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HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

SKILLS AND POST-16 EDUCATION BILL

Second Sitting

Tuesday 30 November 2021

(Afternoon)

CONTENTS

CLAUSE 1, as amended, agreed to.

CLAUSE 2 under consideration when the Committee adjourned till
Thursday 2 December at half-past Eleven o'clock.

Written evidence reported to the House.

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

(Afternoon)

[CLIVE EFFORD *in the Chair*]

Skills and Post-16 Education Bill [Lords]

Clause 1

LOCAL SKILLS IMPROVEMENT PLANS

Amendment moved (this day): 27, in clause 1, page 3, line 4, at end insert—

- (iv) groups representing the interests of people with disabilities.”—(*Mr Perkins.*)

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

2 pm

The Chair: I remind the Committee that with this we are discussing 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 Toby Perkins (Chesterfield) (Lab): It is a pleasure to serve under your chairmanship, Mr Efford. I was coming on to discuss amendment 34, in my name and that of my hon. Friend the Member for Warwick and Leamington, which adds a new line to clause 1:

“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.”

Supported internships have huge potential. I saw an excellent example when I visited Derbyshire Education Business Partnership, which serves my constituency of Chesterfield, and witnessed its supported internship programme in Derby at first hand. Supported internships are incredibly important in supporting people who may be further away from the labour market, but they currently have a tiny take-up. Everything that can be done to drive up the number of supported internships should be done. They support people who might not be ready to go into the world of work right away but who, with the benefit of a programme like this, can get to know an employer really well; the employer can get to know their strengths as well as their challenges, and they can get into the world of work.

We tabled amendment 34 not only to encourage the Government to insist that strategies for those with special educational needs are expressly considered in local skills improvement plans, but to talk specifically about supported internships, which would make a real difference. Many of us are concerned that chambers of commerce and employers, who are experts in the needs of their workplaces and what skills they need, will not necessarily be aware of the challenges faced by those who are furthest from the labour market. They might be less likely to have strategies of that kind in LSIPs. However, if colleges had a more central role in the plans, chambers of commerce and employers would absolutely recognise the need for programmes of this sort.

I share the belief of my hon. Friends the Members for Rotherham (Sarah Champion) and for Kingston upon Hull West and Hessle, and many others who put their names to the amendments, that employer representative bodies should have the required training, knowledge and understanding of the educational and health needs of people with disabilities in general and of how people with disabilities can best be supported within a local area in particular. I hope that, when he responds to this group of amendments, the Minister will commit to ensuring that people with disabilities are not forgotten in the Bill, and signal that the Government have specific strategies to ensure that employer bodies have a duty to represent the needs of people with disabilities and support them into the workplace, so that they are not excluded any more.

Emma Hardy (Kingston upon Hull West and Hessle) (Lab): It is a pleasure to serve under your chairship, Mr Efford. I rise to speak in favour of amendments 27 and 28 in my name, and amendments 1, 2 and 3, in the name of my hon. Friend the Member for Rotherham. I want highlight that the Library briefing on the Bill states that 18% of the learners currently in the FE and skills sector have a recognised learning difficulty or disability. When we talk about people with disabilities, we are not talking about a very small minority; we are talking about 18% of those people. The amendments

that I and my hon. Friend the Member for Rotherham have tabled are very similar. They all basically try to do the same thing: to ensure that the voices of disabled people are heard and recognised in the Bill. They also address the disability employment gap. Mr Efford, I should have mentioned that I am vice-chair of the all-party parliamentary group on SEND, which is where a lot of my interest comes from. I know from the work of the APPG and on the amendments that there is a lot of cross-party support for these measures, which we also saw in the Lords. This is not a party political issue. I hope the Minister takes it seriously.

Recent figures show that disabled people have an employment rate that is 28.4 percentage points lower than people who are not disabled. There is a huge disability employment gap and the amendments hope to address that. I recognise that the issue is complex and that there are a number of Government initiatives to address it, but it would be a missed opportunity not to use the Bill and the new process of skills planning that it brings about to help ensure that people with disabilities can contribute to their local economy and that their voices are heard in the discussion of what that local economy should look like. All too often, people with disabilities feel that their voices are not heard. The amendments aim to ensure they are listened to and recognised, and that some action is taken on the disability employment gap. That is the aim of all the amendments in my name and that of my hon. Friend the Member for Rotherham.

Matt Western (Warwick and Leamington) (Lab): I welcome you to your place, Mr Efford. I want to lend my support to my hon. Friend the Member for Kingston upon Hull West and Hessle and others on this group of amendments. They seek to ensure that the LSIPs take the needs of disabled people and those with special educational needs into account.

Currently, further education caters for a large number of students with such needs, which can be complex. The latest data shows that roughly half of disabled people are in employment—just 53%—compared with just over four out of five non-disabled people. The employment rate for disabled people with severe or specific learning difficulties was 18% back in 2019, the lowest rate of any impairment group. The House of Commons Library briefing notes that 52% of disabled people were in employment, down from 54%, which is really concerning.

The Workers Educational Association notes that “adult learners in community provision are those with low or no qualifications, who require the most support in order to progress to higher level qualifications.”

Learning disabilities add to that complex state of affairs, which justifies the inclusion of an amendment to provide more support for people with learning disabilities. In its evidence to the Committee, Engineering UK said:

“38% of respondents...reported a lack of role models to be a barrier for pupils with special educational needs”.

One of the employers in my region, the National Grid, is doing extraordinary stuff in engaging and giving work opportunities to young people with complex needs, through its EmployAbility scheme. It is an exemplar project that it has been running for several years.

Those are some of the reasons why the amendments are important to the Bill. The Government’s impact assessment says that those from SEND backgrounds are “disproportionately” likely to be affected, and it is

therefore a cruelty not to legislate where possible to mitigate that disproportionate impact. We think it is vital that such provisions be written into the Bill, which is why the amendments have been tabled. We need to highlight the challenges and make sure that we are as inclusive a society as possible, and that we allow for the needs of people with SEND in skills provisions.

The Parliamentary Under-Secretary of State for Education (Alex Burghart): It is a pleasure to serve under your chairmanship, Mr Efford. I rise to speak to amendments 1, 2 and 3 tabled by the hon. Member for Rotherham, amendments 27 and 28 tabled by the hon. Member for Kingston upon Hull West and Hessle, and amendment 34 tabled by the hon. Members for Chesterfield and for Warwick and Leamington.

Those amendments all relate to LSIPs and the importance that we all place on improving the employment prospects of people with disabilities. The criteria for designation of employer representative bodies in the Bill are intentionally focused on the key characteristics and capabilities required for that specific role. We do, of course, want all employers to demonstrate good practice in equality and diversity in employment, including in relation to disability. The Bill is clear that LSIPs should draw on a range of evidence, but we do not consider it appropriate to list all that evidence in the Bill. Instead, I assure Opposition Members that we will set out further details in statutory guidance and continue to engage key stakeholders representing learners with special educational needs and disabilities as that guidance is developed.

The guidance will make it clear that employer representative bodies should absolutely engage groups that can help them to understand the needs of learners with disabilities and the barriers they face, and consider how people with disabilities can be supported to progress into good jobs that meet local skills needs, thereby supporting activity to reduce the disability employment gap. In the work I have been doing in the run-up to the Bill, among many other stakeholders, I spoke to a specialist college in Kent, which had a very powerful message for me. They said that they had catered for a lot of young people whom they believed had a bigger role to play in the local economy, which would be good for employers and the economy, but particularly important for the individuals themselves. That very much reflects my own experience.

For eight years, I was vice-chair of governors at a special school for children with autism in west London. It was an excellent school, not because of my vice-chairmanship but because we had an exceptional head and exceptional staff. It started as a primary school, but went on to become an all-through school. The work the school was engaging in when I left to enter politics was to make sure that it could help young people—often with really profound needs—to transition into the workplace. The alternative for too many people is a life of isolation and loneliness.

I commend the work that the hon. Member for Kingston upon Hull West and Hessle is doing on the APPG. I am sure that the APPG will want to look at the statutory guidance when it comes out and feed back to us, and we welcome that conversation. There are great opportunities here for dialogue between the ERBs, local providers, and local disability groups to make sure that the needs and the talents of young people with special educational needs are reflected.

