

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

Sixth Delegated Legislation Committee

DRAFT WEST OF ENGLAND COMBINED
AUTHORITY (ADULT EDUCATION FUNCTIONS)
ORDER 2018

DRAFT CAMBRIDGESHIRE AND
PETERBOROUGH COMBINED AUTHORITY
(ADULT EDUCATION FUNCTIONS) ORDER 2018

Tuesday 23 October 2018

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The Committee consisted of the following Members:

Chair: GRAHAM STRINGER

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| † Beckett, Margaret (<i>Derby South</i>) (Lab) | † Morton, Wendy (<i>Aldridge-Brownhills</i>) (Con) |
| † Brereton, Jack (<i>Stoke-on-Trent South</i>) (Con) | † Pearce, Teresa (<i>Erith and Thamesmead</i>) (Lab) |
| † Fletcher, Colleen (<i>Coventry North East</i>) (Lab) | † Prentis, Victoria (<i>Banbury</i>) (Con) |
| † Fysh, Mr Marcus (<i>Yeovil</i>) (Con) | † Scully, Paul (<i>Sutton and Cheam</i>) (Con) |
| † Henderson, Gordon (<i>Sittingbourne and Sheppey</i>) (Con) | † Shapps, Grant (<i>Welwyn Hatfield</i>) (Con) |
| † Jones, Graham P. (<i>Hyndburn</i>) (Lab) | † Smith, Royston (<i>Southampton, Itchen</i>) (Con) |
| † Jones, Susan Elan (<i>Clwyd South</i>) (Lab) | Thomas, Gareth (<i>Harrow West</i>) (Lab/Co-op) |
| Malhotra, Seema (<i>Feltham and Heston</i>) (Lab/Co-op) | |
| † Marsden, Gordon (<i>Blackpool South</i>) (Lab) | Jack Dent, <i>Committee Clerk</i> |
| † Milton, Anne (<i>Minister for Apprenticeships and Skills</i>) | † attended the Committee |

Sixth Delegated Legislation Committee

Tuesday 23 October 2018

[GRAHAM STRINGER *in the Chair*]

Draft West of England Combined Authority (Adult Education Functions) Order 2018

2.30 pm

The Minister for Apprenticeships and Skills (Anne Milton): I beg to move,

That the Committee has considered the draft West of England Combined Authority (Adult Education Functions) Order 2018.

The Chair: With this it will be convenient to consider the draft Cambridgeshire and Peterborough Combined Authority (Adult Education Functions) Order 2018.

I call the Minister to speak to both instruments. At the end of the debate, I will ask her to move the second motion formally.

Anne Milton: It is a pleasure to serve with you on the Committee, Mr Stringer.

The orders, if approved and made, will provide for the transfer of certain adult education functions and associated adult education budgets to the Cambridgeshire and Peterborough and West of England combined authorities, and provide an opportunity for them to help their residents fulfil their potential. In 2015 and 2016, through a series of devolution deals agreed between the Government and the combined authorities, we made the commitment to fully devolve the adult education budget—AEB—and the orders will deliver on that commitment.

The orders are made under the Local Democracy, Economic Development and Construction Act 2009 and will transfer certain adult education functions set out in the Apprenticeships, Skills, Children and Learning Act 2009 from the Secretary of State to the combined authorities in relation to the area of each specified authority for the academic year 2019-20 and thereafter. The transfer does not include the functions in so far as they relate to apprenticeships or those subject to adult detention.

In the 2015 spending review, the Government made available £1.5 billion annually until 2020 for the AEB. Across England, that support to help adults with the skills and learning they need is vital in equipping them for work, an apprenticeship or further learning, and it acts as an integral stepping stone, particularly for those who have suffered a disadvantage. In 2016-17, the AEB supported adults to study courses in English, maths and English for speakers of other languages—ESOL—for level 2 or 3 qualifications and a wide range of community learning provision.

Combined authorities and, indeed, all local authorities have a role to play in supporting the introduction of T-levels, including working with employers to provide high-quality industry placements. Each combined authority

has its own needs and circumstances. In my view, local authorities, including combined authorities, are fantastic enablers and facilitators. We are working with combined authorities, businesses and learning providers to establish how skills provision and reforms can be best shaped to fit the needs of local areas.

