

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

SKILLS AND POST-16 EDUCATION BILL [*LORDS*]

First Sitting

Tuesday 30 November 2021

(Morning)

CONTENTS

Programme motion agreed to.

Written evidence (Reporting to the House) motion agreed to.

CLAUSE 1, as amended, under consideration when the Committee adjourned till this day at Two o'clock.

No proofs can be supplied. Corrections that Members suggest for the final version of the report should be clearly marked in a copy of the report—not telephoned—and must be received in the Editor’s Room, House of Commons,

not later than

Saturday 4 December 2021

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The Committee consisted of the following Members:*Chairs:* CLIVE EFFORD, † MRS MARIA MILLER

Ali, Tahir (*Birmingham, Hall Green*) (Lab)
 † Bradley, Ben (*Mansfield*) (Con)
 † Burghart, Alex (*Parliamentary Under-Secretary of State for Education*)
 † Carter, Andy (*Warrington South*) (Con)
 † Clarke-Smith, Brendan (*Bassetlaw*) (Con)
 † Gwynne, Andrew (*Denton and Reddish*) (Lab)
 † Hardy, Emma (*Kingston upon Hull West and Hessle*) (Lab)
 † Hopkins, Rachel (*Luton South*) (Lab)
 † Hunt, Jane (*Loughborough*) (Con)
 † Hunt, Tom (*Ipswich*) (Con)

† Johnson, Kim (*Liverpool, Riverside*) (Lab)
 † Johnston, David (*Wantage*) (Con)
 † Nici, Lia (*Great Grimsby*) (Con)
 † Perkins, Mr Toby (*Chesterfield*) (Lab)
 † Richardson, Angela (*Guildford*) (Con)
 † Tomlinson, Michael (*Lord Commissioner of Her Majesty's Treasury*)
 † Western, Matt (*Warwick and Leamington*) (Lab)

Sarah Thatcher, Bradley Albrow, *Committee Clerks*

† **attended the Committee**

Public Bill Committee

Tuesday 30 November 2021

(Morning)

[MRS MARIA MILLER *in the Chair*]

Skills and Post-16 Education Bill [Lords]

9.25 am

The Chair: Before we begin, I have a few preliminary announcements. I encourage Members to wear a face covering, except when they are speaking or if they are exempt. That is in line with the Commission's recommendations. *Hansard* colleagues would be grateful if Members could email their speaking notes to the usual address. I remind Members to switch electronic devices off or to silent, and that tea and coffee are not allowed during sittings.

Today, we will first consider the programme motion on the amendment paper, and then a motion to enable the reporting of written evidence for publication. The programme motion, which stands in the Minister's name, was discussed yesterday by the Programming Subcommittee for the Bill.

Ordered,

That—

1. the Committee shall (in addition to its first meeting at 9.25 am on Tuesday 30 November) meet—

- (a) at 2.00 pm on Tuesday 30 November;
- (b) at 11.30 am and 2.00 pm on Thursday 2 December;
- (c) at 9.25 am and 2.00 pm on Tuesday 7 December;

2. the proceedings shall (so far as not previously concluded) be brought to a conclusion at 5.00 pm on Tuesday 7 December.—
(*Alex Burghart.*)

Resolved,

That, subject to the discretion of the Chair, any written evidence received by the Committee shall be reported to the House for publication.—(*Alex Burghart.*)

The Chair: Copies of written evidence that the Committee receives will be made available in the Committee Room and will be circulated to Members by email in the usual way.

The Committee will now proceed to line-by-line consideration of the Bill. The selection list for today's sitting is available on the table; it shows how the selected amendments have been grouped together for debate. Amendments grouped together are generally on the same or a similar issue. Please note that decisions on amendments take place not in the order in which they are debated, but in the order that they appear on the amendment paper. The selection and grouping list shows the order of debates. Decisions on each amendment are taken when we come to the clause to which the amendment relates.

A number of newer Members are present, so I will go through this for clarity. A Member who has put their name to the leading amendment in a group is called first. Other Members are then free to catch my eye to speak on all or any of the amendments in that group. A Member may speak more than once in a single debate.

At the end of a debate on a group of amendments, I shall call the Member who moved the leading amendment again. Before they sit down, they will need to indicate

whether they wish to withdraw the amendment, or seek a decision—a vote. If a Member wishes to press any other amendment in a group to a vote, they need to let me know. I am not a mind reader—bear that in mind.

Clause 1

LOCAL SKILLS IMPROVEMENT PLANS

The Parliamentary Under-Secretary of State for Education (Alex Burghart): I beg to move amendment 4, in clause 1, page 2, line 21, leave out “subsection (6)” and insert “subsections (6) and (6A)”.

This amendment is consequential on Amendment 5.

The Chair: With this it will be convenient to discuss Government amendment 5.

Alex Burghart: May I say what a pleasure it is to serve under your chairmanship, Mrs Miller? I have no doubt that you will guide us, chivvy us and harry us through the six sittings ahead of us. It is my pleasure to speak to amendments 4 and 5 in my name, relating to local skills improvement plans and the involvement of mayoral combined authorities and the Greater London Authority in their development.

Mayoral combined authorities and the Greater London Authority play a vital role in supporting local communities, developing local economies and strengthening local skills systems. The Government recognise the importance of their work in their area as a commissioner and convenor with devolved adult education functions. As part of devolution, a sizeable proportion of the national adult education budget has been transferred to them. Their views and priorities therefore need to be brought to bear in the development of local skills improvement plans to help ensure that they are effective. That is already happening in our trailblazer areas, which deliberately feature a number with mayoral combined authorities. In recognition of their important role, the Government are bringing forward amendment 5, which will place on the Secretary of State a duty to approve and publish a local skills improvement plan only when satisfied that the designated employer representative body has, during the development of that plan, given due consideration to the views of the mayoral combined authority or Greater London Authority, where it covers the specified area.

9.30 am

We will set out further details in statutory guidance, which will be informed by our ongoing engagement with MCAs, the GLA, other key stakeholders and evidence from our trailblazers. This amendment, in addition to the statutory guidance, will ensure that MCAs and the GLA play a meaningful role in supporting the success of local skills improvement plans.

Mr Toby Perkins (Chesterfield) (Lab): It is a great pleasure to serve under your chairmanship, Mrs Miller. I would like to take a moment at the start of these proceedings to talk about the importance of the Bill and the approach that the Labour party will be taking to it, alongside Government amendments 4 and 5.

The skills Bill is of tremendous importance. We recognise that there has been, for a significant time, too little investment in skills and in the next generation. In particular, the drastic funding cuts during the past 11 years have had a dramatic impact on our further education sector and on the skills of the nation. It is recognised by many businesses, employers and players in the further education sector that we have fallen behind.

The Bill represents the Government's approach to addressing the backlog, and they tell us that this approach places employers at the heart of the skills strategy and skills agenda. When I first heard that, it sounded familiar to me, having been a Member of Parliament for the past 11 years. I thought, "Where have I heard it said before that employers will be at the heart of the skills strategy?" I believed that I had heard that from a previous skills Minister, so we did a bit of research in my office, and it turns out that we have heard it from almost all of them.

Back in January 2011, the then skills Minister, the right hon. Member for South Holland and The Deepings (Sir John Hayes), said of the Government's approach to skills and apprenticeships:

"The entire focus of our Skills Strategy is in building a training system that is employer led...Indeed helping meet those skills needs, in businesses across the country, will make a major contribution to economic growth."

In 2015, the apprenticeship levy was introduced, and the former Chancellor of the Exchequer, George Osborne, told us that we now had a system in the hands of an employer-led institute for apprenticeships, and that his levy would be a

"radical, long overdue" new approach to apprenticeship funding. He said in this place that it was

"to raise the skills of the nation and address one of the enduring weaknesses of the British economy."—[*Official Report*, 25 November 2015; Vol. 602, c. 1370.]

His skills Minister at the time, former Tory MP Nick Boles, said:

"At the heart of the apprenticeship drive is the principle that no one better understands the skills employers need than employers themselves."

By 2017, the Government were telling us this:

"The Apprenticeship Levy is a cornerstone of the government's skills agenda, creating a system which puts employers at the heart of designing and funding apprenticeships to support productivity and growth."

In 2018, the then Education Secretary, now the Minister for Security and Borders, told us that local enterprise partnerships were

"business-led partnerships...at the heart of responding to skills needs and building local industrial strategies that will help individuals and businesses gain the skills they need to grow."

The rhetoric behind this Bill is exactly the rhetoric that we have been listening to for the past 11 years. Indeed, if the approaches of the past 11 years, which we were told placed employers at the heart of skills policy, had worked, we would not need this Bill. The Government are once again returning with the same prescription for the same ailment. They are once again failing to meet the size of the challenge, and in some cases are heading in the wrong direction altogether.

We have a new Secretary of State in post, of course. He is at great pains to tell people that there will be a change of tone and approach. The Bill was the brainchild

of the right hon. Member for South Staffordshire (Gavin Williamson), if that is not an oxymoron, who was his predecessor—a man who believed in seizing as much power for himself as possible. Since the appointment of the new Secretary of State, we have been told there will be a change of tone and approach, but the Government's approach to the cross-party amendments brought by their Lordships is not promising.

