

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

DATE: 16th September 2013

REPORTING OFFICER: Strategic Director – Children and Enterprise

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: 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 A brief summary of key announcements is provided in this report along with observations of local relevance, where appropriate, so the Board can consider whether to initiate more detailed scrutiny and/or report to a future meeting.

4.0 NEW POLICY, STRATEGY AND STATUTORY GUIDANCE

4.1 Draft Deregulation Bill

4.1.1 The draft Deregulation Bill was published on 1 July 2013. It will initially be examined by a Joint Committee of both Houses of Parliament – by MPs and Peers – during the autumn. Legislation will be introduced ‘when parliamentary time allows’ and after the government has considered any recommendations made by the Committee.

4.1.2 Key issues within the Bill include a number of repeals to the Climate Change and Sustainable Energy Act 2006; repeals of requirements to prepare strategies and to consult, including the need to prepare a Sustainable Community Strategy. Deregulatory measures include apprenticeships where measures recommended by the Richard Review “will remove a lot of prescriptive detail in the current legislation and clarify the employment status of apprentices”. The Bill will abolish the office of chief executive of the Skills Funding Agency, transferring this role to the Secretary of State. In Further Education, changes include the removal of qualification requirements to teach

or be a principal, plus changes in a number of funding and property arrangements with local authorities. On schools, the Bill addresses discipline, staffing, school terms, home-school agreements, and the availability of certain reports.

- 4.1.3 Regulatory bodies carrying out certain regulatory functions – which will be identified by the Secretary of State after consultation – will be under an additional duty to have regard to the desirability of promoting economic growth when exercising those functions. This will include ensuring that any regulatory activity is both necessary and proportionate.

COMMENT: The Bill looks to achieve some of the Government commitments to abolish red tape, reduce bureaucratic requirements and make it easier for individuals and a civil society. It includes abolishing the statutory need to produce a Community Strategy, however it will still be good practice to have an overarching Strategy setting out the strategic priorities of the council and its partners. It also aims to make apprenticeships more flexible and responsive to the need of employers and the economy, which will be positive if it encourages more businesses to take on apprenticeships. There will also be a new duty putting a deregulatory ‘growth duty’ on non-economic regulators, bringing a resource of 50 regulators with a budget of £4bn to bear on the crucial task of promoting growth. It is not yet clear what this mean in reality and whether we will have any say locally, but any additional support to boost growth would be welcomed.

- 4.2 European Structural and Investment Funds strategies: supplementary guidance to local enterprise partnerships

- 4.2.1 In March 2013, the Government announced that, for the 2014-20 funding period, a large majority of the EU’s Structural Funds for England would be allocated to Local Enterprise Partnerships (LEPs). The Government published Preliminary Guidance in April 2013. This Supplementary Guidance, published 24 July focuses in more detail on what LEPs have to do to develop their strategies for EU funds. The Supplementary Guidance also gives more detail on sources of match funding and encourages LEPs to consider the use of financial instruments. Accompanying the main guidance document is an ‘opt in’ prospectus showing the offers for match funding made by national organisations.

- 4.2.2 Local Enterprise Partnerships are asked to prepare first drafts of their European Structural and Investment Funds Strategies by Monday 7 October 2013 and agree final proposals with Government in early 2014.

COMMENT: It is positive that Halton will now be able to access European Structural Funds through the Merseyside LEP, as we were previously excluded. However much of the detail of how the funding will be spent is still being developed and of course the match funding will need to be identified as part of this process for schemes to go ahead.

4.3 Business Rates Retention Pooling Prospectus

4.3.1 The Government is enabling local authorities to retain 50% of the business rates collected at local level as an incentive to local authorities to pursue local growth initiatives. This supports the wider local growth agenda where local authorities and Local Economic Partnerships are increasingly expected to unlock the growth potential in their areas. Under the business rates retention scheme local authorities are able to come together, on a voluntary basis to pool their business rates, giving them scope to generate additional growth through collaborative effort, and to smooth the impact of volatility in rates income across a wider economic area

4.3.2 This document updates the original Pooling Prospectus published in May 2012 (updated in July 2012). The document also sets out the timetable and process local authorities and the Department will have to follow in order to designate business rates pools for 2014-15. Any proposals for new pools must be made to the Department by 31 October 2013.

COMMENT: Whilst we will be able to retain part of the business rates collected the question remains will this result in a budget cut in real terms and how much (if any) of this funding will be available for local growth initiatives?