Tom Hunt (Ipswich) (Con): Does the Minister agree that it is actually the most logical fit for businesses to embrace and be accessible to those who have learning disabilities? As we know, they are often among the most unconventional, creative and brilliant thinkers.

Alex Burghart: My hon. Friend makes an excellent point. That is absolutely right; something I will come on to in a moment is that when we help young people with special educational needs overcome the barriers to employment, and when we help employers overcome some of the barriers that they may feel exist to employing those young people, it is an extraordinarily mutually beneficial relationship.

Emma Hardy: I want to push the Minister a little more on the guidance. He has mentioned that it will be statutory, which I welcome, but I wonder whether it will include some of the wording that is in this amendment, which looks specifically at what action will be taken to reduce the disability employment gap. Will that be seen in the statutory guidance?

Alex Burghart: Obviously, we are very keen to reduce the disability employment gap, and we are always mindful of ways in which we can achieve that. I am sure that it will be in the Secretary of State's mind when he considers the statutory guidance.

Local skills improvement plans are not the only solution to this issue. Colleges already have a duty to use their best endeavours to secure the special educational provision called for by a student with special educational needs, as set out in the SEND code of practice. That should include a focus on preparing the young person for adulthood, including employment.

In addition to the duties on providers in relation to LSIPs, clause 5 introduces a broader duty for colleges and designated institutions to review how well their whole curriculum offer meets local needs. The duty requires governing bodies to consider the needs of all learners, including current and future learners, and those with special educational needs or a disability.

2.15 pm

Mr Perkins: I appreciate the tone of the Minister's response, but he has not really given us any detail on why he does not think it appropriate to have the wording in the Bill. Instead, he asks us to take it on trust that we will like the guidance when we eventually see it. We have to vote on the amendment. We have no idea what will be in the guidance. He has not said, "It's written. It's going to look like this—I just can't show it to you." There will be guidance and at some point we will see it, so can the Minister explain why it is not appropriate that we simply have a commitment in the Bill that LSIPs will have a strategy around supported internships?

Alex Burghart: On supported internships, I was very interested to hear about what the hon. Gentleman has seen going on in his constituency. I assure him that we are continuing to work to improve supported internships in England, including updating our guidance and, through our contract grant delivery partnerships in this financial year, developing a self-assessment quality framework for providers and helping local authorities to develop local supported employment forums. I respect his desire to see supported internships improve and go further.

We share his ambition, but we are not putting every particular intervention that we favour in the Bill, so we will not single that one out for special treatment.

Lia Nici (Great Grimsby) (Con): We already know that these kinds of activities are happening. I declare an interest as the chair of the apprenticeship diversity champions network. Employers are recognising that they need to offer these skills and support already. I am sure that the Minister knows that that is already happening.

Alex Burghart: I am grateful to my hon. Friend for that intervention. The Government are also developing an adjustments passport that aims to smooth the transition into employment and support people changing jobs, including people with special educational needs and disabilities. That goes back to the point that my hon. Friend the Member for Ipswich made. When I was on the Work and Pensions Committee with the great Frank Field, that was exactly the sort of thing that we were calling for. I am very pleased that this Administration have seen it go out.

The 12-month pilots of the adjustments passport that are under way in HE and post-16 provider pilot sites are capturing the in-work support needs of the individual and we hope that they will empower individuals to have confident discussions about adjustments with employers. It goes back to my point about breaking down barriers both for the individual and for the employer. More broadly, the Government's national disability strategy sets out how we will help disabled people to fulfil their potential through work, to help reduce the disability employment gap further.

Emma Hardy: With respect to the comments made by the hon. Member for Great Grimsby, if everything were all fine and dandy as it is, we would not have a 28 percentage points disability employment gap. The Minister talks about the statutory guidance. Will there be some sticks as well as carrots in the guidance? If employers and people do not feel that they are being represented, and they are not taking effective measures to deal with the disability employment gap, will there be sanctions?

Alex Burghart: As I said in the previous sitting, statutory guidance is a powerful tool. If employer representative bodies do not adhere to statutory guidance, they may lose their designation. That is in the essence of statutory guidance. Given the significant amount of work already under way in this space, we do not believe that the amendments are necessary, but we agree with the direction in which they push.

Mr Perkins: I appreciate what the Minister has said. He has not really given us any detail on why he does not think that it is appropriate. I take his point on supported internships being one strategy: our amendment acknowledged that. However, in terms of amendment 1 on people with disabilities, we are not talking about a fractional thing that is not worth mentioning because there are so many other things that could be mentioned, but about a substantial body of people who have often been missed out by education providers. This is an opportunity to ensure that when the chambers of commerce, or whoever the employer representative bodies are, are writing their local skills improvement plans, those people do not continue to be left out.

I still think that amendment 1 should be accepted, so we will press it to a vote. I am willing to not press the other amendments in this group to a vote, but will look very carefully at the statutory guidance. I think that many people—such as my hon. Friend the Member for Kingston upon Hull West and Hessle and the cross-party group, which was very supportive of this—will listen to the Minister's response and still wonder why the amendment is not appropriate. For future amendments, it would be useful if we had a bit more of a response as to why the Government are against it, rather than just the fact that they are.

Ben Bradley (Mansfield) (Con): I might try to give the hon. Gentleman a clue on that question. We spent much of the morning arguing about why this policy needed to be locally led, why we wanted devolved authorities to take more control over it and why local government should have more of a say in it. Does the hon. Gentleman recognise how asking Government to dictate what must be in it conflicts with the arguments he has already made today?

Mr Perkins: The hon. Gentleman makes an interesting point, but what kind of devolution is it if we say “Well, look, it is up to local chambers of commerce to decide whether or not they have a strategy to support those who are disabled or furthest from the labour market”? If we have a document that must be signed off by the Secretary of State—so on the devolution argument, it is more “devolution of a sort”—what is wrong with saying, “And by the way, for that document that you sign off, we'd better know what the strategy is around disabilities”?

I do not think that the devolution argument is a strong one. Maybe, at a future point in the hon. Gentleman's career, he will argue for devolution in some kind of role and say, “But trust me, I won't be having any strategies for disabled people”. I cannot imagine that he would do that, or that any others would. Amendment 1 is just about making sure that those employment representative bodies understand the importance of this issue; that is why we will press it to a vote.

The Chair: We will come to a vote on amendment 1 after the next group of amendments. Do you wish to withdraw amendment 27?

Mr Perkins: I beg to ask leave to withdraw the amendment.
Amendment, by leave, withdrawn.

Mr Perkins: I beg to move amendment 33, in clause 1, page 3, line 4, at end insert—

“(iv) Local Enterprise Partnerships and the skills and productivity board.”

This amendment would require that local skills improvement plans draw on the views of Local Enterprise Partnerships and the skills productivity board, in addition to those bodies already set out in the subsection.

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

Amendment 38, in clause 1, page 3, line 12, at end insert—

“(d) takes account of a provider of designated distance learning courses that are undertaken by residents of the specified area.”

This amendment would ensure that local skills improvement plans take account of distance learning providers.

Amendment 39, in clause 1, page 3, line 12, at end insert—

“(d) these conditions to include the requirement for the LSIP to give due regard to a national strategy for education and skills, which is agreed across the Department for Education, Department for Work and Pensions, Department for Business, Energy and Industrial Strategy, and the Department for Levelling Up Housing and Communities.”

This amendment would require Government to have a national strategy for education and skills, which is agreed across DfE, DWP, BEIS and DLUHC for which LSIPs would have to take account of.

Amendment 40, in clause 1, page 3, line 12, at end insert—

“(7A) The Secretary of State must prepare and publish guidance setting out the criteria used to determine the boundaries of a specified area for the purpose of this section.”

This is a probing amendment regarding the criteria the Government will use to determine what constitutes “local”.

Amendment 41, in clause 1, page 3, line 12, at end insert—

“(7A) Before local skills improvement plans are introduced outside of trailblazer areas, the Secretary of State must publish guidance relating to their implementation, subject to consultation of all Mayoral Combined Authorities and, where there is not one, the relevant local authority.”

This amendment seeks to ensure that local and combined authorities are consulted on the Government's plans for the roll out of local skills improvement plans and are in a position to highlight any issues before publication.

Amendment 44, in clause 1, page 3, line 12, at end insert—

“(7A) Colleges and other providers may propose revisions where they consider that the plans do not appropriately reflect the full diversity of priorities across the locality.”

This amendment would allow colleges and other providers to propose revisions to LSIPs if they consider that plans do not reflect the full diversity of priorities across the locality.

Mr Perkins: I will go through these amendments relatively briefly. Amendment 33 is a probing amendment on the subject of the role of local enterprise partnerships and skills productivity boards. As I said at the start of this debate, those of us who were here in 2010 heard a huge amount from the Government about the role of LEPs. We have subsequently heard about the roles of SPBs, and they both sounded very similar in expectation to what we are now hearing, on a local level, for employer representative bodies.

It therefore strikes me that the Government do not have a great deal of confidence in the LEPs that they created, nor in the SPBs. If I was a chief executive of a LEP, I do not think I would be taking up any credit agreements right now. They must be looking at this Bill and wondering what the future holds for them.

I am interested in the Government's response to this. Why is it that local enterprise partnerships, which—as we will all remember—were put forward as the way for business and Government to work together on a local basis on a variety of measures to drive economic growth, particularly around skills, are now seen as entirely superfluous in this Bill? Is this the beginning of the end of local enterprise partnerships?

I am interested in whether the Minister feels there should be a duty for employer representative bodies to work in collaboration with them, and what this says about the future of those organisations. Does he accept that it is a failure of Government policy to have set up

[Mr Perkins]

these organisations that now appear to be being ignored at a time when there is a function that we would naturally think would fall to them?

Amendment 38 relates to designated distance learning. If the covid crisis has taught us anything, it is that more and more has gone online. In the skills arena in particular, that has been hugely transformational for the sector and for many learners. It creates opportunities that were not there previously. We are very concerned that designated distance learning is absent from the Bill, and that is why we have tabled amendment 38. Again, we are keen to hear the Government's view on that.

Amendment 39 is about Government Departments working together; I think we have all been conscious, as my hon. Friend the Member for Denton and Reddish said previously, that that is not a particular strength of this Government. We saw that more than ever during the covid crisis when, on the one hand, there was a real lack of strategy around increasing apprenticeships at a time when we knew there was a boom in youth unemployment and, on the other hand, we had the Department for Work and Pensions introducing the kickstart scheme, which was much more expensive than apprenticeships and offered much less to young people. There was no sense that the different Government Departments were working together.

Our amendment would require the Government and any future Government to have a national strategy for education and skills that is agreed across the Department for Education, the Department for Work and Pensions, the Department for Business, Energy and Industrial Strategy and the Department for Levelling Up, Housing and Communities, and of which all local skills improvement plans would have to take account. Our particular concern is the lack of cross-departmental work between the Department for Work and Pensions and the Department for Education; that is something the Labour party takes very seriously, and there have been regular meetings between teams to work on that whole area.

Amendment 40 asks the Government to publish guidance setting out the criteria used to determine the boundaries of a specified area. There is a real lack of clarity about what is meant by "local area", as my hon. Friend the Member for Kingston upon Hull West and Hessle referred to, in different parts of our forms of local government. What is our local area keeps changing. Again, that is not specified within the Bill and I think there will be real concern that we now have this document, which is of tremendous importance to an FE college; it could be the reason why a chief executive loses their job—

Emma Hardy *rose*—

Mr Perkins: On that rather foreboding note, I will give way.

Emma Hardy: I mentioned to the Minister before that I have a lot of sympathy for the Government trying to work out what constitutes a local area. I was talking to a local Conservative MP and we were having a bit of a laugh about it ourselves, because in our area we have Humberside Police, Humberside Fire & Rescue Service and a police and crime commissioner for Humberside, but then we have the Hull and East Yorkshire LEP, and the regional schools commissioner, who has a different

geographical area from the LEP, which has a different geographical area from the area that Ofsted covers. Apparently, they are creating a pan-Humber organisation, after the LEP was removed, to look at skills in the area. Good luck to the Minister in trying to work out what exactly the local area looks like, because it is incredibly complicated when we have a myriad different organisations with different geographical boundaries.

Mr Perkins: I think we are all dying to know who this Conservative Member of Parliament was—I have a suspicion who it may have been. My hon. Friend makes a really important point. If it is, "Good luck to the Minister", more importantly, it is "Good luck to employers" in actually working out where they should go, which area they are a part of and which local skills improvement plan is responsible for them if they have two sites that are 10 miles apart and there are different providers they have to engage with. This is something that puts businesses off engaging in this kind of skills arena. We have seen it with apprenticeships and the barriers that have been put in the way for businesses to take up apprentices; making it difficult for businesses to engage guarantees that they will not do so. That is a really important point and it is why we have moved this probing amendment.

2.30 pm

Lia Nici: Is not the argument that the Opposition are making that the public and quasi-public sector is not necessarily making it work now? We do need employers. Employers constantly say that they want to take the lead, and that is exactly what the Bill enables.

Mr Perkins: As I said previously, we support the principle of local skills improvement plans. Having something that everyone understands is of real value. We are not saying that there should not be any localisation. This is a probing amendment to help us understand. Colleges tend to have a specified area. The Government decided that the local enterprise partnerships would all have their own area. We cannot be, as we used to be in Chesterfield, across two different local enterprise partnerships. We are in one area. The Government have attempted to put firm lines around it, but it has been made slightly more fuzzy.

Emma Hardy: I think the hon. Member for Great Grimsby has misunderstood. When creating a local skills plan, we need to define a local area. As the hon. Member for Great Grimsby, whose constituency is opposite mine on the south bank, will be fully aware, the chamber of commerce is actually a pan-Humber organisation, but the LEPs are separate organisations. I am pointing out to the Minister that, if we are looking at creating a local skills plan for a local area, quite obviously we need to work out what that local area is.

Mr Perkins: My hon. Friend puts it very well.

Amendment 41 asks the Secretary of State to publish guidance relating to implementation, subject to consultation with the metro Mayor or relevant local authority. Under the terms of the Bill, the Secretary of State has the potential to amass new powers, which could be used without appropriate consultation or due diligence. We can see the hand of the right hon. Member for South Staffordshire (Gavin Williamson) right through the Bill. I am confident that if the Bill had been devised when

the current Secretary of State had been in place for a year or two, it would look very different. The sense of a man who had lost control and was desperately trying to get back control runs right through the Bill.

Our amendments seek to establish a clear duty for the Secretary of State to consult with combined and local authorities before local skills improvement plans are finalised in areas that do not have metro Mayors, ensuring that the relevant local representative bodies are part of the formation of a board. It is about bringing together the various different organisations that would make up a strategic approach to skills. We are saying that, if there is not an employer representative body that is able to broadly represent private and public sector employers, further education colleges, independent training providers and such, the Government should appoint a board made up of those in order to deliver that local skills improvement plan, rather than the current approach, which is just a single body. Amendment 44 says that colleges and other providers

“may propose revisions where they consider that the plans do not appropriately reflect the full diversity of priorities across the locality.”

I am keen to hear the Minister’s response to the amendments.

Matt Western: My hon. Friend has given a thorough analysis on all these amendments; I will just pick up on a couple of points. On amendment 33, I want to highlight how important the skills and productivity board is, given where the country finds itself in terms of its poor productivity relative to most of our economic peers—not just in Europe, but across the globe. We have to work much more closely with that board; that is what amendment 33 is driving at, and that is why it is important to include it.

I will talk specifically about amendment 38, which is on distance learning. There are 70% fewer new part-time graduates entering and accessing higher education every year compared with a decade ago. Distance learning is really important; it is a brilliant way of encouraging people to pick up part-time study. The Open University has 72% of students in full or part-time employment. We are seeing a very concerning regional picture; the Open University’s statistics show a 40% fall in higher education participation in the north-east of the country, and a 32% fall in the north-west and Yorkshire. If the Government are really serious about their agenda, surely we have to provide and invest in more and better opportunities for distance learning—that is why amendment 38 is important. The cost of study is obviously one of the biggest barriers to adult learning. If we consider the needs of distance learners, that barrier is eradicated.

We all know that the Open University is a great institution, started in the 1960s—we will claim that as a terrific Labour success. I do not think any of my colleagues were around at that time, so none of us can claim it in particular. However, it was a great success, and I think that societally, culturally and economically we have benefited greatly from that particular institution. It is one of the five biggest higher education providers in 90% of parliamentary constituencies. It is really important that all of us remember the contribution that it makes. The Open University is also the largest HE provider in 63 of 314 English local authorities—that is 20%. It is also worth highlighting that it is a substantial provider in what might be called higher education

“cold spots”, where there is limited face-to-face provision. The importance of distance learning in our education provision must be underlined.

Amendment 41 makes sure that local and combined authorities are consulted on the LSIP before roll-out. I want to echo the previous calls on the importance of including our health boards in the process. In the pandemic, we have seen the importance of local public health provision in regions, and the skills needed to be able to provide that are absolutely essential. We must be clear about how important it is to achieve the regionalisation of drawing those skills. In the visits that have been making up and down the country, that is something that has been made loud and clear to me by colleges and HE providers.

Devolved responsibilities are important but so too is the national strategy. That strategy should be extended across the Department for Education, the Department for Work and Pensions, the Business, Energy and Industrial Strategy Department and what I would call DHCLG – the Department for Housing, Communities and Local Government as was. The Association of Colleges wrote to say that it wanted to

“enshrine the creation of a national 10-year education and skills strategy sitting across government to deliver on wider policy agendas and to give stability to all parts of the system.”

It added:

“there is a lack of a comprehensive, long-term education and skills plan that brings together all parts of the system towards the same vision...this means that the role of education and skills in addressing wider policy priorities and strategies are not always recognised, for example the role of colleges in welfare, health and net-zero policies.”

I spoke about health a moment ago, but let us consider net zero policies. The Government understand their importance but I want to centre on two things that are massive national issues right now and should be critical to the skills strategy. The first is the delivery of an electric vehicle infrastructure plan, on which we way off the pace. We need to get the skills out there to put in place the necessary infrastructure. We have a growing market for electric vehicles—potentially for hydrogen vehicles as well but EV is the critical one. Manufacturers are making the vehicles, but we do not have the necessary public charging points. We are behind the curve compared with our European neighbours and other leading global economies. That is the sort of stuff that a national strategy could help to deliver. If we are serious about the sustainability agenda, the amendment can help to deliver it.

Andrew Gwynne (Denton and Reddish) (Lab): It is a pleasure to serve under your chairmanship, Mr Efford. I echo what my hon. Friend the Member for Warwick and Leamington said about amendment 39, particularly the need for a national strategy for education and skills. It is perfectly reasonable to expect such a strategy. The driving force for it must come from Government, and monitoring of progress across the country must also come from Government. In that way we can ensure that every part of England is firing on all cylinders, narrow the gap and properly ensure that every part of the country is performing as it should.

My hon. Friend is absolutely right to highlight the productivity gap, because that is a serious problem not just across the country and for the national economy, but within different regions and sub-regions; some are

[Andrew Gwynne]

performing very well, others less so. We need a concerted effort across Government and all Departments. If we are serious about levelling up, obviously the Department for Levelling up, Housing and Communities must be at the heart of that along with the Department for Education, BEIS and, I would argue, the Treasury. If we do not have buy-in from the Treasury to ensure that economic growth is spread fairly across the country, any national strategy is doomed to failure.

I am a devolutionist as well; I want to see strategies developed locally that meet the needs of the locality. That was put perfectly when we talked many years ago about health devolution and Greater Manchester in particular, which had responsibility for health devolved to it. Of course, it remains part of a national health service, just as any local strategy would remain part of the national skills strategy. The “what” is set at the centre, but the “how” is determined locally to meet the needs of that locality. That is exactly what the amendment is designed to achieve.

Matt Western: To illustrate that point, clearly in the health sector we need to assess what the challenges are for our communities and populations. While there is a national picture, there will be different needs in a city such as Coventry, which is close to me and has one of the youngest populations in the whole of the UK, versus a pleasant coastal area, which might be an area that people retire to and will have particular needs as regards the provisions for health.

2.45 pm

Andrew Gwynne: Absolutely, and the same is true even at the level below that, within a city region. I can speak with experience about my own city region, where there are divergent trends between those living in the north of Greater Manchester, where there are fewer opportunities, and those living in the so-called arc of prosperity around south Manchester. We need to finely tune our local skills strategies to reflect the different make-ups of particular areas.

Talking about how we define areas, I think amendment 40 matters. We are talking about defining “local” which matters for several reasons. First, I am a bit of an obsessive compulsive disorder neurotic and I like things to be neat and tidy. For clarity of purpose, it makes sense to have coterminosity, wherever possible, with other organisations and bodies.

Again, unlike my hon. Friend the Member for Kingston upon Hull West and Hessle, I am lucky that my local enterprise partnership, my chamber of commerce, my combined authority and all 10 local councils in Greater Manchester all cover the same boundaries.

Emma Hardy: So lucky.

Andrew Gwynne: Things get a little bit messy. I was nervous when my hon. Friend the Member for Warwick and Leamington mentioned health trusts, because my own health trust, Tameside and Glossop, crosses the county boundary, although that will be sorted out by the Bill currently going through Parliament. That is the only bit of non-coterminosity I have.

These boundaries matter because if we draw up strategies, plans and proposals, and we want to collaborate with business, education providers, local government and the wider public sector, then we have to have a defined set of boundaries. The closer those boundaries match, the easier it will be to get a strategy in place.

Lia Nici: Employers and jobs are not coterminous in a particular area. In southern Humberside and Lincolnshire, we want to ensure that our local skills plans cross those borders, because that is where the jobs are. Coterminosity with local government and quasi-local government does not work, and it will not work for employers. Realistically, it needs to be where the jobs are and where people can travel to.

Andrew Gwynne: I know it is probably an unpopular thing to say of her neck of the woods, but I think the hon. Lady has just made the case for Humberside.

Lia Nici: Not at all!

Andy Carter (Warrington South) (Con): Will the hon. Gentleman give way?

Andrew Gwynne: I will give way in a second.

Andy Carter: It is not about Humberside.

Andrew Gwynne: I am not sure whether the hon. Gentleman’s bit of Warrington is in Cheshire or Lancashire based on the old boundaries.

Andy Carter: I want to address that.

Andrew Gwynne: Boundaries matter. I say that as a patron of the Friends of Real Lancashire.

Coming back to amendment 40, the cleaner these boundaries can be, the better. I get that local economies can spread across artificial local government boundaries. I know that because just down the road from where I live is Glossop, in the High Peak in Derbyshire. To all intents and purposes, Glossop is a Greater Manchester town. It looks to Greater Manchester, all its transport links are into Manchester and its healthcare is currently part of Greater Manchester. I get that there is always going to be a degree of “This boundary does not work,” but if we are looking at a particular strategy and then having to engage with a whole range of public bodies in developing and signing off that strategy, it gets overly complicated if we end up having a mismatch of different boundaries, in the way that my hon. Friend the Member for Kingston upon Hull West and Hessle has already described.

Emma Hardy: To return to the conversation we were having about SEND and disabilities, and the disability employment gap, we will have to collect data to know whether the skills plan is delivering on its objectives and addressing the disability employment gap, so we will need some kind of boundary or defined area from which to collect that data. The Minister said that the guidance would include information on the disability employment gap, but unless there is a boundary, we cannot accurately collect data and we cannot judge whether the plan is a success.

Andrew Gwynne: I absolutely agree with my hon. Friend, but it is more than that; we also need to ensure that the strategy works for the entire area. However we define the geographical area, there will be a strategy for it. If there is a mismatch of different public bodies and local authorities in that area, we may well find that one local authority thinks the strategy is working brilliantly in its area—it may well be—but the neighbouring local authority, whose area might be only partly covered by the strategy, might feel like the poor relation without a voice. I am worried about that. I want clarity and for things to be tidy, which is why I support amendment 40. Before I sit down, I promised to give way to, I hope, a fellow Lancastrian.

Andy Carter: I think the hon. Gentleman will find that I am in Cheshire—[*Laughter.*] I understand the point that he is making, but it is not a clear situation. Warrington is a really interesting area because, although many people who live in Warrington work in Manchester or Liverpool, the skills strategy is set by Cheshire and Warrington local enterprise partnership. We are a mid-way commuter town, and although we might want to set a skills strategy for Warrington, the employers that people look towards are in the two major cities that sit either side. His OCD situation may well find that challenging, but it is not as simple or as clear for many areas around the country.

