

**REPORT TO:** Employment, Learning, Skills and Community  
Policy & Performance Board

**DATE:** 30<sup>th</sup> May 2012

**REPORTING OFFICER:** Strategic Director - Policy & Resources.

**PORTFOLIO:** Economic Development

**SUBJECT:** Employment, Learning & Skills Quarterly Policy  
Update

## **1.0 PURPOSE OF THE REPORT**

1.1 To inform the Board of recent national policy announcements relevant to employment, learning and skills.

## **2.0 RECOMMENDATION:**

**2.1 That the report is noted.**

## **3.0 BACKGROUND**

3.1 A steady flow of policy announcements, consultation exercises, reports and ministerial statements are issued by government departments and agencies with varying degrees of relevance to issues on the employment, learning and skills agenda and related topics.

3.2 Therefore, brief summaries of key announcements in a 'digest' format to the board are provided on a quarterly basis, along with observations of local relevance, where appropriate, so the Board can consider whether to initiate more detailed scrutiny and/or a report to a future meeting.

## **4.0 RECENT KEY POLICY ANNOUNCEMENTS**

### **4.1 2012 Chancellor's Budget**

The Chancellor re-affirmed many of the features of the Autumn Statement and remained within the constraints of the current spending review, which will see local government facing year-on-year spending cuts into the next parliament, lasting a total of seven years.

Some better news for local government was the announcement of the extension of certain targeted funds, such as the Growing Places Fund which will see an additional £420m to stimulate local economic growth announced by the Chancellor in his Budget. There was also some good news for cities in the form of the new powers to retain revenue.

Announcements with specific relevance to employment, learning and skills included;

**Public Works Loans Board** - Reduced borrowing costs for Local Authorities.

**Growing Places Fund** - Following announcement in October of an extra £1 billion funding for the competition-based Regional Growth Fund ('RGF'), The Chancellor announced more money (loans) for the Growing Places Fund. This is given directly to local authorities to spend on their development priorities.

**Land Auctions** - The Government is taking forward land auction pilot on public sector land with the aim of having two sites ready for market by the end of the year.

**National Loan Guarantee Scheme** - The National Loan Guarantee Scheme (NLGS) was launched just prior to the budget. This will provide £20 billion of Government-backed guarantees to banks on their unsecured debt in return for a fee. Banks must then pass on the benefit they receive to small businesses. Businesses that take out a loan under the scheme will be offered a discount on interest rates of 1% compared to that which would otherwise be applied.

**COMMENT;** disappointing that only a small number of councils will get the new powers and some concerns about the potential impact on their neighbouring councils. However, the greater flexibility to local government over borrowing is welcome and already Halton has made loans of £1.6 million through the Growing Places Fund towards capital works at the newly established Daresbury Enterprise Zone.

A more detailed briefing on the Budget implications for local government can be found [HERE](#)

#### **4.2 National Planning Policy Framework (NPPF).**

The new National Planning Policy Framework (NPPF) was published on 27 March 2012, replacing all the previous Planning Policy Statements (PPSs) and Guidance (PPGs) etc.

It is a succinct single 50 page document and represents a radical overhaul of the UK planning system in line with the Government's ethos of only providing guidance that is relevant, proportionate and where it believes it is necessary to do so. It provides a framework for local planning authorities (and local residents in the form of Neighbourhood Plans) to produce their own land use plans which reflect the needs and priorities of their communities.

The NPPF's cornerstone is the presumption in favour of sustainable development. This should be evident in both the plan making and decision taking processes. It emphasises development proposals that are in line with an adopted Development Plan should be approved without delay. If a Development Plan is 'silent, absent or out-of-date', planning permission for development that is sustainable should be granted.

**COMMENT:** The NPPF is unashamedly growth focused. It is not anticipated that it will create any major issues for the Council's emerging Core Strategy which is expected to be formally adopted by Autumn 2012.

#### **4.3 The Youth Contract.**

This was announced as part of the Chancellors Spending Review last Autumn in response to concerns about how to help the most disengaged 16 and 17 year olds by getting them back to school or college, onto an apprenticeship or into a job with training.

Several elements of the 'Youth Contract' commenced in April;

- Provision of 410,000 new work places for 18 to 24 year olds between 2012 and 2015.
- Wage incentives worth up to £2,275 per person, available for employers who offer an 18 to 24 year-old from the Government's Work Programme, a job lasting at least 26 weeks.
- Extra voluntary work experience places to ensure an offer of a place for every 18 to 24 year-old who wants one, before they enter the Work Programme.
- 40, 000 Apprenticeship grants for employers of 16 to 24 year olds. Aimed at helping small (under 50) & medium (50 to 250) sized employers offer young people employment by providing wage grants to assist employers in recruiting their first apprentice. Has a value of £1,500 in addition to the training costs of the Apprenticeship framework which are met in full for young people aged 16 to 18 and 50% for those aged 19-24.
- Support for disengaged 16-17 year olds in England. £126 million over three years to support NEET 16-17's in England. organisations to lead this programme on a regional/sub-regional basis in process of recruitment. Payment by results on how success in progression into sustainable positive outcome.