5.0 RESEARCH, CONSULTATIONS AND GENERAL INFORMATION

5.1 The future of high streets: progress since the Portas Review

5.1.1 Eighteen months on from the Portas Review of high streets, the Government has published a progress report on national and local policies and initiatives to revitalise high streets and town centres. This report outlines both what the Government has done in response to Mary's report, and how the Portas Pilots and the Town Teams have acted to tackle the challenges she identified.

COMMENT: Each high street is different, but many are struggling and must adapt to survive, and councils, businesses and communities must work together to deliver that. As Mary said in her original report, what's needed is for everyone with an interest in the future of the high streets to communicate, collaborate and compromise, in order to achieve their shared aims, although this is easier said than done. Internet shopping, supermarkets and out of town retail, have had a significant impact but not going away, and whilst they do have an important role to play in offering consumers choice and competition, retailers need to embrace the change if they are to survive.

5.2 Higher Education: the Fair Access Challenge – Report of the Social Mobility and Child Poverty Commission

5.2.1 Last year the Independent Reviewer on Social Mobility published a report on higher education access, 'University Challenge: How Higher Education Can Advance Social Mobility.' Backed up by some deeply depressing statistics on

fair access and the UK's most selective universities, the report made 64 wide-ranging recommendations to Government and the higher education sector about how to make access fairer and participation wider. Subsequently, the Government established the Commission on Social Mobility and Child Poverty, which has now produced a follow-up report 'Higher Education: the Fair Access Challenge.' It sets out responses to the recommendations relating to building proactively links between schools and universities, target setting for fair access, using contextual data in the admissions process and the postgraduate funding system. The report makes reference to the important role that schools play in ensuring that young people have the right qualifications and support to secure places in the UK's most selective universities.

- 5.2.2 This report also provides new evidence about the scale of the fair access challenge. This evidence shows that some of our leading universities in particular have a long way to go: they have become more, not less, socially unrepresentative over time.

COMMENT: Fair access to university places is essential for social mobility and it is worrying that we are not yet at the stage where everyone has that opportunity whatever their background. We would welcome working with universities to help ensure that young people from Halton who want to go to university have the opportunity to do so.

5.3 The National Adaptation Programme: Making the country resilient to a changing climate

- 5.3.1 The National Adaptation Programme (NAP), published in July responds to the risks and opportunities of a changing climate. Three of the largest cross-cutting risks are flooding, pressure on water shortages and temperature increases. The report aims to outline the ways in which government can enable action to respond to climatic changes, and has the following 4 key objectives:

- Increasing awareness
- Increasing resilience
- Taking timely action especially for measures with a long lead time
- Addressing major evidence gaps.

- 5.3.2 The report recognises that many aspects of the response will need to be managed locally. Local government roles of providing infrastructure, delivering public services and maintaining the built environment are all crucial to creating quality of life and economic growth, and are all affected by climate change.

- 5.3.3 Opportunities for local authorities and business to work together are also highlighted. The EA's climate ready support service will support the LGA's Climate Local platform to develop tools for councils to work with businesses on resilient economic growth, and with local enterprise partnerships (LEP's) on managing climate change risks and opportunities in the local economy. An existing example is the Greater Manchester Combined Authority and its LEP

working together to “*identify the climate change risks relating to economic development priorities in the greater Manchester strategy*”.

COMMENT: A changing climate, more heatwaves, and severe weather events, has and will continue to have a huge impact on the economy. Uncomfortable working conditions, road and bridge closures causing traffic chaos, employees unable to get to work or arriving late, building damage and flooding etc all cost businesses money. It is therefore essential that LEPs factor in climate change in their plans for economic growth. Of course the changing weather also brings opportunities for new business start-ups, increases in the visitor economy etc and we need to ensure that we are well placed to take advantage of these opportunities.

5.4 Property owners and Business Improvement Districts

5.4.1 Private house owners could be brought into business improvement district partnerships for the first time under proposals announced by Local Growth Minister Mark Prisk. [Business improvement districts](#) bring local companies together to develop a vision for their area, pool funds and deliver projects to improve town centre safety, support local traders, establish parking initiatives and help to spruce up the high street.

5.4.2 Current rules only allow businesses to formally pay into and vote in a business improvement district. But ministers want to see how property owners can also be added to this equation, to involve more local people, increase funding and boost support to regeneration projects. