships as attractive and viable route to gain a qualification.

7.12 There are also key barriers in the system which prevent employers from spending their levy Funds. For example, levy funding can only be spent on training, and not the other costs employers incur, such as apprentice salaries, administration costs and additional learning support to apprentices to be apprenticeship- ready. If employers could use some of the Levy for these costs, it would unlock more unspent funds and create more apprenticeships. Additionally, apprenticeship funding could be used far more effectively if the system allowed for more flexibility and strategic planning so employers can collaborate more easily around transfers and pooling, by sector or by place, to target support where it is most needed.

7.13 Local government can help increase apprenticeships and boost up-take under 25s with the right flexibilities in the system. [Our recommendations](#) for reform include:

- More strategic local planning: Empower local areas to align apprenticeship activity to local skills strategies, paving the way for local partnerships to address supply and demand side issues, widen participation to disadvantaged groups and specific cohorts.
- Extend the two-year limit to spend Levy funds against standards which have only just been approved or are still in development and put in place an appeals process to facilitate this.
- Councils to be empowered to work with Government co-design unspent Levy and non-Levy funding plans in local areas now with a view to progressive devolution.
- Empower employers to collaborate more easily on transferring funds and pooling.

- Permit more flexible use of the Levy, including meeting the full costs of apprenticeship programmes and administration and allowing spending on pre-apprenticeship training.

8. A more joined up local skills system

- 8.1 In devolved areas, MCAs already use their AEB and work with their constituent LAs and FE providers to shape the local adult skills offer. This puts them in an ideal place to lead work with ERBs and FE providers should work hand in hand with them to deliver LSIPs.
- 8.2 In non-devolution areas, skills provision is complex and lacks local democratic accountability resulting in a confusing picture for businesses and learners, with courses being run by different providers. Without a formal devolution role, it is difficult for local authorities to create a coherent local offer.
- 8.3 To complement the Government's FE reforms, we recommend local authorities outside of devolution areas are given a defined 'Community Skills Lead' role to coordinate adult skills. This would also empower them to strategically plan and coordinate adult education across their areas, and work in partnership with ERBs and other FE providers to align progression routes from community level training to higher-level skills and created joined-up skills offer. They are uniquely placed to fulfil this role, given they are democratic local leaders and conveners, deliver ACL, lead economic spending, and work with existing and incoming local employers.
- 8.4 At the recent Budget, the Chancellor announced the Multiply programme which will help up to 500,000 adults improve their functional numeracy skills. It must add value to existing support, and where possible be delivered via adult and community learning (ACL) settings. This would allow them to provide learners with the wrap-around support they need to overcome any additional barriers to being work-ready and bring in literacy and digital support from the outset to provide a more rounded learning offer. If this is run nationally with a new set of providers, it will duplicate existing numeracy activity funded through the AEB delivered locally.

9. Work Local: a devolved and integrated skills and employment system

- 9.1 Local Authorities and MCAs are ambitious to join up provision to create a coherent local, integrated skills and employment offers tailored to the needs of local economies and residents. The national skills and employment landscape is complex. We recently launched [Mapping national employment and skills provision](#) – a resource to help councils map provision in their areas. It identifies almost 50 nationally run employment and skills programmes which are run in different ways locally each with different eligibility criteria, timescales and spatial footprints, delivered by multiple agencies and providers. This makes it hard to join up interventions at a local level for unemployed people, career changers, young people at risk of being NEET etc. Collectively we need to deliver a more coherent offer that is accessible and simple for learners and businesses to navigate.
- 9.2 Looking ahead to the Levelling Up White Paper, LAs and MCAs should be empowered to work innovatively with their communities, the Government and its agencies to design a locally determined skills and employment offer in exchange for sustained outcomes for their residents and businesses. The LGA has a framework for this to happen: [Work Local](#) which would give local government, working in partnership with local and national partners, powers and funding to plan, commission and oversee a joined-up system by bringing together advice and

guidance, employment, skills, apprenticeships and business support for individuals and employers, at the local level.

- 9.3 The Government should use it to back and fund pathfinders across rural, coastal and metropolitan areas and deepen existing devolution deals. For a medium-sized combined authority each year, our Work Local model could lead to an additional 8,500 people leaving benefits and 5,700 people increasing their qualification levels, with additional local fiscal benefits of £280 million per year and £420 million to the economy.