We entirely support the amendments in this group, which are about the mayoral combined authorities, but it is remarkable that the Government needed to introduce them; that demonstrates that the Government produced the skills Bill without any recognition of the issue.

Tom Hunt (Ipswich) (Con): The hon. Gentleman has identified a key challenge that the Government are looking to tackle. It will clearly be difficult, but we hope that they will be successful. Does he agree that part of the reason why the challenge is so significant is that the previous Labour Government almost entirely ignored technical education and skills, with their obsession with universities and a 50% target?

Mr Perkins: I am glad that the hon. Gentleman raised that question. That has long been the lament. I speak to my colleagues who were involved in skills policy under the Labour Government, and their retort is that the investment in skills under the Labour Government was far greater than what we have seen in the 11 years that followed. There is nothing contradictory in wanting a strategy that allows as many people who want a university education and who are capable of it to have one, and that also has a real commitment to investment in skills.

Over the 11 years of this Government, we have seen the trashing of the idea that universities should be an aspiration for everyone. Alongside that rhetoric—an example of which we have just heard from the hon. Gentleman—we have seen a massive reduction in the investment in skills, and we have seen policies that do not work. The apprenticeship levy led to a massive reduction in the number of apprenticeships. What is said is one thing; what is done is quite another.

Matt Western (Warwick and Leamington) (Lab): Back in the mid-2000s, did not the Labour Government, who predated my time here, introduce national skills academies? The whole point of them was to develop skills across the piece and drive the development of courses that could run in colleges across the UK.

Mr Perkins: My hon. Friend makes an important point. We feel very strongly that we need investment in skills, but we also need a strategic approach that brings in different Government Departments and recognises that skills are the responsibility of not just the Department for Education, but of the Department for Business, Energy and Industrial Strategy and the Treasury. There has to be recognition that this is about the kind of economy, as well as the kind of skills system, that we are looking to build. My hon. Friend makes a powerful point on the Labour Government's approach, and the investments they made.

Lia Nici (Great Grimsby) (Con): I was a college lecturer in the era that the hon. Member for Warwick and Leamington mentioned. Curriculum 2000 was an

[Lia Nici]

absolute, unmitigated disaster. AVCEs—advanced vocational certificates of education—were withdrawn very quickly. The money that was pumped in was pumped into all the wrong places, and we ended up in a situation where people went to university because there were no proper options for BTECs at level 4 or level 5, or Cambridge technicals or City and Guilds, or anything else. It is not just BTECs but the Pearson monolith we are talking about here.

Mr Perkins: I thank the hon. Lady for that intervention. I accept that she has a long track record in this sector, and that is an important contribution to this debate. The investment in skills then was on a different level from the investment that has taken place since. I am very happy to spend the entire debate talking about the previous 20 years; it would be interesting but not entirely fruitful. I accept that she feels, as she said on Second Reading, that changes to higher national diplomas were damaging; she was negative about the drive towards university education. Like the Labour Government, I believe that we should recognise that it is a brutal world for those who do not have skill. A drive towards university education should not be at the expense of college education; they should be two hands working closely together.

Lia Nici: The reality is that university education is not skills education. That is the problem. We have people doing lots of different types of degrees, and they are leaving, as graduates, with no skills, and are not employable in the majority of places.

Rachel Hopkins (Luton South) (Lab): Will the hon. Member give way?

The Chair: Order. You cannot intervene on an intervention. I will allow Mr Perkins to respond.

Mr Perkins: It was such a controversial intervention that people wanted to intervene on it. I do not entirely accept what the hon. Member for Great Grimsby says—that a university degree is not a contribution to the skills of the nation. She hits on a view that is at the heart of much of this Government's approach, which is that education has value only in so far as it is used in the work that someone goes on to do, and that there is a very narrow distinction between skills or vocational education, which is useful, and university education, which is theoretical, abstract, and of little value. I do not recognise that distinction at all.

The Chair: May I gently remind people that, while I think it is appropriate to have a broader debate at the beginning, we are talking about amendments 4 and 5?

Mr Perkins: Sure. I take your point, Mrs Miller. However, the intervention from the hon. Member for Great Grimsby highlights an important broader issue: of course skills and vocational education will always need to lead people being able to find work, but constantly decrying university education, on the basis that it is somehow not delivering that, is mistaken. There has been a real drive by this Government to frame the further education and higher education sectors as enemies that must be pitted against each other. Our approach

recognises them as two important, powerful strongholds in supporting this nation to be the kind of nation that it wants to be.

Andrew Gwynne (Denton and Reddish) (Lab): Will my hon. Friend give way?

Mr Perkins: I will give way to my hon. Friend the Member for Denton and Reddish; then, if my hon. Friend the Member for Luton South wishes to come in, I will take her intervention.

Andrew Gwynne: I am grateful to my hon. Friend. I think he is absolutely right: we are heading into that age-old trap of not only dividing the academic from the vocational in further education, but implying that higher education is solely an academic route. There are many vocational higher education qualifications out there, and we must not ignore that. On Government amendment 5, the exact point that Andy Burnham—the Mayor of Greater Manchester—and the Greater Manchester Combined Authority have been making for years is that for the Greater Manchester city region to succeed, we must ensure that its skills agenda embraces not only the academic but the vocational, so that we have the skills for the jobs of tomorrow.

The Chair: The hon. Gentleman has neatly brought us back onto the subject of this debate, so I thank him for that.

9.45 am

Mr Perkins: I encourage my hon. Friend to expand on that point, because he is absolutely right. It is remarkable that the Government have been forced to introduce Government amendment 5, because it means that they brought the Bill forward without recognising any role for authorities that already have this funding devolved to them in the first place. It is a fairly dramatic change. The approach that Labour would take to local skills improvement plans is fundamentally different from that of the Government.

The Government are taking the approach that these are employer-led documents—that phrase again. They are documents of tremendous importance, so presumably the chambers of commerce will be holding the pen on them and will now, as a result of Government amendment 5, be forced to convince the Secretary of State that they have properly taken on board the views of those democratically elected to lead on skills policy in their areas. So many other important contributors are left on the side lines.

Labour's approach would be to say that we need to recognise the importance of local skills improvement plans that will dictate the direction of skills policy. What we need is a local skills improvement plan that brings together the role of public and private sector employers; that brings in further education colleges; that brings in significant independent training providers within an area; and that is held together by those with democratic accountability, such as metro Mayors and local authorities. That holistic approach would deliver a skills policy that everyone would be able to get behind and recognise as representative.

The Government's approach is very much about placing the chambers of commerce at the heart of this, but in fact they have had to bring forward an amendment to even put the metro Mayors and combined authorities back into that role. We support Government amendment 5, but it is remarkable that it was necessary at all.

I would like the Minister to expand on whether Government amendment 4 impacts clause 6 in terms of the duty placed on local skills improvement plans for compliance with section 1 of the Climate Change Act 2008. It is crucial that skills policy drives us towards a net zero future, so it is important to understand whether the intention is to undermine that commitment when it comes to Government amendment 4.

Again, we support Government amendment 5, although we are confused about why it is needed and why it was not central to the approach. As my hon. Friend the Member for Denton and Reddish mentioned, it is important that we recognise that mayoral combined authorities and the Greater London Authority already have responsibilities in terms of policy and funding for further education and skills, and that they both have good professional relationships with employers, colleges and training providers in their areas. I have been along to meet them in Manchester and have seen their excellent work on careers guidance and their constructive approach to independent providers and the FE sector. That is a great example of how devolved decision makers are better in touch with the needs of their communities than a centralised approach.

It is a shame that the Bill, the brainchild of the former Secretary of State, is a return to the centralisation agenda that has too often bedevilled Whitehall thinking. It was clearly a driving force in the legislation. It is inconceivable that local skills improvement plans could have flown in the face of decisions made locally. It is therefore important to understand what protections there will be for existing funding arrangements with regard to those put in place by metro Mayors. Will they be transferred to employer representative bodies or will there be a dual system?

The Government propose that employer representative bodies consider the views of mayoral combined authorities or the Greater London Authority but, as was said by the hon. Member for Ipswich on Second Reading, what does that say about those communities that are not within metro Mayor areas? The majority of my colleagues on the Labour Benches are in metro Mayor areas—I am one of the relatively few who are not—but many colleagues on the Conservative Benches are in areas that have local enterprise partnerships, which were originally meant to bring together many of the different power brokers. It seems that democratic accountability is missing entirely in areas outside the metro Mayor areas.

Emma Hardy (Kingston upon Hull West and Hessle) (Lab): This is a crucial point, which I hope we will come to as our consideration of the Bill develops: how do we define regions and regional consultation? The hon. Member for Great Grimsby might have an idea completely different from mine about what constitutes the best region when looking at skills and skills development. I hope that the Minister will take that point away and look to define that later as we go through the Bill.

Mr Perkins: Absolutely. To return to the subject of the amendment concerning mayoral combined authorities, the phrase “due consideration” is noticeably vague. The kind of due consideration that the right hon. Member for South Staffordshire might have given to the views of the Mayor of Manchester would have left me—and, no doubt, the Mayor of Manchester—with sleepless nights. We hope that a more thoughtful approach is now in place and we welcome the change of tone, but we are not seeing a change in policy.