Andrew Gwynne: The hon. Gentleman has made a great case for north-west regional devolution in that case. I get what he says, but if Greater Manchester is to have a strategy, the Greater Manchester chamber, which will lead on the strategy, and the combined authority and Mayor, who have to be consulted on the strategy, cover the whole of Greater Manchester—that is nice and tidy. If he wants to make the case for Warrington to become an 11th borough of Greater Manchester so that we can placate my OCD-ness, I am more than happy to welcome Warrington into the club.

Mr Perkins: The hon. Member for Warrington South also made a powerful argument for an amendment that he had a chance to vote for a while ago, which would have ensured that the strategy is for residents. We would then have a strategy based on all the people resident in the area, regardless of where they end up working.

Andrew Gwynne: Absolutely; my hon. Friend could not have put it better. The views of residents matter as well because, as we know, although public bodies, local authorities, LEPs and chambers of commerce operate within defined boundaries, people do not. They do not necessarily know where parliamentary constituency boundaries or council ward boundaries are, and they do not always know where council boundaries are—people are fluid throughout. My hon. Friend is right that there was an opportunity to include the views of residents in the development of the plans. Unfortunately, that amendment was not passed.

Alex Burghart: I rise to speak to amendments 33, 38 to 41, and 44. I will start with amendments 33 and 38 in the names of the hon. Members for Chesterfield and for Warwick and Leamington.

Amendment 33 would require that local skills improvement plans draw on the views of local enterprise partnerships and the Skills and Productivity Board.

We have been clear that local skills improvement plans should be informed by the work of the national Skills and Productivity Board and build on the work of local enterprise partnerships and their skills advisory panels. We will reiterate that in statutory guidance.

Emma Hardy: This is a quick one on statutory guidance. To clarify, will that statutory guidance state “act in accordance with” or “have regard to”? We all know that statutory guidance that states “have regard to” means “read and ignore.”

Alex Burghart: I am horrified to hear the hon. Lady’s attitude to statutory guidance. Our intention will be set out in statutory guidance, so that local skills improvement plans will be informed by the work of the national Skills and Productivity Board and build on the work of local enterprise partnerships and their skills advisory panels.

Mr Perkins: The Minister talks about speaking to local enterprise partnerships, but he must see the point that this is precisely the kind of role that was envisaged for local enterprise partnerships when they were invented. The very fact that he now says that we will go to the employer representative bodies, which we assume are likely to be chambers of commerce, rather than to local enterprise partnerships, must make people wonder, “Is there a future for local enterprise partnerships?” Will he tell us why he thought that local enterprise partnerships were not the right organisation to be the employer representative body in such cases?

Alex Burghart: We have been clear that we want to have an approach that is completely employer-led. Local enterprise partnerships, which have much to recommend them, are partially informed by employers, but they are public-private partnerships and we want an employer-led process.

Amendment 38 relates to local skills improvement plans taking account of providers of distance learning. I very much acknowledge the remarks made by Opposition Members about the importance of distance learning and how valuable it is to many members of the public who are studying. All relevant providers that provide English-funded post-16 technical education or training that is material to a specified area will have a duty to co-operate with the designated employer representative body for that area in developing a plan. That will be true even if they are based elsewhere and offer the provision by distance or online learning. That will help to ensure that the views of distance learning providers are taken into account.

Amendment 39, tabled by the hon. Members for Chesterfield and for Warwick and Leamington, would require the Government to have a national strategy for education skills that is agreed across DFE, DWP, BEIS and DLUHC, and of which LSIPs would have to take account. The Government have already set out their strategy for skills reform in the “Skills for jobs” White Paper published in January last year, which was agreed by all Departments—not just the ones listed in the amendment. The proposals set out the aim to support people to develop the skills that they need to get good jobs. They form the basis of the legislation we are discussing.

[Alex Burghart]

On the local skills improvement plans, we have been clear that they should take account of the relevant national strategies and priorities related to skills, as well as being informed by the work of the national Skills and Productivity Board. The specific strategies and priorities will evolve and change over time. We think the best place to do that is in statutory guidance.

Amendment 40, tabled by the hon. Members for Chesterfield and for Warwick and Leamington, relates to the publication of guidance setting out the criteria used to determine a specific area. The specified areas for local skills improvement plans will be based on functional economic areas. The Government are working with local enterprise partnerships to refine the role of business engagement in local economic strategy, including skills, and to ensure that the structures are fit for purpose for the future. That includes looking at geographies—

Emma Hardy *rose*—

Alex Burghart: I am sure that the Secretary of State, as he engages in the process, will be mindful of the muddle that is Hull and, indeed, mindful of the many economic areas in which hon. Members find their constituencies.

Emma Hardy: I want to clarify that, whatever boundary it might be, defined boundaries will be set. If we do not set a defined boundary of any type, I cannot see how it will be possible to collect the data and the intelligence to know whether a strategy is working.

Alex Burghart: We are clear that these will be based on functional economic areas, that they will have a defined geography and that we will ensure that no part of the country is left out.

Mr Perkins: Will the Minister also clarify this? Is it possible that an area could be in two different local skills improvement plans? For example, Chesterfield was originally part of both the Derbyshire and Nottinghamshire local enterprise partnership and the Sheffield City Region one. Both were considered functional drive-to-work areas. Is it possible that an area such as Chesterfield might be in two different local skills improvement plans, or is it the case that, as my hon. Friend the Member for Kingston upon Hull West and Hessle says, there will be a defined area and everyone will just be in one?

3 pm

Alex Burghart: We are working on the basis that there will be a defined area for each one, but we will be mindful of the fact that in some areas the geography does not neatly fit reality. That goes to the point that my hon. Friend the Member for Warrington South was making.

We will consider this work, alongside evidence from the local skills improvement plan trailblazers, before making final decisions about the specified areas that local skills improvement plans will cover. However, let me reassure members of the Committee that through the designation process, the Secretary of State will ensure that there are no gaps in the coverage of local skills improvement plans across the country.

I turn now to amendments 41 and 44. Amendment 41 relates to consulting local authorities and mayoral combined authorities on guidance for the roll-out of local skills improvement plans. We regularly engage mayoral combined authorities and the Greater London Authority, for example in relation to this Bill and the LSIP trailblazers, and we will continue to do so as we develop our plans for the wider roll-out of LSIPs and the accompanying statutory guidance. We will also engage the Local Government Association and other key stakeholders and make use of the evidence collected from the evaluation of our trailblazers.

Amendment 44 aims to allow colleges and other providers to propose revisions to local skills improvement plans. The Bill already places duties on relevant providers to co-operate with employer representative bodies in developing the plans and keeping them under review. That will give providers the opportunity to propose revisions and help to ensure that the plans are evidence-based, credible and actionable. We expect local skills improvement plans to focus on key priorities for change to make provision more responsive to local labour market skills needs, but it is important to note that those will be changes that providers themselves will have had a role in specifying.

Once an LSIP has been signed off, a provider will be required to have regard to it. The plan will not tell providers what to do. Providers will remain responsible for making decisions as part of their business planning, but they will have the benefit of those decisions being informed by a credibly articulated and evidence-based statement of priorities from business that they will, in turn, be empowered and incentivised to respond to.

Mr Perkins: We have heard the Minister's response on those issues. Amendments 33 and 38 to 40 were probing amendments through which we sought to understand the role of the different organisations and how Government would define the different areas. I understood the Minister's response to mean that no area would be left out, but also that no area would be in two LSIPs—I think that that is what he was saying. That is quite important because if an area ends up being in two, because it is in two different functional drive-to-work areas, that will make the data collection aspect impossible.

There has been a lot of important narrative in this debate about recognising that areas may well look in two different directions. The point that the hon. Member for Warrington South made about looking towards Liverpool and towards Manchester, as well as towards the rest of Cheshire, is important. If Warrington does not end up being in one area or another, the data collection will become impossible, in terms of the success of those particular areas. We will obviously look to the statutory guidance and, if I have misunderstood what the Minister has said, he has the opportunity now to put me right. I think that it is really important to understand whether an area could be in two different local skills improvement plans.

