

## APPLICATION FOR POST 19 ADULT SKILLS STATUTORY PLANNING POWERS

### Purpose of report

1. To set out progress and next steps.

### Background

2. The appendix to this report summarises the criteria for accreditation for Skills Boards seeking post 19 adult skills statutory planning powers. It was with these in mind that in January 2010 the Partnership Board approved the establishment of the employer led Skills & Competitiveness Board to replace the Skills Board.

### Action to Date and Current Position

3. The establishment of the Skills and Competitiveness Board together with the detailed set of propositions on skills and employment, which formed part of the MAA, provide a strong evidence base by which the accreditation criteria can be met.
4. Since the establishment of the Board and the appointment of staff to support its work on skills and employment within the West of England Partnership Office, there has been regular contact with relevant staff in GOSW and the Department for Business, Innovation & Skills (BIS) to secure early consideration of the case of this sub-region for local planning powers in setting priorities for post 19 adult skills investment. To date only the Manchester and Birmingham city-regions have been reviewed against the criteria and approved as eligible for Section 4 powers. The London City-region already had approval under earlier London-specific legislation.
5. The formal position of BIS ahead of the election was that this sub-region would be one of a group to be assessed in July under new arrangements to be put in place post-election. The new assessment/accreditation arrangements would include the involvement of the RDA to ensure that the board's plan aligned with the new responsibilities placed on RDAs to set a regional skills strategy for the Skills Funding Agency. This remains the formal position.
6. However the change of government has led to a significant review of the national and regional agencies responsible for the deployment of funding for skills – as well as a review of the budget for post-19 skills training. The role of the Skills Funding Agency itself is under detailed consideration. RDAs, which were also expected to have a role in accrediting employment and skills boards, are to be closed or replaced in part by local enterprise partnerships. The whole process of assessment – and indeed the emergence of a government policy position on the provision of local planning powers to set priorities for adult skills investment – is now unlikely before the end of July.

7. The West of England has been assured by GOSW and BIS that our proposition remains on the table – and the skills and competitiveness board continues to develop its plan in relation to skills – including the development of a sub-regional work and skills plan to tackle worklessness.
8. At the same time, in late June 2010, the Secretaries of State for Business, Innovation & Skills and for Communities & Local Government wrote to local authorities setting out the opportunity to establish a Local Enterprise Partnership. This initial proposition, which is to be the subject of a White Paper before the Summer, made no mention of local powers in the planning of adult skills. Given its importance, it is envisaged that this potential omission will be raised with the Secretaries of State in taking forward the sub-region's proposals for a Local Enterprise Partnership. A report on Local Enterprise Partnership is included elsewhere on today's agenda.

### **Recommendation**

9. That the Board note the current position and refer to the item on Local Enterprise Partnerships elsewhere on today's agenda.

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## APPLICATION FOR POST 19 ADULT SKILLS STATUTORY PLANNING POWERS: CRITERIA FOR ACCREDITATION.

1. **Statutory provisions for employer led skills boards to obtain post 19 adult skills planning powers.** The previous government encouraged the establishment of employment and skills boards for specific sub-regions. Under section 24 A of the Learning and Skills Act 2000 the Secretary of State can specify an area for which a specified body – an employment and skills board – can formulate (and keep under review) its own strategy. Under Section 24 C of the Act the Learning and Skills Council is under a duty to carry out any activity to which a strategy under Section 24 A relates. The Skills Funding Agency, which replaced the Learning and Skills Council in April 2010, was expected to be under the same duty. This authority is more commonly known as section 4 powers and would in effect give ESBs the opportunity to set a binding strategy on the Skills Funding Agency and hence have formal influence over the distribution of resources and associated commissioning.
  
2. **Multi Area Agreement ‘ask’ for statutory planning powers and the outcomes that this would bring.** As part of the Multi-Area Agreement signed with national government in September 2009, the four authorities in the West of England requested Section 4 powers in order to achieve the skills objectives and targets set out in the agreement. This would enable the sub-region to:
  - Set the priorities and overall direction for the delivery of adult (post 19) skills, taking into account the key priorities in relation to the national and regional skills strategies
  - Identify strategic skills needs and priorities
  - Actively engage with employers in this area to raise their demand for, and investment in, skills provision
  - Monitor the delivery of the strategy and receive reports from the Skills Funding Agency on the delivery and implementation of the strategy
  - Provide feedback to the Skills Funding Agency assessing how well the skills and employment system is responding to employer demand in its area
  
3. **Evidence required to secure the statutory planning powers. Since autumn 2009, the West of England Partnership has been working to meet the known criteria for Section 4 approval of its employment and skills board.** This requires the provision of evidence that the board:
  - Covers a functional economic area – normally this would be a city region whose boundaries have been set as part of an MAA
  - Has a role which is primarily strategic rather than operational – to shape supply side provision in a particular geographical area
  - Is able to identify strategic skills needs and gaps, including as a result of infrastructure investment, new technologies, emerging markets and new investments in a particular place
  - Has strong links with other city-region governance structures
  - Include representation from other key local stakeholders – for example

representatives from local authorities, the Further and Higher Education sectors, Skills Funding Agency, Jobcentre Plus and the Regional Development Agency

- Is a permanent and integral part of the formal governance structures in the area

4. **Further evidence required to secure the statutory planning powers.** The board is also required to evidence that it can:

- Set out a clear economic vision that explains the strategic skills needs across the area it covers and is consistent with any relevant Multi-Area Agreement and Regional Skills Strategy
- Present this as a written document and be the subject of extensive consultation with employers and other interest groups
- Focus on training and skills for learners aged 19 and above (including those on benefits)
- Supported this vision with by a high quality evidence base and measurable outcomes
- Promote equality of opportunity for all groups of learners covered by the strategy
- Set a plan for a period of 5 years, formally reviewed and updated annually where necessary
- Complement and support national and regional priorities and make best use of intelligence already gathered

5. **Evidencing local strategic and operational capacity necessary to the successful exercise of statutory planning powers.** Finally it is also necessary to demonstrate that:

- The employer voice which the Board brings to the area sits within a clear framework of strategy setting, decision making and delivery
- It can show **what** role it will play and **how** it will make a difference to the outcomes being sought by the area's strategy
- It has employer membership of the right calibre and breadth to drive the strategy. In most cases members should be at Chief Executive level
- Has a clear set of governance arrangements which shows how the voice of employers articulated in the Board
- Benefits from independent briefings and access to expert advice on matters relating to employment and skills
- Has proper support and access to designated secretariat services that adhere to best practice standards of corporate governance
- Has genuine input to the development of the strategy and real ownership by the employers represented; and
- Can hold delivery partners to account for the commitments they have made within the strategy and write open letters if the Board believes that anyone delivery agent or key stakeholder is failing to fulfil their obligations as set out within the strategy.