Emma Hardy: On that issue of “due consideration” and its vagueness, will the Minister agree to look at producing some guidance on what constitutes due consideration? Is that a consultation that has happened on one occasion, or on a number of occasions? How do we define “due consideration” to ensure that the democratic accountability to which my hon. Friend is referring is put at the heart of the Bill?

Mr Perkins: I agree with that absolutely. The next part of that—to extend what my hon. Friend is saying—is to ask whether there is a right of appeal for a combined authority or metro Mayor in the event that they do not consider that due consideration has been given to their views. If they think that the employer representative body has put together a local skills improvement plan that has not taken into account the representations made on one or more areas, will there be a right of appeal? Will the fact that the metro Mayor considers that due consideration was not given be able to pause the local skills improvement plan and bring people together?

What role does the Secretary of State consider that he will have? As I said, the previous Secretary of State was very much a centraliser—he wanted his hands on every single decision—and that clearly runs through the Bill. He had all these frustrations with the fact that individual organisations were not doing exactly what he wanted, so he wanted the power to tell them that they had to. Is that the sort of approach that this Secretary of State will take? Having appointed the chambers of commerce to make decisions before those who are democratically elected to do so, he appears to be positioning himself as the arbiter in a whole variety of local decisions. I look forward to the Minister's response.

Emma Hardy: It is a pleasure to serve under your chairmanship, Mrs Miller. Looking at the room, I see that people on both sides are genuinely interested in education matters. I hope that this will be a good Committee that really scrutinises the legislation before us in a shared ambition to make the Bill the best that it can be.

I will be brief. I have already made an intervention about guidance on what constitutes due consideration and about the arbitration processes for conflict over whether someone believes they have been duly considered. Will there be a timeframe for that due consideration? Local engagement and agreement for the skills plans is absolutely crucial, so having that clearly laid out is fundamental.

I hope the Minister will clarify something. I may be misreading the Bill, but am I right in thinking that further education colleges have been removed from consultation, or is that part of a later amendment? The Lords tabled an amendment to ensure that local school

[Emma Hardy]

improvement plans are co-developed with colleges, local government, elected Mayors, employers and so on. Am I right in thinking that colleges are no longer listed as part of the consultation process, or will that be addressed in another amendment? I may have made a mistake, in which case the Minister will correct me.

We are basing everything on employers and the jobs available now, but has the Minister thought about future-proofing the local skills development plans to include industries that will be developed in future, especially in relation to climate, green changes and so on? We might create the best possible plan for jobs that exist now, but that might not be the plan that we want in five years' time, so will such future-proofing be included?

Tom Hunt: I will make just a few very brief comments. I think that the local skills improvement plans are a huge step in the right direction. It is clearly crucial that local businesses should play a role in shaping the curriculum of further education colleges. We need to have far more of an ecosystem approach when it comes to the role of employers, schools, FE colleges and further education. Too often, it seems as if they are kind of on the sides.

Mr Perkins: What does the hon. Gentleman say to my earlier point, which was that what he is saying is exactly what has been said about every single Conservative skills reform in the last 11 years? They always claim that they are putting employers at the heart of the measures. Why does he think those previous approaches have failed?

Tom Hunt: To be honest, we are dealing with the Government we have today. I can say, as somebody with an interest in further education and skills, that this Bill is actually the most significant and potentially game-changing piece of Government legislation. My job is to look at the Bill before us today, and I think it is hugely in the right place. That is not to say that improvements cannot be made at this stage, and we will engage in doing that.

There is one quick point that I would like to make. When we talk about the local skills improvement plans and local employers playing a greater role in shaping the curriculum of further education colleges, I think it is important that we consider what might happen. I imagine that the vast majority of education providers will play ball and welcome that input from local business, but on occasions where there may be some resistance and that does not quite work, is there something that could be done to ensure that they come to the table to accept the advice and a steer from local business?

On my comments on Second Reading, which the hon. Member for Chesterfield has often mentioned, I recognise that there is a significant difference between mayoral combined authorities and regular upper-tier local authorities. Certain powers and funding have been devolved to mayoral combined authorities, and we do not have them in every area. I accept that, and I accept why the Government are treating mayoral combined authorities slightly differently from regular upper-tier authorities such as Suffolk County Council. I guess my view would be that the solution is to have more devolution. As somebody who recently, with other Suffolk colleagues, supported a bid for One Suffolk, I would be very happy

if there were positive movements so that Suffolk was in a place to have the powers for its principal authority to play a role in local improvement plans.

10 am

Andrew Gwynne: It is a pleasure to serve under your chairmanship, Mrs Miller. My comments follow neatly on from those of the hon. Member for Ipswich, because the reality is that much of what the Government want to achieve in the Bill is starting to happen anyway in devolved combined authority areas where the skills agenda has been devolved. I welcome the emphasis on skills improvement plans and, now, the involvement of the mayoral combined authorities in them. It was perhaps remiss that that was not in the Bill originally, and I am pleased that the Minister has tabled an amendment to ensure that it is clearly in the Bill.

Devolution matters. It works, and it is working. It was a Labour Government who introduced the Local Democracy, Economic Development and Construction Act 2009, which facilitates the devolution agenda. Greater Manchester, my own city region, was the first to have a combined authority in 2011. It had an interim Mayor in 2015—my hon. Friend the Member for Rochdale (Tony Lloyd)—and a Mayor in 2017: Andy Burnham. The skills agenda is at the heart of the Greater Manchester combined authority's strategies. It has a local industrial strategy and priorities. In 2019, it had the adult education budget devolved to it. It has Bridge GM, which links schools and employers.

The thing that I am most proud of, and which fits neatly in the agenda of the Bill, is the Greater Manchester skills for growth strategy, which is designed to fill occupational skills gaps in the Greater Manchester city region, and provide young people and adults with the skills needed to fill the gaps.

However, we need to go beyond that, and I urge the Minister to encourage combined authorities to future-proof and devolve them the powers to do so. Technology is moving at a rapid speed. Our city region economies are changing dramatically in a short space of time, and we need to ensure that the workforce of tomorrow has the skills of tomorrow, not the skills of today. I welcome the fact that the mayoral combined authorities will be included in the Bill.

Emma Hardy: On the skills for tomorrow, there is a huge concern about amendment 4, which removes subsection (6) on future issues around climate change and environmental goals. Surely those issues will only grow in importance. Removing that from the Bill seems incomprehensible.

Andrew Gwynne: It absolutely does. My hon. Friend is completely right to highlight that, because they are not only the challenges but the opportunities of tomorrow. I firmly believe that the United Kingdom can be a world leader in developing the technologies and equipment to help tackle some of the environmental challenges that the whole globe will face in the years to come. That is certainly true of my city region. It is also true of Hull, where there are huge opportunities not just on renewable power but to develop the next generation of technology.

Emma Hardy: My hon. Friend has prompted me to point out that wind turbines are made in the great city of Hull, and we are going to be one of the green energy capitals of the UK. I wanted to get that in *Hansard*.

Andrew Gwynne: I am grateful to my hon. Friend for that intervention—probably almost as grateful as she is to have had the chance to make that press release—and she is absolutely right.

I firmly believe that the skills agenda is linked to the industrial strategy agenda, not just for individual city regions, towns and counties, but for the country. If we want Britain to succeed, we must think not just about the here and now, but about the future. That involves bringing together skills and industrial strategy. In a small way, that is what we are doing in Greater Manchester through the devolution agenda.

Mr Perkins: My hon. Friend is making an incredibly important point, which is at the heart of the difference between Labour and Conservative approaches. This Government's approach is about moving towards a German-style skills system, but the Treasury and Business teams do not want a German-style economy. I very much welcome a step towards the German-style approach, but the Government are trying to impose a model on top of our economy, and that cannot be done without the drive towards an industrial strategy.

Andrew Gwynne: My hon. Friend must have eyes in the back of his head, because that was pretty much the next point that I wanted to make. It all hinges on the term “due consideration”. We are doing this in city regions such as Greater Manchester, and we are getting there. We have the skills, and we have good collaboration with local businesses to shape the agenda. We have a shared vision. I accept that that might not be the case in other devolved areas—there might be a degree of friction between the business community and the combined authority—but in Greater Manchester, it is genuinely a partnership. The skills programmes, strategies and priorities are genuinely developed in partnership.

The Minister talks about “due consideration” in relation to the amendment, but I want assurances from him that Ministers will take a genuinely collaborative approach and we will not end up with some monolithic, top-down and Whitehall-knows-best approach being imposed on city regions that are already starting to develop the very skills strategies that are envisaged in the Bill. I will be grateful if the Minister can address my concerns.

Ben Bradley (Mansfield) (Con): It is a pleasure to serve under your chairmanship, Mrs Miller. I will keep my comments brief, but I want to touch on some of the issues raised by colleagues.

First, LEAs, chambers of commerce and other instances of local involvement in skills plans have been mentioned. Some of those are excellent and some are awful. Will the Minister touch on what safeguards might exist for those plans, particularly in areas without combined authorities? Combined authorities have devolved local oversight or engagement in the plans, but for areas that do not, where will the safeguard be if chambers of commerce that are not delivering for business bring forward less effective plans?