On the basis of the responses and the fact that the amendments were probing, I propose to withdraw amendments 33 and 38 to 40. We would like to put amendment 41 to a vote, because we believe that it is not only consultation with combined authorities that is relevant; we are very concerned that areas that are outside a combined authority will have no democratic oversight whatever. We think that people within those areas will also want to know that there has been some consultation.

Emma Hardy: I know I am not intervening on the Minister, but I wonder whether a proposed map of the different areas will be put out for consultation before they are agreed and set by Government, and whether there will be an opportunity for local people to influence what the geographical areas will be.

Mr Perkins: It is the boundaries nightmare all over again. The Minister will have heard my hon. Friend's question, and I am sure that he and his officers will think carefully on it. Again, we will put only one amendment in this group to a vote. We will not press amendment 44, but we will divide the Committee on amendment 41. I beg to ask leave to withdraw the amendment.

Amendment, by leave withdrawn.

Amendment proposed: 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.”—(*Mr Perkins.*)
This amendment intends to ensure that the evidence informing LSIP development includes information directly relevant to improving the employment prospects of disabled people.

Question put, That the amendment be made.

The Committee divided: Ayes 6, Noes 10.

Division No. 3]

AYES

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

NOES

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

Question accordingly negated.

Amendment proposed: 8, in clause 1, page 3, line 8, leave out “by people resident”.—(*Alex Burghart.*)

This amendment requires the local skills improvement plan for a specified area to summarise skills, capabilities or expertise that are required in the specified area in general, rather than only by people resident in that area. 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. 4]

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 8 agreed to.

Amendment proposed: 9, in clause 1, page 3, line 9, leave out “and other local bodies”.—(*Alex Burghart.*)

This amendment means that a local skills improvement plan must identify actions that providers can take regarding certain post-16 technical education or training that they provide when making decisions about that education or training. 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. 5]

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 9 agreed to.

Alex Burghart: I beg to move amendment 10, in clause 1, page 3, line 10, after “any” insert “English-funded”.

This amendment limits the post-16 technical education or training about which a local skills improvement plan must identify actions that can be taken to such education or training that is English-funded.

The Chair: With this it will be convenient to discuss Government amendments 11 to 17.

Alex Burghart: Officials in my Department have engaged closely with counterparts in the Welsh Government, and we believe that we have reached a satisfactory position from a devolution perspective. Government amendments 11, 12, 13 and 14 provide further clarification as to the definition of ‘relevant providers’ that may be in scope of the duties relating to local skills improvement plans in clause 1.

The amendments make it clear that those duties can only apply to institutions within the further education sector in England, English higher education providers, and independent training providers that provide post-16 technical education or training in England. Local authorities, 16-to-19 academies and schools in England may also be subject to the duties in the future should the Secretary of State exercise their power to make regulations under clause 4. Relevant providers will only be subject to the duties relating to local skills improvement plans if they provide English-funded post-16 technical education or training that is material to a specified area in England, including by distance or online learning.

Government amendments 10, 15, 16 and 17 provide further clarity in relation to the scope of local skills improvement plans. Amendment 10 limits the post-16 technical education or training about which a local skills improvement plan must identify actions that can be taken to such education or training that is English-funded. Education or training should be treated as English-funded where amounts are paid directly to providers in accordance with the regulations made by the Secretary of State under certain legislation, including, for instance, payments made in respect of student loans.

Mr Perkins: I do not intend to detain the Committee for long. The only question I wanted clarification on, given the conversation we have just had about areas, is about what thought had been given to the responsibilities of providers that are close to borders and provide services across them. We are supportive of Government amendments 11 to 14 and the clarifications established by Government amendments 15 to 17.

Alex Burghart: As I made clear in my remarks, it depends on whether provision is English-funded; that is, whether the money comes from England. That is how we explain the jurisdiction.

Amendment 10 agreed to.

Amendment proposed: 41, in clause 1, page 3, line 12, at end insert—

“(7A) Before local skills improvement plans are introduced outside of trailblazer areas, the Secretary of State must publish guidance relating to their implementation, subject to consultation of all Mayoral Combined Authorities and, where there is not one, the relevant local authority.”—(*Mr Perkins.*)

This amendment seeks to ensure that local and combined authorities are consulted on the Government’s plans for the roll out of local skills improvement plans and are in a position to highlight any issues before publication.

Question put, That the amendment be made.

The Committee divided: Ayes 6, Noes 10.

Division No. 6]

AYES

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

NOES

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

Question accordingly negatived.

Question proposed, That the clause, as amended, stand part of the Bill.

3.15 pm

Alex Burghart: It will be a great pleasure for everyone to hear that after three and a quarter hours of debate, we have nearly completed clause 1 of our 39-clause Bill. I will try not to detain the Committee for more than 45 minutes at this point.

With local skills improvement plans, clause 1 provides an important vehicle to give employers a more central role in local skills systems, working with providers, mayoral combined authorities and other key stakeholders to reshape provision to tackle skill mismatches and respond better to local labour market skills needs. To develop those plans, designated employer representative bodies will need to engage the widest possible range of employers and draw on a range of evidence, including existing analyses of skills supply and demand.

Local skills improvement plans will give providers an evidence-based summary of the skills, capabilities and expertise required by local employers, helping them to prioritise and focus investment in skills provision. The clause

places a duty on providers to have regard to the plans, once developed, when making relevant decisions in relation to the provision of post-16 technical education and training in the area.

The clause will ensure the information, knowledge and expertise possessed by employers, providers and stakeholders is utilised to agree priority actions to align provision to better meet employer needs and support learners. The Bill is about making sure that we have qualifications, designed with employers, that ensure students get the skills the economy demands. Clause 1 is absolutely central to that mission.

Mr Perkins: I regret that the clause will leave this Committee in less good shape than when it arrived. The amendments agreed by the House of Lords were entirely sensible. They had cross-party support; they were agreed to only because they were voted for by Conservative Members who have tremendous knowledge and experience of these matters and who are much respected, alongside others. It is a matter of great regret that the Government have failed to take on board those helpful amendments, which were added in entirely the right spirit.

We believe that local skills improvement plans are an innovation that is of value, but we are very concerned that the way they are envisaged will make it difficult for them to achieve what might have been achieved. When we come to clause 2, we will get into the debate about how local skills improvement plans might be more representative. What will happen in the event that things go wrong with the employer representative bodies is important. I look forward to hearing the Minister’s response on those points.

We support clause 1 standing part, but we are disappointed that it leaves the Committee in less good shape than when it arrived.

Question put and agreed to.

Clause 1, as amended, accordingly ordered to stand part of the Bill.

Clause 2

DESIGNATION OF EMPLOYER REPRESENTATIVE BODIES

Mr Perkins: I beg to move amendment 35, in clause 2, page 3, line 22, after “the” and before “employers” insert “public and private sector”.

This amendment would specify that employers operating within specified areas for the purposes of section 2(1)(a) can be both public and private sector.

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

Amendment 45, in clause 2, page 3, line 22, leave out “reasonably”.

This is a probing amendment to test how the Secretary of State will determine what mix of employers is considered “reasonably representative”.

Amendment 36, in clause 2, page 3, line 22, after “employers” insert

“, local Further Education colleges, independent training providers, local authority (including Mayoral combined authorities) and Local enterprise partnerships”.

This amendment would add local Further Education college, independent training providers, local authority (including Mayoral combined authorities) and Local enterprise partnerships to those of which employer representative bodies must be representative, in order to be designated as a representative body by the Secretary of State.

Amendment 46, in clause 2, page 3, line 23, after “area,” insert

“including the interests of small and medium sized enterprises, the self-employed and public and voluntary sector employers.”.

This amendment seeks to ensure that employer representative boards include a wider range of local employer interests including small and medium sized enterprises, the self-employed, and public and third sector employers.

Amendment 37, in clause 2, page 3, line 23, at end insert—

“(iii) in the event that there is no body in the local area that is representative of the organisations listed under subsection (1)(a)(ii) the Secretary of State will instruct the Local Enterprise Partnership or Metro mayor to bring together a board which is representative of all the organisations outlined in subsection (1)(a)(ii), who will take on responsibility for drawing up the local skills improvement plan.”.

This amendment places a duty on the Secretary of State, in the event that the Secretary of State is not satisfied that an eligible body is not reasonably representative of the employers operating within the specified area.

