

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

**DATE:** 19<sup>th</sup> February 2018

**REPORTING OFFICER:** Strategic Director – Enterprise, Communities and Resources

**PORTFOLIO:** Economic Development

**SUBJECT:** Policy Update – Employment Learning and Skills

## **1.0 PURPOSE OF THE REPORT**

1.1 To inform the Board of recent national policy announcements relevant to the Employment, Learning and Skills Policy Performance Board.

## **2.0 RECOMMENDATION:**

2.1 **That the report is noted.**

## **3.0 BACKGROUND**

3.1 A number of policy, legislation, consultation and guidance documents, are issued by government departments and agencies that have varying degrees of relevance to issues on the employment, learning and skills agenda and related topics.

3.2 The information provided is not intended to be in-depth but provides a brief summary of key announcements along with observations of local relevance, where appropriate. The Board can then consider whether to initiate more detailed scrutiny and/or report to a future meeting.

3.3 The report should be considered alongside the ‘key developments’ and ‘emerging issues’ that are set out in the Quarterly Performance Report.

3.4 This report covers the period from October 2017 to January 2018.

## **Social Mobility Through Education Action Plan (Unlocking Talent Fulfilling Potential)**

The government published its social mobility action plan in December 2017. The focus of the plan is to tackle the injustices which hold people back during their life. The plan sets out four key life stage ambitions reflecting the fact that less advantaged children are more likely to fall behind and will struggle to catch up. The first ambition: ‘**Close the Word Gap Years**’ recognises that good early years’ education will have a positive impact on a person’s future social mobility. The ambition refers to: Boosting access to high quality early language and literacy, both in the classroom and at home, ensuring more disadvantaged children leave school having mastered the basic of literacy that many take for granted.

Ambition 2: ‘**Close the Attainment Gap**’ refers to the fact that pupils will have different outcomes depending upon where they live in the country and that is unfair.

The ambition refers to: Raising standards for every pupil, supporting teachers early in their career as well as getting more great teachers in areas where there remain significant challenges.

The third Ambition: **'Real Choice at Post-16'** will have resonance with the Employment Learning and Skills and Community PPB because it reflects on the need for a "skills revolution" for young people and business and the need to expand access to the best universities for all. This ambition refers to: Creating world-class technical education, backed by a half a billion pounds in investment, and increasing the options for all young people regardless of their background.

Ambition 4: **'Rewarding Careers For All'** is also relevant to this PPB because the ambition recognises that young people from disadvantaged areas are less likely to have the same access to the networks of advice, information and experiences of work to enable them to turn their aspirations into reality. This ambition refers to: Boosting skills and confidence to make the leap from education into work, raising their career aspirations. Building a new type of partnership with businesses to improve advice, information and experiences for young people.

The Plan proposes to implement the changes by introducing new ways of working i.e. 'identifying and spreading what works and 'building lasting success through partnership'.

The plan can be viewed at:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/667690/Social\\_Mobility\\_Action\\_Plan\\_-\\_for\\_printing.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/667690/Social_Mobility_Action_Plan_-_for_printing.pdf)

### **Improving Lives: The Future of Health and Work, Health and Disability**

This strategy was published at the end of November 2017 and sets out how the government intends to work over the next 10 years with employers, charities, health providers and Local Authorities to break down employment barriers for disabled people and people with health conditions.

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/663399/improving-lives-the-future-of-work-health-and-disability.PDF](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/663399/improving-lives-the-future-of-work-health-and-disability.PDF)

### **Autumn Budget**

There were several announcements in the Autumn Budget Statement that are relevant to the ELS&C PPB.

#### ***Business Rates Retention***

The Chancellor announced:

A pilot of 100 per cent business rates retention in London in 2018-19. The Greater London Authority (GLA) and London boroughs will come together to form a pool and invest revenue growth strategically on a pan-London basis.

The Government will continue to pilot additional business rates retention for councils across England. In addition to the London pilot announced in the Budget, new pilots for 2018-19 will

be announced following the Department for Communities and Local Government's (DCLG) assessment of recent applications to its scheme.

### ***Other business rates measures***

The Chancellor announced:

Bringing forward to 1 April 2018 the planned switch in indexation from RPI to the main measure of inflation (currently CPI).

Legislating retrospectively to address the so-called "staircase tax" (this refers to the Supreme Court judgement on the Mazars case which concerned valuation of non-contiguous areas within buildings). Affected businesses will be able to ask the Valuation Office Agency (VOA) to recalculate valuations so that bills are based on previous practice backdated to April 2010 – including those who lost Small Business Rate

Relief as a result of the Court judgement. The government will publish draft legislation shortly.