Secondly, I should declare an interest as a local government leader in talks with Government about devolution. In all honesty, I would devolve adult skills to all upper-tier local authorities. However, recognising that areas with combined authorities will have local engagement in the discussion—the hon. Member for Denton and Reddish has mentioned future-proofing the Bill—does the Minister acknowledge that the Government are in talks about devolution with counties that will not be part of combined authorities, but that might have powers over adult skills? Is that something that has been considered in the wording of the Bill? Such areas might have that local input or devolved skills budgets and options available to them in future, although they might not be covered by the term combined authority.

Matt Western: It is a pleasure to serve under your chairship, Mrs Miller. As my hon. Friend the Member for Kingston upon Hull West and Hessle was saying, it is great to be in a room that contains so many educationalists and educators, including my hon. Friend and the hon. Member for Great Grimsby, who will bring a lot to bear on the Bill.

I will preface my remarks by turning to earlier comments on vocational qualifications and the relative value of one sector versus another. We must remind ourselves to talk about the HE sector as opposed to universities and think about the great breadth brought to our educational sector by higher education providers, who are diverse in nature.

On Government amendment 4, given that COP was a month ago and how disappointing it was, we must ensure that all Bills include elements that remind us of the importance of climate change, which is the issue of our time and that of decades to come. The Government are seeking to remove subsection (6), inserted by the Peers for the Planet group, which importantly sees LSIPs granted to authorities by the Secretary of State only if they comply with the duty in the Climate Change Act 2008. We must ensure that, at every opportunity, in every piece of legislation, that duty is embedded in our thinking, and future generations must know of our determination on that.

I am sure that the Government are committed to environmentalism—they certainly talk about their commitment—and addressing the issue. I urge Government Members to think about this measure as it is particularly important in terms of education and what is being shared with the next generation. I remind the Committee that it was a concession in the Lords, so I am surprised that it should be opposed in the Commons.

I turn to Government amendment 5. It is important when designating LSIPs to consider the views and wishes of the mayoral combined authorities and the Greater London Authority. The Association of Colleges made that clear when it said:

“The voice of employers is critical—but it is also important that LSIPs reflect wider priorities too”.

Through the pandemic, we should have learned just how important localism is. One of the great successes was the delivery of track and trace and the vaccine programme locally. The same should be said of how we design our needs for skills and education in our regions. The principle of subsidiarity—decisions being made at the local level—is really important.

Mr Perkins: My hon. Friend is making an incredibly important point. We have a couple of enthusiasts for devolution of power on the Government side of the Committee, but I fear they may be disappointed because the Government's approach to devolution is very much less enthusiastic than that of the previous Conservative Governments in 2015 and 2017. The Bill, which seeks to bring a lot of power back to the centre, seems to prove that.

Matt Western: I agree with my hon. Friend, and I think many hon. Members, including the hon. Member for Mansfield, will be disappointed about that. It is really important that the Government send clear messages about devolution and what they want to see, but in many facets of Government business there seems to be a greater concentration of powers coming into Whitehall and Ministers' offices than devolution to the likes of Mansfield, Manchester, Liverpool the north-east and so on.

As I said, one of the great learnings of the last 20 months is just how brilliantly our local services and authorities can deliver things. That is because they understand their geography, their communities and their populations. I am concerned about how due consideration, a much-vented issue in the last half hour, might work, particularly given the reliance on the personality of the individual who happens to be in the seat at the time. I will not go into any further detail on that because it has already been much explored.

Will the Minister provide a bit more information on what factors will be considered in the designation of an LSIP? The Local Government Association has stated:

"the reforms need to be implemented as part of an integrated, place-based approach. Without a meaningful role for local authorities, the reforms risk creating an even more fragmented skills system, with different providers subject to different skills plans"

I urge the Government and the Minister to listen and respond to the experience of the Local Government Association.

10.15 am

Emma Hardy: Let me offer the Minister a concrete example of the situation in Hull. We have the Hull and Humber chamber of commerce, which reaches over to the south bank, and we have a newly formed LEP that serves just Hull and the East Riding. We have a careers scheme for Hull and the Humber, and separate counties that have no overall mayoral authority, but an elected police commissioner for the whole of the Humber. To say that is muddled does not go far enough. I really feel that the amendment should make allowances for areas that are as muddled as Hull.

Matt Western: That is a good illustration of just how complicated these matters can be. I hope that there will be greater clarity on how the measures will work in future.

We have heard from colleagues how well things can work, including my hon. Friend the Member for Denton and Reddish, who told us about how Manchester is just getting on with it. Having been up there recently, I have seen the extraordinary work of that cluster of universities and colleges, and how they are co-operating and collaborating in their brilliant work to bring skills to their known geography—I want to place on the record

how mighty impressive that was. I agree with the hon. Member for Mansfield on counties and how they work in their regions; that must be clarified as well.

Andy Carter (Warrington South) (Con): I ran a business in Greater Manchester's Media City for many years. I saw the work of universities; in fact, I saw the universities arrive in MediaCity while I was working there. It was employers who actually drove that forward. I have listened to Opposition Members talking about local government and universities driving things forward, but businesses have been driving forward the skills agenda in Greater Manchester for many years. We have to put on the record the important role that business plays in that. The skills agenda is not being driven by local government alone; businesses are really at the heart of it.

Matt Western: I thank the hon. Member for Warrington—

Andy Carter: South.

Matt Western: I knew it was Warrington. I thank the hon. Gentleman for his comments—I worked in the industry for many years myself. Businesses have an important part to play as consultees, but my concern is about the balance struck between what business wants and wider needs—we have to get an absolute balance between that.

To give the hon. Gentleman a small example, Warwick University, which is close to my constituency, was founded back in the 1960s, but it was founded off the back of the automotive industry. That did not mean that it should be an automotive industry establishment, and it is not. It happens to be one of the best universities in the UK and globally, but it was part founded by industry. That is where collaboration can work, and the last Labour Government certainly looked very closely at that when developing regional plans to promote industries. I take on board his point that industries and businesses have an important role to play as consultees, but plans should not be explicitly or purely at their direction.

Alex Burghart: What an interesting debate to start off the Committee stage of the Bill. There are so many comments to come back to. As a general observation, it was very nice to hear the hon. Member for Chesterfield praise Conservative predecessors of mine for their comments about an employer-led system, which we have indeed been building up during our time in power. The Bill is simply the next stage in that process.

The fact that that process was required was first highlighted in a 2011 report by the Labour peer Lord Sainsbury. I do not want to get into the deep politics of it—we have the Bill to consider—but that report was written after Labour had been in power for 13 years. He felt that it was necessary to begin long-term reform of the skills system to make it more responsive to the needs of business and to make sure that students could get the qualifications they needed and the technical skills to go into the jobs that the economy demands. It is a great honour to present the Bill as a means of taking those ideas on to their next stage.

I am grateful to the hon. Member for Chesterfield for saying that Labour will support the amendments and the local skills improvement plans. However, I need to clarify a point made by a number of Opposition Members:

the Government are not removing clause 1(6). That seems to be a point of confusion. Clause 1(6) stands part of the Bill. Government amendment 5 would insert subsection (6A) to clause 1, on page 2, in line 32. It does not do anything to clause 1(6).

Emma Hardy: On a point of clarity—forgive me if I have this wrong—amendment 4 does seem to leave out subsection (6). My mistake—it says “leave out ‘subsection (6)’ and insert ‘subsections (6) and (6A)’”.

Alex Burghart: With that in mind, and in answer to the point made by the hon. Member for Chesterfield on the impact of Government amendment 4 on clause 6, there is no friction at all between Government amendment 4 and clause 6. The amendment requires the Secretary of State to have regard to clause 1(6) and (6A) when deciding to approve and publish a plan. I hope that has cleared that up.

The hon. Member for Kingston upon Hull West and Hessle raised a point about LSIPs and colleges, which will be dealt with in statutory guidance. The Secretary of State will lay very good statutory guidance on how employer representative bodies will work and how local skills improvement plans will be written.

We expect the whole process to be collaborative. The hon. Member for Denton and Reddish spoke very well about the existing collaboration in the system. It is something that we recognise in all of our combined mayoral authorities. We do not see there being any great friction or need for friction. We want to see authorities, businesses and providers working in harmony, as many of them already do. What we are doing in the Bill, and in these clauses, is simply creating a process that helps establish that good working.

I was up in Salford not long ago, in MediaCity, where I saw some of the Government’s fantastic digital boot camps. Young people—and some not so young people—are learning the skills of tomorrow at speed in 16-week courses, getting apprenticeships in MediaCity and meeting people who have previously done the apprenticeships, who now have jobs in MediaCity. We saw that Government initiative backed by local business is not in friction with the good work the local Mayor was doing—instead, it complements it. We also saw the local economy boosted as a result.

Some of the remarks made by hon. Members suggested that there is always going to be a terrible tension between what local political leadership and businesses are trying to do, and what local providers want to do. I do not think that will be the case. In fact, there is an enormous amount of goodwill in the system and people are desirous of working towards the same aims.

On the points raised by my hon. Friends the Members for Ipswich and for Mansfield, do I see before me two future leaders in their respective areas? Well, one leader already, but who knows if they will become greater leaders still? Obviously, at the moment combined authorities have a greater responsibility for adult skills than local authorities do, which is why we put them on the face of the Bill. In the course of statutory guidance and as situations evolve, perhaps it will be possible for us to set out how we expect that work to evolve.

I do not recognise the comments made by some Opposition Members about this Government not having an appetite for devolution. Success has many fathers.

