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Pocket Watch – Local skills planning edges closer

Introduction

This week as part of the build up to the Budget, the Government issued its **response** to Lord Heseltine's recent major Report on economic growth. Overall, the Government has accepted over 80 of the Report's 89 recommendations, some perhaps more fully than others, rejected four and put three on hold until it completes the 2015/16 Spending Round this summer. Given that a large chunk of the Report was about creating a more responsive skills training system with particular implications for schools, colleges and universities, this Response represents an important moment for the education and skills world

What was the Heseltine Report?

This was a Report commissioned by the Chancellor, as part of last year's Budget, to look at ways of stimulating economic growth. The title of the Report, '*No Stone Unturned*,' published last October, says a lot about the vigour with which Lord Heseltine approached it. Seeking what he called, '*a relentless pursuit of growth*,' Lord Heseltine swept across most areas of central and local government and came up with 89 recommendations with an emphasis on devolving responsibility for economic growth to local partnerships funded through a simpler, single pot

So what are the main proposals that the Government has now accepted?

The main thing is that the Government has decided to press the start button for a shift towards a Single Local Growth Fund from April 2015. Not quite as extensive as Lord Heseltine had envisaged, this will take in the funding for skills, transport and housing with apprenticeship funding shifting potentially towards employer ownership and City Deals. The exact budget for these will not be determined until June 26 when the 2015/16 spending plans will be announced but currently constitute nearly half of the originally estimate of £50bn+. Other streams may follow, particularly around employment support but the implication for learning and skills providers at least, is that they will need to work much more closely with their LEPs who will be responsible for drawing up local strategic growth plans incorporating local skill needs, and then bidding to Government for money from the 'pot' to be able to deliver them. LEPs, who have already been granted seed-corn funding to start this work, now become critical local contracting agencies and are working on developing local skill plans for this summer

What else has been confirmed?

The four recommendations rejected cover such areas as the proposed 4th London airport and statutory provision for Chambers of Commerce but still on board are proposals for:

- Strengthening employer engagement in schools, perhaps as governors, streamlining work experience requirements and publishing destination measures for all secondary schools
- Incorporating funding for local NEET provision and adult careers in the single pot
- Ensuring all FE providers agree 16-19 voc provision with LEPs and that 19+ learning meets industry defined standards and is aligned to local economic plans
- Encouraging Industry Councils to work with higher education to ensure provision matches industry needs. In addition, a further review launched, under Sir Andrew Witty, to examine how universities can support LEPs. This to report in the summer

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