Continuing the £1,000 business rate discount for public houses with a rateable value of up to £100,000, subject to state aid limits for businesses with multiple properties, for one year from 1 April 2018.

Increasing the frequency with which the VOA revalues non-domestic properties by moving to revaluations every three years following the next revaluation, currently due in 2022. To enable this, ratepayers will be required to provide regular information to the VOA on who is responsible for business rates and property characteristics including use and rent. The government will consult on the implementation of these changes in the spring.

Local government will be fully compensated for the loss of income as a result of these measures.

### ***Skills***

The Chancellor announced:

A formal skills partnership with the Trades Union Congress and the Confederation of British Industry to develop the National Retraining Scheme. Together they will help set the strategic priorities for the scheme and oversee its implementation, working with new Skills Advisory Panels to ensure that local economies' needs are reflected.

The Government will continue to work with employers on how the apprenticeship levy can be spent so that the levy works effectively and flexibly for industry, and supports productivity across the country.

### ***Universal Credit***

The Chancellor announced:

The Government will provide more support to Universal Credit claimants:

From January 2018 those who need it, and who have an underlying entitlement to Universal Credit, will be able to access up to a month's worth of Universal Credit within five days via an interest free advance. The government will extend the period of recovery from six months to twelve months, making it easier for claimants to manage their finances. New claimants in December will be able to receive an advance of 50 per cent of their monthly entitlement at the beginning of their claim and a second advance to take it up to 100 per cent in the new year, before their first payment date from February 2018 the Government will remove the seven-day waiting period so that entitlement to Universal Credit starts on the first day of application from April 2018. Those already on Housing Benefit will continue to receive their

award for the first two weeks of their Universal Credit claim. The Government will also make it easier for claimants to have the housing element of their award paid directly to their landlord.

To support these changes the government will roll out Universal Credit more gradually between February 2018 and April 2018, and roll-out to all jobcentres will be complete in December 2018.

Universal Credit also offers new opportunities to support people in low paid work to progress in the labour market. The Budget allocates £8 million to trial innovative approaches to help individuals on Universal Credit to earn more.

### ***Cultural Development Fund***

The Chancellor announced:

To support the role culture can play in regeneration and local growth, the government will provide £2 million funding to the Department for Digital, Culture, Media and Sport for place-based cultural development.

### ***Centenary Fund***

The Chancellor announced:

At Spring Budget 2017 the Government announced £5 million for projects to celebrate the centenary of voting rights being extended to women for the first time in 1918. Today the Chancellor announced that £1.2 million of this will go to fund activities in seven cities and towns with strong links to the campaign for women's suffrage – Bolton, Bristol, Leeds, Leicester, London, Manchester, and Nottingham. The government will allocate the rest to local and community projects, including a statue of Millicent Fawcett in Parliament Square, and other activities.

### **Brexit**

In recent months, a number of documents and articles have been produced.

There is a proposal elsewhere on this agenda to consider the impact of Brexit as a possible Scrutiny Topic.

However, Members may find of interest a report published in January 2018 produced by the Centre for Cities entitled Cities Outlook 2018.

<http://www.centreforcities.org/wp-content/uploads/2018/01/18-01-12-Final-Full-Cities-Outlook-2018.pdf>.

The report authors observe that more than half of voters in cities in the Greater South East chose to remain in the EU, but in the rest of the UK, the reverse was true.

Cities outside the Greater South East tend to be less productive, have a lower average wage and a lower employment rate than cities within it. In summary, the report suggests that Brexit has highlighted a stark economic and political divide and that cities require greater empowerment if they are to succeed.

The University of St. Andrews has also published new research in January on the potential impact of Brexit on Small and Medium-Sized Enterprises (SMEs).

<https://www.st-andrews.ac.uk/news/archive/2018/title,1863531,en.php>

The study analysed results from the UK Government's Longitudinal Small Business Survey. Following the result of the referendum, the UK government inserted a number of Brexit-related questions into the survey, enabling this analysis.

The research discovered that concerns about Brexit are not felt uniformly across UK SMEs, but that Brexit-related uncertainty is likely to affect larger, export-oriented firms and those operating in hi-tech and service-related industries the most.

#### **4.0 POLICY IMPLICATIONS**

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. Where appropriate a more detailed analysis of the information and relevance to the council will take place.

#### **4.0 OTHER IMPLICATIONS**

5.1 None

#### **5.0 RISK ANALYSIS**

5.1 There are no immediate risks directly relating to the information in the report.

#### **6.0 EQUALITY AND DIVERSITY ISSUES**

6.1 None

#### **7.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

7.1 None under the meaning of the Act.