The hon. Member for Denton and Reddish talked about how Labour’s devolutionary reforms led to mayoral combined authorities, but I remember the Manchester devolution deal being done under the Conservatives.

Andrew Gwynne: I can second-guess where the Minister is going and I am grateful to him for giving way, but I was merely pointing out that the piece of legislation that permits combined authorities was one of the last pieces of legislation that was introduced by a Labour Government. It was clear that was where Labour was heading, but credit where it is due. David Cameron and George Osborne did allow significant devolution to my city region.

The Chair: Order. As interesting as devolution is, can we remind ourselves that we are talking about local skills improvement plans?

Alex Burghart: Thank you, Mrs Miller, and with your prompting I will refer to one more point.

Emma Hardy: I apologise if I am being tiresome, but just so I have understood this correctly, can the Minister confirm that the amendment leaves out subsections (6)(b), “adaptation to climate change” and (6)(c), “meeting other environmental goals”, but leaves subsection (6)(a)? Does the amendment remove paragraphs (b) and (c), lines 30 to 32, with those specific references to “climate change” and “other environmental goals”?

Alex Burghart: I believe I am right in saying that the amendment keeps clause 1(6)(a).

Emma Hardy: Yes, and removes paragraphs (b) and (c).

Alex Burghart: In the amendment, subsections (6)(b) and (6)(c) will not stand part of the Bill.

Emma Hardy: So that we are all clear, does that mean that “adaptation to climate change” and “meeting other environmental goals” are being removed?

The Chair: Minister, would you like to complete your remarks and maybe others can provide you with a little bit more information?

Alex Burghart: That is very kind, Mrs Miller. I will seek absolute clarity on this point, but my understanding is that the Secretary of State will still have to have regard to section 1 of the Climate Change 2008. That is an important concession that was made in the House of Lords, for obvious reasons.

To go back to the point made by my hon. Friend the Member for Warrington South, one of the major players—perhaps the major player—in what this Bill seeks to achieve is business. It is often business that drives, through its work with local providers, a responsive system, which means that the employers of today ensure that the employees of tomorrow have the skills that they need.

10.30 am

Andy Carter: In Warrington, we have used the town deal to put a focus on skills, with the employer at the heart of it. A digital skills academy has been created in

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Warrington, driven by employers but facilitated by the local authority, allowing the focus for colleges and for future growth in those areas. Businesses have really been at the heart of that work, which for me is so important.

Alex Burghart: That point is well made, and I very much hope to visit Warrington in the near future and see that good work.

Mr Perkins: The Minister may have received guidance that might help him, but as I understood it, paragraphs (a), (b) and (c) of subsection (6) all remain in the Bill; he is simply adding proposed new subsection (6A), which we have just been debating. The amendment does not take out any of the paragraphs in subsection (6), unless I have misunderstood it.

Alex Burghart: To bring a bit of clarification to proceedings, the hon. Gentleman is quite right. Contrary to some of the messages that Opposition Members gave earlier, we are keeping all of clause 1(6)—that means paragraphs (a), (b) and (c).

Amendment 4 agreed to.

Amendment made: 5, in clause 1, page 2, line 32, at end insert—

‘(6A) Where a specified area covers any of the area of a relevant authority, the Secretary of State may approve and publish a local skills improvement plan for the specified area only if satisfied that in the development of the plan due consideration was given to the views of the relevant authority.

For this purpose “relevant authority” means—

(a) a mayoral combined authority within the meaning of Part 6 of the Local Democracy, Economic Development and Construction Act 2009 (see section 107A(8) of that Act), or

(b) the Greater London Authority.’—(*Alex Burghart.*)

The effect of this amendment is that the Secretary of State must be satisfied that due consideration has been given to the views of a mayoral combined authority or the Greater London Authority before approving a local skills improvement plan for an area that covers any of their area.

The Chair: We had some quite general debate on that group. I hope people have got things off their chest. Perhaps we could have a slightly more focused debate as we move forward.

Alex Burghart: I beg to move amendment 6, in clause 1, page 2, line 35, leave out from “body” to “for” in line 37.

The effect of this amendment is that a local skills improvement plan will be a plan developed by an employer representative body which is designated for a specified area. This amendment, together with Amendments 7, 8 and 9, reverse an amendment made at Lords Report.

The Chair: With this it will be convenient to discuss Government amendments 7, 8 and 9.

Alex Burghart: The amendments strip back some of the detail in clause 1(7), which can be better dealt with in statutory guidance. As well as engaging a wide range of employers, a designated employer representative body should work closely with all relevant providers, local authorities and other key local stakeholders to develop its plan. Without such widespread engagement, the resulting plan is not likely to be very effective. Key stakeholders with valuable local intelligence include, but are not limited to, the Careers and Enterprise

Company, local careers hubs, National Careers Service area-based contractors and Jobcentre Plus. Our expectations on local stakeholder engagement will be set out clearly within the statutory guidance. The guidance can be updated regularly to reflect evolving needs and priorities, as well as best practice. It also enables the required level of detail to be captured.

Clause 1 already places duties on relevant providers to co-operate with employer representative bodies to ensure that their valuable knowledge and experience directly inform the development of the plans, so that they are evidence-based, credible and actionable. Clause 4 makes it clear that relevant providers include independent training providers and universities. I therefore do not believe that the Lords amendment is needed, particularly given the MCA and GLA amendment that we have just discussed.

Mr Perkins: These are four significant amendments. Notwithstanding the assurances that we have just received from the Minister, they specifically take out what I think was a very strong amendment, supported by Members across the House of Lords, that added the importance of a collaborative approach to the Bill. For all the Minister said in that contribution, and the one before, about the importance of these partnership arrangements, it is not really a partnership arrangement. It is clear that all those consultees are subservient to the chamber of commerce which, ultimately, holds the pen and makes the decision. That report will then have to meet with the approval of the Secretary of State. The hon. Member for Mansfield raised in a previous debate the question of what happens, given the huge variety in the strength of different chambers of commerce, different local enterprise partnerships and so on, in the event that a local skills improvement plan goes to the Secretary of State and is considered not be adequate? Obviously, we can only assume that the Secretary of State would send it back.

Chambers of commerce are very varied organisations; I think everyone would recognise that there are some excellent ones—I count those in Derbyshire and the east midlands as an example of that. However, there are others that are much smaller and have very different areas of responsibility. Chambers of commerce are membership organisations that represent some of the businesses in their community; that is unlike chambers of commerce in Germany, which are compulsory for businesses to join, and therefore are representative, quasi-governmental organisations. In this country, chambers of commerce are one of many different business organisations that businesses might choose to join. Different chambers have different areas of priority and expertise and different industries that are particularly important to them. Even among their memberships they have, in my experience, a small number of members who are very active within them, and large numbers of members who take a much less active role.

What we have in the context of many of the consultees that the Minister referred to going into the guidance notes, are a number of organisations that are in some ways more consistent, and will definitely offer a breadth of approach. Therefore, the fundamental difference of the approach that Labour would take in the Bill, compared with the Government, is around whether it is a true partnership. The difference is whether it is a partnership that recognises the voices of public and private sector

employers and of further education colleges, that recognises the power of those independent training providers that do such great work across the country, and that recognises statutory organisations such as jobcentres, all of which have a role in this, or whether, as the Bill says, they are all consultees, but the chamber of commerce ultimately writes this plan. We would like to see far greater parity in that power; we think it is a local skills improvement plan that would have more buy-in and more belief in the local community, and would be much more respected on that basis.

Emma Hardy: I am sure that my hon. Friend shares my concern, given amendment 6, that the specific reference to further education providers is removed from the Bill. Any local skills plan needs to be done in conjunction with further education providers; there is no point writing a Bill that does not have the capacity to deliver in that local area. It seems slightly odd that a specific reference to further education has been taken out of the Bill.

Mr Perkins: I agree with my hon. Friend. She is right that Government amendment 6 removes the words,

“in partnership with local authorities, including the Mayoral Combined Authorities and further education providers for the specified area”.

The Minister says that we should not worry, it will be in the guidance. However, the different approach by the Lords recognised that it was a genuine partnership. These organisations are now consultees that will make their representations to the chamber of commerce, and hope that the chamber of commerce smiles on the view they put forward. It is a totally different type of relationship. The relationship is either one of partnership or of subservience; the approach the Government choose to take is one of subservience.

Matt Western: My hon. Friend is making some very important points. On the face of it, it would seem that the Government seek to make local employers’ organisations ultimately responsible for the direction and control of our colleges, and potentially our universities as well.

Mr Perkins: In terms of areas that are not already devolved, that is absolutely right, and adult education budgets will be very relevant.

Hon. Members will be pleased to know that I will not dwell on the subsequent amendments, because we will have an opportunity to debate them, but I will touch on some of our concerns about the way in which the needs of learners might not necessarily be at the forefront of people’s minds in chambers of commerce. For example, to what extent will chambers of commerce be aware of the specific needs of people with education and healthcare plans or other disabilities? The amendments seek to reduce the extent to which it is partnership working and move to a hierarchy, with the chamber of commerce holding the pen and driving the bus, and others making suggestions about the route.