Amendment 42, in clause 2, page 3, line 25, at end insert—

“(c) the Secretary of State has received in writing the consent of the relevant local authority or Mayoral Combined Authority.”.

This amendment provides for local authorities to give consent in the designation of employer representative bodies.

Mr Perkins: We appear to have raced on to clause 2. Amendment 35 is important, because so much of the Government’s narrative makes it clear that when they talk about employers, they really mean private sector employers. There are huge skills shortages within the public sector. The public sector is an important employer, and it is of particular importance in some of the most deprived communities. Labour’s approach to the Bill will be about asking the Government to place employers and those responsible for education at the heart of a skills strategy.

It is essential that employers in the public sector, including those in health and social care, as my hon. Friend the Member for Warwick and Leamington mentioned, be consulted in the formation of local skills improvement plans. Employer representative bodies must ensure that LSIPs fully reflect both private and public sector employers.

Amendment 45 is a probing amendment designed to test how the Secretary of State will determine what mix of employers is considered “reasonably representative”. The Bill refers to the Secretary of State being “satisfied that...the body is reasonably representative”.

I think it would be interesting to define what exactly is a reasonably representative mix of employers on LSIPs. It is highly likely that chambers of commerce will be the employer representative body by default in most LSIP areas. We have had representations from organisations such as the Federation of Small Businesses, which has concerns about the powers to be handed to those chambers.

The Minister has said that ERBs that are not performing could be sacked and potentially replaced, but there are not numerous organisations that have the capacity to undertake that kind of work. Indeed, there is some question over whether many chambers of commerce will immediately have that capacity, but they will have the responsibility either way. As has been said, some areas have an active and vibrant chamber of commerce,

and our proposals should not be viewed as being hostile to them. There are many excellent professionals in chambers of commerce and many really excellent chambers that make an incredibly important contribution to our local economies and to skills. However, it is important to recognise that membership and attendance can vary greatly within localities. The priorities of some chambers can be dominated by a small number of particularly loud voices. It is important that there are safeguards to ensure that any ERB is representative. I look forward to the Minister’s assurance that that will be the case and that ERBs will consult widely in the formation of the LSIP.

What mechanisms are in place should the Secretary of State consider that an ERB is not representative? What mechanisms are in place to deal with complaints from others, such as further education colleges, which may consider that an ERB is not representative?

Emma Hardy: Much as I hate to return to the boundary issue, our local chamber of commerce is the Humber-based chamber, which may not end up being the geographical area represented by the skills body. To return to small and medium-sized enterprises, and the concerns of the Federation of Small Businesses to which my hon. Friend referred, in areas where most employment comes from SMEs or the public sector, how can we ensure that they are heard when the skills plan is developed?

Mr Perkins: That is a really important point. In some cases, chambers of commerce and branches of the Federation of Small Businesses have constructive relationships; in other areas the relationship is less constructive. To place the role of one above the other in respect of an ERB is potentially exclusive.

Amendment 36 would add local further education colleges, independent training providers, local authorities, including mayoral combined authorities, and local enterprise partnerships to those of which employer representative bodies must be representative to be designated as a representative body by the Secretary of State. We are seeking to ensure that colleges, independent training providers, local authorities and LEPs are not shut out of LSIPs and that all form part of the consultation when LSIPs are drafted by ERBs.

Amendment 46 seeks to ensure that ERBs include a wider range of local employer interests, including SMEs, the self-employed, sole trader businesses, and public and third sector employers. In some sectors such as construction, a huge number of those responsible for ensuring that a new generation of people come into the sector are self-employed or sole traders. Historically, they would just have taken on a young apprentice to work with them; they will now potentially be excluded from doing that. We have seen the danger in the way the apprenticeship levy was introduced. Big business was very much in mind when it was introduced, and the way it was designed has massively reduced the number of small businesses offering apprenticeships.

There is a danger of SMEs being excluded from the measures in the clause, particularly in smaller town communities where there are not the major employers that there are in larger cities. We are really concerned that SMEs, alongside charities, community organisations and others, will be excluded from the decision-making process in the formation of LSIPs. Amendment 46 would ensure a role for them, alongside the self-employed, in the drafting of LSIPs.

[Mr Perkins]

Amendment 37 moves towards the heart of what a Labour local skills improvement plan would look like. The other amendments attempt to ensure that there is proper consultation by the employer representative body. Given that the Bill gives wide-ranging, undetermined powers to the Secretary of State, we want to ensure that local enterprise partnerships and metro Mayors have their role in local decision making enshrined in the Bill. Amendment 37 therefore proposes that, if no suitable employer representative body is found that can represent all aspects, the Secretary of State be required to set up a board in that area, which would have wider representation from organisations like FE colleges, metro Mayors and local authorities.

Emma Hardy: I recall the Minister saying that the Secretary of State will have the power to take control from chambers of commerce if they are seen not to be working properly. I wonder whether the Minister would seriously consider our amendment as a model they could use. If there is only one chamber in the area, and that chamber loses control or oversight, who are we going to use instead? Does the Minister anticipate that there will be some form of inspection to check the competency of chambers? Will there be key performance indicators, or some way of flagging whether the chamber is successful or deemed to be failing?

Mr Perkins: Those are all important questions. My hon. Friend is absolutely right. There are significant warnings to employer representative bodies in the Bill about failing to satisfy the Secretary of State. In the event that they are dismissed, as the Bill makes clear may happen, who is responsible for the local skills improvement plan after that? Many Members have said that some chambers are really strong, others have different strengths and others are not so strong. Putting all our eggs in one basket, which the Bill pretty much does in the vast majority of geographies, is a cause for concern.

Amendment 42 would place a statutory duty on the Secretary of State to consult and seek consent from local authorities and combined authorities on the formation of employer representative bodies. Given that ERBs will be responsible for the formation of LSIPs, which will have budgetary commitments, it is vital that they have the confidence of local authorities and combined authorities, and that organisations are working in collaboration rather than in opposition, as we have said time and again would be the Labour approach.

Andrew Gwynne: I rise briefly to support the amendments. The nub of what my hon. Friend has set out to the Committee could easily have been resolved in our earlier deliberations, when the Minister promised genuine collaboration between the local chamber of commerce and a whole range of public and private sector bodies in developing the plans. The list in the Bill of those public and private sector bodies has been struck out by the defeat of the Lords amendments, so it is right that we have another go here.

3.30 pm

First, it is important to recognise, as my hon. Friend the shadow Minister did, the important role the public sector plays in many of our local economies. That is not

to say that we should not be trying to boost and drive the involvement of the private sector—we should. We should be expanding the use and involvement of the private sector in the development of new jobs and new investment in all our constituencies. However, it is a fact of life that there is also a public sector in our constituencies. Whether it is the local council or, even after substantial reductions in the workforce over the past 10 years, significant employers such as the police, the fire service and the NHS, which is probably the biggest employer in our constituencies, they have skills and training needs too. We need to ensure that their views are fully integrated as part and parcel of the skills strategies, and the best way to do that is to involve them in the development of the plans. I therefore fully support the amendments tabled by my hon. Friend.

It is also important to future-proof the strategies. If the Secretary of State sees the local chamber of commerce as failing in its duty with regard to the strategy, there must be a plan B. Who takes over responsibility for the strategy? It makes perfect sense for that to be the metro Mayor or local government.

Emma Hardy: I hope that when the Minister responds, he defines whether there is going to be a transparent judgment or transparent criteria. Will the criteria be judged and evaluated? Who will do that judgment and evaluation to determine whether a chamber has failed? It surely cannot be at the whim of the current Secretary of State, whoever that may be, to decide whether a chamber is seen as successful or failing.

Andrew Gwynne: My hon. Friend is right. There has to be a fair arbitration process as well, because it may well be that the chamber of commerce does not agree that it is failing, in which case we will have a problem in trying to resolve the matter. I do not want to focus on possible failure, but we have to legislate for it, just in case. I want each and every one of these bodies to be a success but if, for whatever reason, one is not, we must know what the mechanisms are to ensure that the skills strategy for a given geographical area is carried on and made successful. My hon. Friend the Member for Chesterfield's amendment seeks to get that information from Ministers on what happens if, for whatever reason, things go wrong.

Lastly, I come back to the issue of how boundaries matter. If, for whatever reason, the boundaries for the skills strategy are different from those of whoever takes over that responsibility in the event of the chamber of commerce failing, we need to make sure that it is clear that the replacement covers the same area as what went before it.