**COMMENT;** Whilst it is too early to assess the impact of these changes, the Government has also moved to address concerns about the 'dilution' of the quality of the Apprenticeship brand by announcing a commitment to bringing in benchmarks and minimum standards.

#### **4.4 Launch of National Careers Service.**

The National Careers Service (in England) was launched on 5th April, with the aim of providing telephone and online advice to 370,000 young people and face-to-face advice to 700,000 adults. The Council's Halton People into Jobs service ('HPiJ') has been commissioned to deliver elements of the services locally.

Also, from the start of the new academic year in September, high schools, academies and colleges required to directly commissioning their own information advice and guidance provision for pupils and students, but not necessarily to provide advice on a face-to-face basis.

**COMMENT;** Concern is that new careers advice arrangements for young people may prove to be inadequate and that there wide variations in the 'local offer' to young people will emerge; with many having either limited, or no access to face-to-face careers guidance.

#### **4.5 Community Learning Trust Pilots.**

On 11th April the Govt announced invitation for applications for between ten and fifteen Community Learning Trust Pilots.

Organisations that are directly-funded providers in receipt of an allocation from the Government's £210m Community Learning (previously called the Adult Safeguarded Learning) budget are invited to submit a proposal in collaboration with local community organisations, businesses and other service providers.

Applicants will be required to demonstrate how they will generate income in addition to public funding and how local people are taking a lead. NIACE (the National Institute of Adult Continuing Learning) will support the pilot trusts. Successful applicants will be announced in early July and expected to start work in August.

If pilot approaches are successful, trusts will be rolled out more widely from 2013. The Prospectus can be found [HERE](#).

**COMMENT:** A very tight timescale, with interested organisations having just six weeks to develop and submit their applications. If is the pilots are deemed to be a success, likely that the Government will seek to roll out the community learning trust model more widely from 2013 onwards.

#### **4.6 European Union Update**

The EU's policies for cohesion, rural development, maritime and fisheries are aimed at supporting sustainable, environmental, social and economic restructuring across the EU by supporting socio-economic development and employment growth – helping to rebalance local economies.

The main 'pot' that supports this agenda in the UK are Structural and Cohesion Funds, with the current funding period ending in 2013. The size of the individual funds from 2014 will not be known until later this year.

In March this year the EC published proposals on how this funding could be used most effectively; using a "common Strategic Framework" , supported at

the national level by a “Partnership Agreement”. The Government’s Department for Business, Innovation and Skills has opened a consultation on the proposals and the Council is preparing its own response and is also contributing to a wider city region one. The consultation closed on the 27th April, with the outcome due by the end of the year.

**COMMENT:** The Council’s response emphasised allowing maximum flexibility and freedoms on the use of the funding at the local level.

#### **4.7 Government Response to the Portas Review**

On the closing date for the submission of applications for inclusion on the ‘Portas Pilots’ programme, the Government published its response to the Portas Review, announced a second round of ‘Portas Pilots’ and its High Street Innovation Fund.

The Government response to the Review’s 28 specific recommendations about what could be done to breathe life back into British high streets included measures to help high streets ‘reclaim their role at the heart of their communities’. It issued a challenge to local partners to refocus their town centres and high streets so they offer something new and different that neither out-of-town shopping centres nor the internet can, going further than just shopping, with creative use of public spaces and a vibrant evening economy.

**Portas Pilots Round 2:** This was announced on closing date for Round 1 applications, with a closing date on 30<sup>th</sup> June 2012. The prospectus is identical to that for the first round.

**High Street Innovation Fund** - Another of the Government’s responses to the Portas Review was its £10 million High Street Innovation Fund which will pay £100,000 each to 100 local authorities, including Halton, regardless of size or population. The purpose of the grant is to help Council’s address the issues of last summer’s riots and/ the high levels of empty shops in their area. Councils are urged to use their full range of tools and powers in collaboration with landlords to bring empty shops back into use. The grant is to be paid directly to local authorities, with little prescription about where or how it should be spent.

**COMMENT:** Whilst generally positive, the Govt response is notable for the Portas recommendation it has not supported; the recommendation of an "exceptional sign-off" by the Govt of any new out-of-town developments. Instead, it states that local authorities are already required to refer out-of-town building proposals above a certain size to the secretary of state.

The overall tone of the Government response is to place the onus upon local councils to make maximum creative use of their newly-granted freedoms and flexibilities under the banner of ‘localism’ and to provide strategic direction and leadership to revive their local high streets with private sector and community partners.

## **5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

5.1 The varied range of issues covered in this report potentially present a number of challenges and opportunities across a number of the Council's current priorities. Each would therefore require a thorough analysis at some point in the future.

## **6.0 RISK ANALYSIS**

6.1 There are no immediate risks or opportunities directly relating to the information in the report at this point in time. Again, a full assessment could be necessary at some point in the future.

## **7.0 EQUALITY AND DIVERSITY ISSUES**

7.1 Not applicable.

## **8.0 BACKGROUND PAPERS**

None under the meaning of the Act

## **FURTHER INFORMATION**

If members would a more detailed analysis of any of the issues mentioned in this report, or paper copy of any of the documents referred to, they should contact;

Nick Mannion at [Nicholas.mannion@halton.gov.uk](mailto:Nicholas.mannion@halton.gov.uk) 0151 906 4885