Emma Hardy: My hon. Friend is absolutely right as to whether it is a true partnership relationship or a relationship of subservience. I draw hon. Members’ attention to amendment 7. Not only does amendment 6 leave out specific reference to further education providers; amendment 7 leaves out specific reference to community

learning providers, designated institutions and universities. Again, it is no longer a partnership, as was written in the Lords amendment. It becomes a situation in which central Government make the decisions and education providers are in a subservient relationship with them. My hon. Friend is absolutely right.

Mr Perkins: I thank my hon. Friend for saying that, and I agree. Government amendment 7 is consequential to Government amendment 6, and she is right about what that means. We have real concerns about how employer-representative bodies and LSIPs will fit within sectoral expertise in sectors such as construction and manufacturing, which transcend local areas but are incredibly important, particularly where our economy is hugely lacking in the development of the next generation.

It is really important to recognise that we have huge skills shortages in the public sector as well as the private sector. Health and social care is a classic example, but there are many others. The voice of the public sector must be heard, and we must ensure that it is able to support people who aim to get from unemployment into a trained-up place in the workplace, because they are also central to this sort of approach. I am interested to hear from the Minister what framework he envisages for LSIPs aligning with sectoral programmes and a national industrial strategy.

Government amendment 8 removes the words, “by people resident”, from the sentence about the skills required in a local area. The purpose of the Lords amendment was important: it was to ensure that LSIPs focused not just on the needs of employers but on the people resident in a community. What would happen in a situation whereby employers were satisfied with the extent to which they were able to access the skills that they needed, but a large number of people were employed and unable to get into the labour market? Ultimately, it is not the responsibility of chambers of commerce to address youth unemployment; it is the Government’s responsibility. If businesses consider that they are able to access the skills that they need, but there is still a large number of people who are unemployed, who takes responsibility for that? The Lords amendment ensured that the people who were resident in a local area were considered in the local skills improvement plan. The Government are taking those words out, which means that it goes back to being a plan put together by businesses to solve the needs of businesses, regardless of whether that addresses the problems of people struggling to access the labour market.

10.45 am

Emma Hardy: My other concern with the amendments, which I hope the Minister will address, is about areas with many small and medium-sized enterprises. Areas with large numbers of big employers can obviously exercise that strong voice, for example through chambers of commerce, but I am worried that in areas such as Hull, with predominantly SMEs, as I am sure Government Members will recognise, that voice will not come through as strongly.

Mr Perkins: My hon. Friend worries with due cause. Since the introduction of the apprenticeship levy, small businesses have found it incredibly difficult to access apprenticeships. There has been a huge driving down in the number of people getting apprenticeships within

[Mr Perkins]

small businesses. In areas such as Chesterfield, where smaller employers make up the majority of the economy, the apprenticeship opportunities are much lower than they were a few years before. Ensuring that the voice of small business is heard within this is incredibly important.

The Minister did not really talk about this amendment at all, but the Government might say that the skills plan also needs to have a focus on those relevant to a local employer who are not currently resident—we might call it the “on your bike” amendment, with the Government saying, “We want an approach that identifies skills needs of people who are not currently here.” If that was their intention, then it could have been worded to ensure that there was a strategy for attracting new workers. Simply taking those words out means that this is a plan for the employer community that does not have to consider those questions around the learners who are excluded from the labour market if those employers consider that they are relatively satisfied with what they are able to attract.

There is an important point here. At the moment, shortly after Brexit, there is a lot of focus is on skills shortages and staff shortages, and the sense, which I totally agree with, that we need to make more of the people we have. However, there may be other times when there is a real surplus of unemployed people, and we need a strategic approach that, in those times, supports those people into work, even if there are not a huge number of vacancies in the labour market. I think that those words are important.

Government amendment 9 removes the words “and other local bodies” from the clause concerning post-16 technical education, which was an amendment that the much-respected Lord Baker of Dorking added to the Bill. The Lords amendment that this Government amendment seeks to undo was drafted to avoid being too prescriptive, but it would have allowed LSIPs to work closely with other agencies, including Jobcentre Plus and careers advisory services, in providing careers information, advice and guidance.

All those organisations are important to ensuring that they are able to get into schools and support young people to get representation and ideas from both the business community and environments that they have not been familiar with. I would have thought that an amendment recognising that the careers responsibility is not just a responsibility of schools, but something that should be open to businesses, would have very much fitted with the spirit of the Bill. It was an opportunity for the Government to enable other bodies to play an important role in that post-16 technical education and careers guidance, and it is therefore disappointing that it was taken out.

We agree with their lordships on the introduction of these amendments, and we are disappointed that the Government are seeking to remove them. On that basis, we will look to support the amendments brought in by their lordships and disagree with these Government amendments.

Rachel Hopkins: It is a pleasure to serve under your chairship, Mrs Miller. It is appropriate that I declare an interest as a vice-president of the Local Government Association and as a governor of the fantastic Luton

Sixth Form College. I support the speech given by my hon. Friend the Member for Chesterfield, the shadow Minister; I was also very disappointed.

The irony is not lost on me that a slightly less democratic place wanted to put more democracy into this Bill, which I was very pleased to see. The Government amendments take out democracy by removing the references to local authorities and mayoral combined authorities. I heard the Minister’s comments about expecting it to be collaborative and wanting good will between the different organisations. In order to ensure that all parts—the legs of the chair, so to speak—are in the Bill, the amendments made in the House of Lords should stay there.

I have a great passion for local authorities and the role they play in adult education. They have already been doing great work, understanding their own areas. In the general debate the point was raised about the role that locally elected leaders, local authorities and combined authorities play in place making, and the skills agenda is key to that. One of the points that has not been referred to specifically comes under amendment 7, which would take out the reference to the “long-term national skills” strategies. That is wholly important and not just secured through local businesses thinking about the skills they need roughly now. Retaining that reference to the long term and the statutory responsibilities of local authorities and combined authorities in the Bill would create a much firmer and stronger situation in our local areas. I speak as a former councillor on Luton Council. Great work is done at local grassroots levels.

Matt Western: It is generous of my hon. Friend to give way. She was in full flow and I did not want to interrupt her. In response to her point, it is fine to consult and get the views of businesses in developing a plan, but they do not necessarily know what is coming down the track: future opportunities, future business and future sectors that do not even exist yet. That is why it is important to keep as broad a base as possible. That was one of the points she was making well, but I wanted to amplify that.

Rachel Hopkins: I thank my hon. Friend for that fantastic intervention. It leads on to a couple of other points about those who are not in employment, and particularly local authorities with responsibility for young people who are NEET—not in education, employment or training. It is absolutely vital that those are addressed and that they have a formal seat at the table in that area. Equally, on my hon. Friend’s point about looking to the future, local authorities do a great amount of work to understand their populations and trends so they can project how many young people are coming through or whether school or training places will be needed. Employers do not always have easy access to that, but local authorities need to have an equal seat at that table in developing the plans, rather than just being tucked away in some statutory guidance. We know what happens with guidance; it is just guidance and it is often ignored.

Emma Hardy: On that point, I hope that the Minister will clarify that this will be statutory guidance, not just guidance that has been issued as a general idea that we can do it if we would like to. Statutory guidance is needed.

Rachel Hopkins: I thank my hon. Friend for making that important point about statutory guidance. In fact, if the guidance is going to be statutory, why not just make it statute and have it in the Bill? That is what I would like to see. It is important that local people have democratic oversight of what is happening in their areas. That is why I want to see local authorities, combined authorities and other organisations that can shape what is going on in their local areas.

Emma Hardy: On that point, the removal of “schools, further education institutions, community learning providers, specialist designated institutions and universities”

means the people who actually deliver the skills strategies are being removed from a Bill about skills. It is a little odd.

Rachel Hopkins: I thank my hon. Friend for making yet another fantastic intervention. Yes, it is a little odd. Equally, amendment 9 removes other organisations, such as our Jobcentre Plus.

Mrs Miller, you will forgive me for intervening on an earlier intervention. What I was trying to get at with regard to universities is that they are also very much involved in skills development. I refer to the University of Bedfordshire, which is in my constituency. It has a fantastic new STEM building—science, technology, engineering and maths. Industry-standard equipment has been brought into the science labs, so the students studying for degrees such as biochemistry are using the equipment that is used out in industry. This is not just about theoretical and academic issues; it is also about key skills.

Emma Hardy: My hon. Friend is absolutely right to point out how incorrect the intervention was. One of the areas where we are desperately short of workers is social work. How do we train up social workers? They are trained up at a university. The idea that universities are only for academic knowledge and not places where people can be trained for jobs is ludicrous.

Rachel Hopkins: My hon. Friend also must have eyes in the back of her head, because one of the other points I want to talk about is health and social care. Again, I will talk about my fantastic home town of Luton. Someone can study for a BTEC in health and social care at Luton Sixth Form College, or study at the University of Bedfordshire and get practical skills training as a nurse, paramedic or midwife, before going on to be a nurse, paramedic or midwife at Luton and Dunstable University Hospital. All of those bodies will not be included in developing a skills plan if they are not set out in the Bill. I want to see them included, so that everyone feels that there is equality of partnership work, to ensure that what is needed is recognised.

I will not prolong my remarks any longer, but I just want to reiterate the points made from the Opposition Front Bench and say that taking out these important clauses that were inserted by the Lords weakens the Bill.