Rachel Hopkins (Luton South) (Lab): It is a pleasure to speak under your chairship, Mr Efford. I rise to support amendments 35, 45, 36 and 46, which were well presented by my hon. Friend the Member for Chesterfield. It is particularly important to reflect the points well made by my hon. Friend the Member for Denton and Reddish about public and private employers. Much has been said about the potential for formulating the employer representative body from the chamber of commerce. The clue is in the name: it is about commerce and business, as much as employers.

That leads me on to the bit in between: our strong and vibrant voluntary sector. Recently, we have seen the greater rise of commissioning over many years by many public sector organisations. They have had 10 years of cuts, to be frank, so they have thought of innovative ways to deliver what I believe to be public services still. They have commissioned the voluntary sector, and it is vital for the voluntary sector—as suggested by amendment 46—to have a seat on that employer representative body, whether as a collective in an overarching grouping or as key individual employers in the designated area, whatever it might be. Equally, we must ensure an interrelationship with other significant public sector bodies—put well by my hon. Friend the Member for Denton and Reddish. Not being explicit is not recognising what the employment market looks like.

Emma Hardy: When the Government design the LSIP areas, I wonder whether it would be helpful to produce some data on the respective public-private employer difference in each area. Each area will look different, so I imagine that the employer representatives would be reflective of that particular labour market.

Rachel Hopkins: My hon. Friend makes an excellent point. Exactly that—this is an employer representative body. The Bill must be open and explicit about ensuring that the public and voluntary sectors, and others—small businesses, the self-employed—have a seat at the table, through whatever mechanism. It is for them to outline how they wish to do that, but perhaps through something like the Federation of Small Businesses. I think that is vital, because otherwise it just gets lost in the grain. If the measure is to be a success in pushing forward on the skills agenda, we need to be explicit about who is at the table, who is shaping the plans and which areas. I hope that the Minister addresses my comments in his response.

Matt Western: Briefly, the amendments seek to reflect the reality on the ground, as we have heard. Let us think about HS2 and what has been happening. We have had years—decades—of plans for HS2, but we have seen skills sucked out of the regions so that we cannot get normal construction projects completed. That is because there has not been the co-ordination that there should have been. How was that allowed to happen? The result has been a huge impact on our regional economies.

Amendment 35 looks at the inclusion of public and private sectors as employers on the ERB. How can we not include the national health service, for example, and yet are able to include Virgin Care or Circle and others? It is bizarre that the public sector is not included.

On linking to the public sector, amendment 46 also seeks to include other employers, such as SMEs, the self-employed—as my hon. Friend the Member for Chesterfield said—and public and third-sector employers. Right2Learn, in a written submission, stated:

“We believe it is critical that local skills and training strategies need to look far more widely at including third sector organisations, as well as HE and FE providers. There must be far more opportunities for the direct involvement of SME clusters and organisations and the so-called gig economy which the Taylor Commission highlighted, including co-operatives and self-employed.”

I have said before, we must include charity-heavy provision and I gave the example of the Workers’ Educational Association.

Amendment 46 states that we need to include the third sector and the local health boards. As I said, we have seen how good that can be through the pandemic. Local primary care networks and public health in our localities really stepped up and showed that what they do is what they know, which is their regions, their populations and their geographies, to deliver good services. The same would apply to the provision of skills across our regions.

Alex Burghart: I rise to speak to amendments 35 to 37, 42, 45 and 46. Amendment 36 would require designated employer representative bodies to be reasonably representative of a broad range of local stakeholders. We have already been clear that we want local skills improvement plans to be employer led, which means led by genuine employer representative bodies, but we have also been very clear that designated employer representative bodies should work closely with key local stakeholders to gather intelligence and consider their views and priorities when developing local skills improvement plans.

That includes local post-16 technical education and training providers and mayoral combined authorities, which, through our Government amendment, are already specified in the Bill as playing a key role. It also includes local authorities and local enterprise partnerships, among others. This will be covered in more detail in the statutory guidance.

Amendment 45 seeks to test how the Secretary of State will determine what mix of employers is considered “reasonably representative”. When making a judgment on whether an ERB is reasonably representative, the Secretary of State will take into consideration the characteristics of its membership compared with the overall population of employers in the area. That speaks to the point that a number of Opposition Members have made.

We certainly expect designated employer representative bodies to draw on the views of a wide range of local employers of all sizes, reaching beyond their existing membership and covering both private and public employers. They will also need to draw on other evidence, such as other representative and sector bodies, to summarise the skills, capabilities or expertise required in a specified area. That type of engagement is already happening, and happening brilliantly, in our trailblazer areas.

Amendment 35 seeks to ensure that designated employer representative bodies are reasonably representative of both public and private sector employers. The Bill already ensures that that is the case. Clause 4 gives a definition of “employer” for the purposes of interpreting clauses 1 to 3 that covers public authorities and charitable institutions—to the point made by the hon. Member for Luton South—as well as private sector employers.

Amendment 46 seeks to ensure that designated bodies represent the interests of small and medium-sized enterprises, the self-employed, and public and voluntary sector employers. Public and voluntary sector employers are also already covered under the definition of employer in the Bill. Designated employer representative bodies must of course represent the interests of small and medium-sized enterprises in order to be reasonably representative.

Many existing employer representative bodies already do this effectively. For example, SMEs comprise the vast majority of the membership of local chambers

[Alex Burghart]

of commerce. In drawing on other evidence, designated ERBs may also need to consider the key skills needs of the self-employed in order to effectively summarise the current and future skills required in the area, and that will be referenced in statutory guidance.

Amendment 37 concerns a scenario where the Secretary of State is not satisfied that there is an eligible body within a specified area that is reasonably representative of local employers. We have thought about that, but we really do not think it is likely to happen. Although the “Skills for Jobs” White Paper mentioned accredited chambers of commerce, there are other employer representative bodies with either a national or local presence. We saw evidence of that from the expressions of interest process we ran to select the local skills improvement plan trailblazers, for which we received 40 applications despite only looking for six to eight trailblazers. Many hon. Members today have spoken about chambers of commerce, but the Government are entirely open to representatives from the Federation of Small Businesses and other geographically based organisations that could also be eligible.

Mr Perkins: To clarify, how many of the trailblazer organisations were not chambers of commerce?

Alex Burghart: All eight trailblazers were chambers of commerce. However, I believe there were expressions of interest and applications from others. For the record, we are not saying that this is solely the preserve of chambers of commerce. We are supporting the trailblazers with £4 million of funding this financial year, and we will continue to support ERBs as they are designated, so that they can develop credible and robust local skills improvement plans.

Mr Perkins: I appreciate the Minister’s response. I remain of the view that public and private sector employers should feature in the Bill, so I will press amendment 37,

which spells out Labour’s much more collaborative approach to this matter, to a vote. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment proposed: 37, in clause 2, page 3, line 23, at end insert—

“(iii) in the event that there is no body in the local area that is representative of the organisations listed under subsection (1)(a)(ii) the Secretary of State will instruct the Local Enterprise Partnership or Metro mayor to bring together a board which is representative of all the organisations outlined in subsection (1)(a)(ii), who will take on responsibility for drawing up the local skills improvement plan.”—
(*Mr Perkins.*)

This amendment places a duty on the Secretary of State, in the event that the Secretary of State is not satisfied that an eligible body is not reasonably representative of the employers operating within the specified area.

Question put, That the amendment be made.

The Committee divided: Ayes 6, Noes 10.

Division No. 7]

AYES

Gwynne, Andrew
Hardy, Emma
Hopkins, Rachel

Johnson, Kim
Perkins, Mr Toby
Western, Matt

NOES

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

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

Question accordingly negatived.

Ordered, That further consideration be now adjourned.—
(*Michael Tomlinson.*)

3.46 pm

Adjourned till Thursday 2 December at half-past Eleven o’clock.

Written evidence reported to the House

SPEB01 Central YMCA

SPEB02 The WEA

SPEB03 London Institutes for Adult Learning

SPEB04 Association of Colleges

SPEB05 The Open University

SPEB06 EngineeringUK

SPEB07 Local Government Association

SPEB08 Birkbeck, University of London

SPEB09 Right to Learn

SPEB10 University of Salford