The orders will transfer certain adult education functions in the Apprenticeships, Skills, Children and Learning Act 2009 from the Secretary of State to the combined authorities in relation to their area, and enable the transfer to them of the relevant part of the AEB. In particular, the following functions will be exercisable by the combined authority in relation to its area instead of by the Secretary of State: section 86, which relates to the education and training of persons aged 19 or over; section 87, which relates to the learning aims of such persons and the provision of facilities; and section 88, which relates to the payment of tuition fees for such persons.

Conditions are set out in relation to the transferred functions, in particular that the combined authority must have regard to guidance issued by the Secretary of State and adopt eligibility rules in accordance with any direction of the Secretary of State. The Department for Education will transfer the relevant part of the AEB to the combined authority to undertake the functions. It will be the responsibility of each area to manage its overall AEB allocation efficiently and effectively to meet the needs of its population.

Before the introduction of the orders, the Department considered business cases from the combined authorities for implementation funding, in preparation for the transfer of functions. After evaluating the cases, the Department agreed to provide appropriate implementation funding to support the combined authorities' preparations and ensure that each area was able to prepare effectively for taking on the functions.

From the 2019-20 academic year, the Cambridgeshire and Peterborough and West of England combined authorities will be responsible for providing funding for statutory entitlements for eligible learners in maths and English up to and including level 2, the first full level 2 qualifications for learners aged 19 to 23, the first full level 3 qualifications for learners aged 19 to 23, and the forthcoming digital skills entitlement.

It is stating the obvious to say that skills are an essential driver of economic growth. Devolution gives the Cambridgeshire and Peterborough and West of England combined authorities the opportunity to address the skills challenges that they face and improve economic growth in their areas. I have a number of examples of the good work going on in both areas. I will not detain the Committee unnecessarily by going through them now, but I would be happy to share that information with any hon. Members should they like me to do so.

Despite the social and economic strengths in these areas, a number of key challenges remain. Out of approximately 31,000 national lower super output areas, the West of England Combined Authority has one area that is ranked 65; a ranking of 1 denotes the most deprived area nationally. There are 43 LSOAs in the combined authority area that fall within the 10% most deprived LSOAs nationally. Both the Cambridgeshire and Peterborough and West of England combined authorities have skills shortages and hard-to-fill vacancies that are constraining local businesses.

Cambridgeshire and Peterborough Combined Authority has five areas that it has identified as major growth sectors: aerospace and defence, clean technology, agri-tech, creative and digital, and life sciences. Additionally, seven sectors are important to growth in the area but face persistent and significant skills gaps: advanced manufacturing, food manufacturing, logistics and warehousing, health, information and communications technology, financial services and construction. That is quite a list.

The position is similar for the West of England Combined Authority. In 2016, 23% of respondents to the West of England local enterprise partnership's employer skills survey reported that they faced some sort of skills gap—that compared with 14% nationally, according to the 2015 survey of the UK Commission for Employment and Skills—with the greatest skills gaps being technical in nature. Some 805 employers reported that they had a vacancy, with 46% stating that vacancies were hard to fill.

Through these orders, the combined authorities can deliver a step change to support their residents into good jobs, with opportunities for people to progress and develop; improve the earnings potential of their low-paid, low-skilled workers; deliver a thriving and productive economy; and, critically, harness the collaborative enthusiasm of business, local authorities, the third sector and the public sector.

2.38 pm

Gordon Marsden (Blackpool South) (Lab): It is a great pleasure to serve under your chairmanship, Mr Stringer, and to face again my colleague the Minister for Apprenticeships and Skills across the room. We might be tempted to feel that this is groundhog day, because this is the third such set of statutory instruments, but all SIs have their particularities.

In her peroration, the Minister rightly touched on some of the paradoxes in relatively wealthy—I will not say “absolutely wealthy”—combined authorities, with skills gaps and other things. In the previous SIs, we have talked about some of the tensions—creative tensions, we hope—between the demands of place and sector in relation to moving much more quickly to the devolution of funding for non-adult apprenticeships and other skills, but we are not here today to talk about that in detail.

I want to pick up on some of the particular issues—indeed, the Minister touched on this in her comments—with these two combined authorities. Looking at the explanatory memorandum that we have been given, which must have been provided for all three of the Committees considering these sets of SIs, it is relatively heartening that, while they are varied, each of them refers to consultations that were undertaken by the proto-combined authorities. That is helpful and encouraging.