Matt Western: What is concerning about these amendments is the direction of travel. What is it that the Government are trying to achieve by removing these Lords amendments, because they seem to be incredibly

positive and constructive about getting the right and relevant organisations across the piece to be involved in the development of a plan? The idea of a LSIP is a very good thing, but it must draw on the skills, knowledge and expertise of these bodies from a region, so that they can bring them to bear on the design of a LSIP, to ensure that the present and future needs of a region can be met.

My fear, having listened to the debate over the last few minutes, is that there is a horrible parallel with what is going on with the integrated care systems, whereby we are seeing more involvement by the private sector and a diminution of the provision from the public sector. When we look at individual placement and support, or IPS, we see that there is an absolute withdrawal of the public sector. The public sector will also have little to no say on what will happen with the delivery of skills in a region. That runs counter to what the Local Government Association believes.

The LGA says in its written evidence that it believes “the reforms need to be implemented as part of an integrated, place-based approach.”

We have also heard evidence from the Association of Colleges, which said it was

“disappointed the Government have tabled an amendment to remove”

the reference to post-16 education providers. It is quite rightly disappointed.

Warwickshire College Group, based in my town, is a huge college that covers Warwickshire—I think it is still the sixth largest in the country, so it is a college of some substance. It wrote to me to say that it wants to ensure that colleges are co-constructing LSIPs with employers and that it very much needs to be involved, because it is within the power of colleges to further think strategically—that comes back to the point I was making earlier—and innovate for the skills needs of their communities.

We have also heard from the Workers Education Association. Its submission said:

“We are pleased that the Bill...should “draw on the views of”...further education institutions, community learning providers”, and others, and that:

“We hope to see this retained and strengthened in the...Act.”

Then we get to organisations such as Central YMCA, which said that, as an independent training provider, it believes it is vital that LSIPs should draw on the views of organisations such as themselves, as well as those of schools and FE colleges.

The LGA believes that the Lords amendment should be maintained, to ensure that all employer representative bodies across England should

“work with local democratic organisations to better coordinate provision and align pathways of progression for learners.”

11 am

As my hon. Friend the Member for Chesterfield said at the outset, we are extremely concerned that removing these organisations—removing, wholesale, the likes of schools, specialist designated institutions and universities from participating in the design of the plans—seems ignorant in the pure sense of the word. It weakens the plans. It does not maximise the true potential of what the region can do with collaboration between the public and private sector in the design of those plans. The

Lords got it right, and it is really disappointing that the Government, for whatever reason—ideological, perhaps—should now be seeking to remove this provision.

Andrew Gwynne: I do not want to prolong the debate on this group, but the Minister, in the discussion on the previous group, sought to assure the Committee that the approach was genuinely collaborative. Yet this group of amendments strikes out Lords amendments that would make the approach genuinely collaborative. I do not understand the thinking here. I cannot understand what the Minister thinks he is gaining or achieving by striking out the Lords amendments.

Let us look at the amendments in detail. Government amendment 6 would strike out, in clause 1(7)(a), “in partnership with local authorities, including the Mayoral Combined Authorities and further education providers”. The explanatory notes state that the reference to mayoral combined authorities is not required because that point has now been made clear through the earlier Government amendment that we have passed. I accept that point, but there is still a role for other local, non-mayoral combined authorities to have a view and an input into the skills agenda for their area, whether that is a unitary authority or a county council. These issues are part and parcel of what those local authorities do.

Emma Hardy: It feels like removing the Lords amendment will result in democratic accountability if the area has a Mayor; if it does not, there is no democratic accountability. An area such as Hull, which has no mayoral authority, has no democratic accountability or reference in the Bill. That feels unfair.

Andrew Gwynne: It not only feels unfair; it is unfair. I get that mayoral combined authorities have specific skills responsibilities devolved to them, so clearly the level of input from a mayoral combined authority is greater than that of a county council or a unitary authority that does not have those specific responsibilities devolved to them, but the council’s strategy for that area will involve education, skills and economic development. Those are important elements for county and unitary authorities.

Mr Perkins: I fear it is actually worse. The Government amendment agreed by the Committee a moment ago did give a role to mayoral combined authorities, but that role was that the Secretary of State had to satisfy himself that they had been consulted. The pen is still held by the chamber of commerce. The Lords amendment that the Government amendments in this group get rid of are about genuine partnership. The Bill, as brought from the Lords, states that it will include

“an employer representative body in partnership with local authorities, including the Mayoral Combined Authorities and further education providers for the specified area”.

That partnership is being entirely removed. Metro Mayors are being left as a statutory consultee, which the Secretary of State must satisfy himself are being consulted. The other partners will have no role whatsoever, except for in guidance, which will say, “Make sure you talk to them.” This change is about moving from a partnership approach to a consultee, subservient approach.

Andrew Gwynne: My hon. Friend the shadow Minister is absolutely right. When we look at what else is being deleted from clause 1, subsection (7)(b)(ii) talks about

“regional and local authorities, including the Mayoral Combined Authorities, within the specified area with specific reference to published plans and strategies which have been developed by these authorities”.

All those authorities have plans and strategies; I listed a number of them in relation to Greater Manchester. If the mayoral combined authorities are going to be involved in this, why take out a specific reference to the plans that have been developed by them? As I said previously, unitary authorities and county authorities have those strategies too, yet they have no say whatsoever.

Matt Western *rose*—

Emma Hardy *rose*—

Andrew Gwynne: I will give way to my hon. Friend the Member for Warwick and Leamington, because he was first, and then to my hon. Friend the Member for Kingston upon Hull West and Hessle.

Matt Western: My hon. Friend is making a powerful point, and I would like to draw him further on it. I accept and respect what the Government are doing with some of the allocations of moneys to towns through the towns fund and so on, but it seems odd that we have some visionary authorities, not just at county level but at town and district level, that are doing extremely good work—I include my own in that—and they are not included. They should be party to this. They know what they want to do, they know what they are capable of, they know the areas where they can develop and they need those skills to ensure it is realised. I emphasise that those sorts of authorities should be included as well.

Andrew Gwynne: I completely agree. Every layer of local government has an interest in the health and wellbeing—in the broadest sense—of the population. The best way to improve the health and wellbeing of the population is to ensure that people have good skills, good education and good job opportunities. That is the route to health and wellbeing, and that is true both at the district level and at upper levels.

Emma Hardy: I want to highlight to Government Members, although I am sure the hon. Member for Mansfield will know this as leader of a local council, that local councils have a statutory duty for all children with special educational needs or disabilities up to the age of 25. They have a statutory duty for looked-after children. They have a statutory duty regarding the number of young people not in employment, education or training—NEETs—as well. They have those statutory duties, yet the Government amendments remove their voice from the local skills plan. That does not seem right.

Andrew Gwynne: It absolutely does not seem right. I have spent a lot of time on local government, but the same part of subsection (7)(b) that will be struck out if Government amendment 7 is made goes further. While the line

“draws on the views of...employers operating within the specified area”

stays in, regional and local authorities, mayoral combined authorities and their strategies are taken out, but so are “post-16 education providers active in the specified area, including schools, further education institutions, community learning providers, specialist designated institutions and universities”.

It is incomprehensible that those bodies would not be part and parcel of the deliberations on and the creation of the strategies.

Matt Western: If I may make one final point to address my hon. Friend's own point, universities and higher education providers across the country are working well—some extremely well—in collaborating and co-sponsoring courses with their FE institutions. The idea that they would be excluded from the plans seems beyond ridiculous.

Andrew Gwynne: It is barmy—there is no other word for it. We are here debating a Skills and Post-16 Education Bill and we are excluding the very bodies that have a direct interest in skills and post-16 education. I just do not understand the Government's thinking. They have promised collaboration, but you cannot have collaboration if the people and bodies delivering the skills agenda on the ground are explicitly excluded from the creation of those plans.

Tom Hunt: Of course, the bodies that are delivering technical and skills qualifications will continue to have a significant role. Surely the hon. Member must realise that the whole point of local skills improvement plans is to give a strong voice to local businesses? There are other avenues and ways in which providers can shape the offering.

Andrew Gwynne: I would like to know what the avenues are and why they are not in the Bill. If we are talking about developing a genuine partnership and collaboration, and if we are saying, "This is the skills agenda for our country. These are the needs of the next generation of workers in our country. This is where our country is heading with the jobs of tomorrow. This is the inward investment we want to bring in to our country. These are the things we want to make and do and build in our country," we cannot do that just through business. Business is the way we create jobs, but it is educational institutions, universities and colleges that give the next generation the skills to deliver the strategy on the ground.

Matt Western: To give one simple example, and to be fair to the Government, the UK Battery Industrialisation Centre was developed through a university working with a local authority and a series of businesses. That is what we are talking about. It is about how we bring bodies together to develop plans, have a vision and then get the skills needed to deliver it. That is one brilliant example. We cannot have these plans simply designed by businesses.

Andrew Gwynne: No, we cannot. In other countries where there is a partnership between academia and industry, I have seen that the concepts of products are developed in universities, enterprise parks and science parks, and with the support of business they are brought to the market and developed across the world. I know that I have spoken a lot about Manchester, but one good example is the development of graphene by the University of Manchester. We are a world leader in that technology, and that was born out of genuine collaboration. Excluding universities and colleges from the plans for the economic development of our country is therefore barmy.