It is always difficult to get a broader response than from businesses that will be directly affected, but it is important to do so. You and I know, Mr Stringer—you know this only too well from your own personal experience in local government—how important it is to take people with us on a process. We also know what pitfalls can occur if we do not take people with us. The West of England Combined Authority undertook a major consultation in 2016; more than 2,000 individuals responded

via survey and 14 organisations provided a response. Just less than half agreed that the WECA would ensure that skills and training provision would be better tailored to meet local needs.

The Minister alluded to the situation in the west of England. I am reliably informed, not least by WECA's own website, that the west of England has one of the most skilled workforces in the country—42% of graduates choose to remain there and almost 48% of people are educated to degree level—but of course they have all sorts of needs, which the Minister has mentioned. The combined authority will assume responsibility for the apprenticeship grant. When describing how it proposes to handle that, it talks about how it will be used alongside mainstream apprenticeship participation funding to incentivise employers, but the authority has agreed to vary the criteria associated with the grant size to meet local needs. The ability to vary according to local circumstances will obviously be crucial in all the combined authority SIs that have come before us, but as I say, this combined authority has paid particular attention to it.

I was also pleased to see that, in its proposals and preparation for the devolution of adult education funding decisions, the combined authority talks quite strongly about the need to work with the Department for Work and Pensions to focus on those with a health condition or disability and the very long-term unemployed. The Minister, I know, given her own health background in Government, will understand the need for these devolved authorities to work collaboratively with other Departments, particularly in adult education. It is encouraging to see at this stage that that is what the West of England is keen to do.

The Minister also touched on the more difficult challenges in the West of England. She referred to one particular area that was very high on the disadvantaged scale. I was encouraged to see that, in its plans under the heading of apprenticeships and technical education, the West of England wants to develop new projects to support apprenticeships, working with the Careers & Enterprise Company.

Particularly—it does not say so specifically, but I will take a guess that it is Bristol—the area wants to work with the apprenticeship ambassador network, including the youth network and, indeed, the Bristol black and ethnic minority apprenticeships pilots. I am sure that the Minister will be aware of the keen interest that the Mayor of Bristol has taken in those projects; he has spoken on a number of occasions and he spoke very strongly about it at our party conference only a month ago. It is important, although overall we are dealing with a relatively well-off combined authority, that particular areas such as Bristol are looked at.

The orders in respect of Cambridge and Peterborough have also been the subject of the proper consultations and slightly more people responded. More than 4,000 people had their say, according to the Cambridge and Peterborough Combined Authority, or CPCA. This is interesting, because the question about adult education was not asked in quite the same way that the Government are dealing with it, but nevertheless I will give the figures. Asked for their views on giving the CPCA responsibility for adult education and skills training for people aged 19 and over, 74% of respondents to the online survey said they were supportive, and in the

[Gordon Marsden]

independent survey, which consulted a lot of businesses, 78% demonstrated their support. That might be something for the Minister to ponder.

The distinctive characteristic of Cambridge and Peterborough, which the combined authority rightly refers to, is its world-class higher education offering. There is the University of Cambridge, but also Anglia Ruskin University, which I had the privilege of visiting, wearing my other hat, and between them they represent the two thrusts in the area. When we talk about adult education, although we rightly think about the bread and butter things that can be done in skills and further education, we must not forget that such education needs to be—I will not stray beyond the statutory instrument we are considering—a key part of the mix in higher education, not least in view of the retraining and reskilling that we will require in the future, whatever the future may bring.

I had a quick look at the combined authority's website today and I am glad to see that it has already hosted—last Wednesday—a market engagement workshop, with 33 attendees from 29 providers, some from within and some from outside the county. That makes the point that, although the Government are devolving the support to discrete areas, it is not as if there were a Berlin wall around the area, and the ripples from that part of the country to other areas are important. That is one reason why the CPCA and, I think, the Government, have recognised the importance of the Oxford, Cambridge and Milton Keynes corridor. The CPCA is very ambitious with its strategic spatial framework, which is entitled, "Towards a Sustainable Growth Strategy to 2050", by which time, if the good Lord spares us, the skills Minister and I may yet be in an emeritus and distinguished third age adviser role on such things—I will not trespass any further on our personal chronologies.