Ben Bradley: It is important to clarify this point, and I assume the Minister will do so as well. The hon. Member keeps using the word "exclude" as if others will be unable to take part in these conversations, and that is certainly not what amendment 7 says. Opposition Members have argued that the Government are taking too much central control, but when the Government try to give those at the local level flexibility to include the people they want to include, as opposed to mandating that certain groups be included, the hon. Member says that it is not specific enough. I wonder which one he is actually after.

Surely it would be better for local skills plans to be put together by partners who want to be involved, because not all the businesses or local bodies that he mentions will want or have the capacity to engage, and to have local flexibility to choose the most representative groups, rather than it being decreed that all such organisations must be involved in the discussions. It could become very unwieldy if we had to include every sixth form or FE provider in a whole region in those bodies. Surely flexibility is a good thing.

Andrew Gwynne: Clearly their lordships thought differently from the hon. Gentleman, and I think he is reading a different Bill. I will read it out to him. It says: "draw on the views of employers operating within the specified area".

The plans will be drawn from the views of employers.

Ben Bradley: Where does it say "exclude" them?

Andrew Gwynne: Why does it need to specify employers, and only employers? It is a very one-sided view, and it strikes out regional and local authorities, post-16 education providers that are active in the area, schools, FE institutions, community learning providers, specialist designated institutions and universities.

To come on to my final point, why is "such sources of information on long-term national skills needs as the Secretary of State may specify"

being removed? If the Government spotted on the horizon that there was likely to be a skills shortage, especially in our brave new world where we have taken back control and will upskill our own population to meet the coming challenges, I would expect the Secretary of State to ensure that our long-term national skills needs were included in every single one of those plans across England. Again, it is incomprehensible to think that the Secretary of State would not say to each and every one of those local areas, "We need to make sure that we have enough skills to do x, y or z, because we will face skills shortages in the future."

To conclude, I cannot fathom the logic behind striking out these Lords amendments. Doing so runs against everything the Minister said a moment ago about collaboration. If he believed in true collaboration—a true partnership—he would not be doing this today.

11.15 am

Alex Burghart: It has been another lively and interesting debate on this group of amendments. The Government want to build an employer-led system, but the statutory guidance—yes, statutory guidance—will make it clear

[Alex Burghart]

that the employer representative bodies that the Bill creates must consult a range of partners and collaborate with them.

On the removal of schools and other providers, the Bill is already clear that all relevant providers, including further education colleges, independent training providers, universities and sixth-form colleges need to be involved in the development of the LSIP—that is stated in subsection (4)—and if designated employer representative bodies do not have regard to relevant statutory guidance on engaging with relevant providers and do not comply with the terms and conditions of their designation, the Secretary of State may not approve or publish the local skills improvement plan and could remove their designation.

The national dimension is very important, and we expect local skills improvement plans to be informed by national skills priorities and to help address national, as well as local, skills needs. However, where there are national skills shortages in critical areas, we can expect the Government to carry on playing a role in helping alleviate them, as we are doing at the moment. We put £17 million into rapidly upskilling people to help meet the needs of the heavy goods vehicle sector, where we have significant shortages, and I have been pleased to see that that is going very well. That will not fall away.

Turning to the question of dropping the reference to long-term national skill needs, the Bill already makes reference to the fact that LSIPs will need to look at future skills needs—that is stated in subsections (2) and (7)(b)(iii). The Opposition made a very important point about the role of the public sector. Let us think about the phrase “employer representative bodies”: there is a very big role for business, but in many areas, the public sector is a major employer and will need to be involved in this process. We want ERBs to reach beyond their existing membership and cover both public and private employers.

Emma Hardy: The Minister has mentioned the employer-led bodies in the public sector. Could he pick up on my point about SMEs, which might not be part of an employer-led body but, in some regions, are the main employers?

Alex Burghart: We are expecting ERBs to draw up local skills improvement plans that take account of the economic area that they represent, which should absolutely include small and medium-sized employers, as well as self-employment opportunities.

While Opposition Members may feel that these things can be done only if every detail is written out in primary legislation, we know that that is not the case, because we have eight excellent trailblazer areas at the moment that are doing this job without a mite of primary legislation. With that in mind, I commend the amendment to the Committee.

Question put, That the amendment be made.

The Committee divided: Ayes 10, Noes 6.

Division No. 1]

AYES

Bradley, Ben	Carter, Andy
Burghart, Alex	Clarke-Smith, Brendan

Hunt, Jane	Nici, Lia
Hunt, Tom	Richardson, Angela
Johnston, David	Tomlinson, Michael

NOES

Gwynne, Andrew	Johnson, Kim
Hardy, Emma	Perkins, Mr Toby
Hopkins, Rachel	Western, Matt

Question accordingly agreed to.

Amendment 6 agreed to.

Amendment proposed: 7, in clause 1, page 2, line 40, leave out from beginning to “and” in line 6 on page 3.—(Alex Burghart.)

This amendment amends the definition of local skills improvement plan with the effect that a plan for a specified area must draw on the views of employers operating within the specified area, and any other evidence. Amendments 6, 7, 8 and 9 reverse an amendment made at Lords Report.

Question put, That the amendment be made.

The Committee divided: Ayes 10, Noes 6.

Division No. 2]

AYES

Bradley, Ben	Hunt, Tom
Burghart, Alex	Johnston, David
Carter, Andy	Nici, Lia
Clarke-Smith, Brendan	Richardson, Angela
Hunt, Jane	Tomlinson, Michael

NOES

Gwynne, Andrew	Johnson, Kim
Hardy, Emma	Perkins, Mr Toby
Hopkins, Rachel	Western, Matt

Question accordingly agreed to.

Amendment 7 agreed to.

Mr Perkins: On a point of order, Mrs Miller. Do we not decide on the other Government amendments? Are we doing those later?

The Chair: No, this is one of the wonderful complications of the Committee system. We do that later.

Mr Perkins: I beg to move amendment 27, in clause 1, page 3, line 4, at end insert—

“(iv) groups representing the interests of people with disabilities,”

This amendment intends to ensure that Local Skills Improvement Plans draw on the views of groups representing the interests of people with disabilities.

The Chair: With this it will be convenient to discuss the following:

Amendment 1, in clause 1, page 3, line 6, after “evidence” insert

“, including the views of relevant community groups including those representing the interests of disabled people,”.

This amendment intends to ensure that the evidence informing LSIP development includes information directly relevant to improving the employment prospects of disabled people.

Amendment 2, in clause 1, page 3, line 12, at end insert—

“(d) identifies actions to be taken to reduce the disability employment gap within the specified area.”

This amendment intends to ensure that the LSIP is used as a vehicle for improving the employment prospects of disabled people.

Amendment 28, in clause 1, page 3, line 12, at end insert—

“(d) identifies positive actions to reduce the disability employment gap within the specified area.”

This amendment intends to ensure that Local Skills Improvement Plans identify positive actions to reduce the disability employment gap within the specified area covered by the Plans.

Amendment 34, in clause 1, page 3, line 12, at end insert—

“(d) lists specific strategies to support learners who have or have previously had, a statement of Special Educational Need or an Education and Health Care Plan into employment, including but not limited to provision for supported internships.”

This amendment would require that local skills improvement plans list specific strategies to support learners who have or have previously had, a statement of Special Educational Need or an Education and Health Care Plan into employment, including but not limited to provision for supported internships.

Amendment 3, in clause 2, page 3, line 23, at end insert—

“(iii) the body is composed of employers who demonstrate reputable practice in relation to equality and diversity in employment, including in relation to disability, and”.

This amendment intends to ensure that members of the body with primary responsibility for creating the LSIP have sufficient understanding of and commitment to equality and diversity, including in relation to disability, to enable them to create an inclusive plan.

Mr Perkins: Amendment 27 was tabled by my hon. Friend the Member for Kingston upon Hull West and Hessle. Amendment 27 and amendment 1 would add the words

“groups representing the interests of people with disabilities”
and

“relevant community groups including those representing the interests of disabled people”

to clause 1, on local skills improvement plans. Given the discussion that we have just had, it is incredibly important that the consultees include those who represent people with learning disabilities and those who might be furthest from the labour market for a variety of reasons. Given the votes that have just taken place and are scheduled to take place, we are particularly concerned that there is a possibility that people furthest from the labour market, who will take the most work in order to contribute in meaningful employment, will be excluded. There is a disturbing lack of attention paid in the Bill to people with special needs or disabilities.

Amendment 1, which was tabled by my hon. Friend the Member for Rotherham (Sarah Champion), would enshrine a role for representative bodies to devise specific plans of support for people with disabilities in local skills improvement plans. That is of tremendous importance. One of the things that is most important for the FE sector, and one of the greatest contributions it makes, is to support those people who are furthest from the labour market to get the skills that they need, through such things as supported internships and other innovative ideas that many of us have seen in action in our local colleges. Those programmes often take a considerable amount of work, but they make a life-changing difference to those people. A skills Bill that genuinely represents everyone must be mindful of the need for the local skills improvement plan to ensure that no one is left behind.

Amendment 2, which also appears in the name of my hon. Friend the Member for Rotherham, is the same as amendment 28, and adds the need for an LSIP to identify positive—

11.25 am

The Chair adjourned the Committee without Question put (Standing Order No. 88).

Adjourned till this day at Two o'clock.