Again, the combined authority makes the point that Cambridgeshire and Peterborough's surrounding districts have strong functional links with the authority area. As the Minister and I said in a previous Statutory Instrument Committee, both the areas that we are discussing have a mix of areas—small towns, rural areas and cities—and it is important that in the devolution process they work hard on all those aspects.

On skills, not just for younger people but for older people, it is interesting that in its strategic document the CPCA gives an outline of participation in higher education and training across the combined authority area. Although it is perfectly true to say—looking at the hatchings on the map—that the vast majority of the area is doing well, certainly regarding the participation of young people in the so-called POLAR quintile, a number of areas in the north score very low on participation. The paradox is that we will have shortages of certain skills because people are very well trained, and those shortages could be exacerbated after Brexit, whatever its outcome. That is an additional reason for us to press forward with the devolution of skills in these areas.

I conclude by picking up on the implications of the process across the areas covered by all six statutory instruments, including Cambridgeshire and Peterborough and the West of England. The Minister will recall that, when we started on this odyssey with the Greater

Manchester and West Midlands combined authorities, I raised the issue of the transitional funding and arrangements, and drew her attention to the particular problems of the Workers' Educational Association. It is a national body that has worked for many decades—in some cases more than 100 years—in all of the six areas. It finds itself caught between the devil and the deep blue sea in the process of transition and is finding it hard to know where to get funding.

The Minister and I had a brief exchange on that, and I understand the Government's current position. Since we had that exchange, it has come to my attention that, regrettably, at least one of the existing city regions has said that the WEA will not be prioritised for grant funding because the primary focus will be on residents. I do not want to comment further on that matter and I imagine that the WEA will make its own representations to the Minister, but it brings us back to the following point. If the Minister and her Department cannot offer transitional funding from their budget, given the rosier news that the Chancellor had this morning about the PSBR and other things, it would be helpful if the Chancellor could recognise this matter in his forthcoming Budget.

With those observations, I will conclude, Mr Stringer. As I have said on previous occasions, we thoroughly support the objectives of this process, including for the two local areas that we are discussing today, and we will not oppose the motions.

2.52 pm

Anne Milton: The hon. Gentleman and I agree on many things—maybe not all—and this is one. I acknowledge his points on the issue of transition. Not everybody was here last time, so I will repeat that transition is always difficult and I know there are particular issues for the WEA. I want to mention a few of the important points that the hon. Gentleman made. Wealthy areas may have significant pockets of deprivation that get overlooked among the leafy suburbs. That is a shame and this is an opportunity for the combined authorities to address that.

The hon. Gentleman mentioned the world-class university at Cambridge and the ripples that need to go out from it. I think that is right. When there is a very high graduate population there is always a tendency, in this place and elsewhere, to forget the 50% or so who do not go to university or have the benefit of a degree. Many of them have talents and skills, but they have somehow got lost on the educational train. I hope that Cambridgeshire and the West of England use this opportunity to pick that up.

I would mention one other project that includes Bristol. It is a five cities project that focuses on increasing diversity and inclusion, especially in apprenticeships. The figures in an area like Bristol are truly shocking. In some wards 90% of young people go to university and in other wards the figure is down at 2%. No self-respecting local authority should be happy with such figures.

The hon. Gentleman mentioned Anglia Ruskin university, and Cambridgeshire and Peterborough offer one example I will pull out. They are involved as the skills specialist in the feasibility study for bringing a new Cambridgeshire Academy of Transportation, Logistics

and Sustainable Energies to the area. Maybe devolution is an opportunity for local authorities and combined authorities to pick slightly catchier titles for their initiatives and deliver more opportunities for people to take up skills and produce initiatives, projects and working groups that mean something to their local population, because some initiatives are slightly lost on even many of us in the Government.

Question put and agreed to.

**DRAFT CAMBRIDGESHIRE AND
PETERBOROUGH COMBINED AUTHORITY
(ADULT EDUCATION FUNCTIONS) ORDER 2018**

Resolved,

That the Committee has considered the draft Cambridgeshire and Peterborough Combined Authority (Adult Education Functions) Order 2018.—(*Anne Milton.*)

2.56 pm

Committee rose.

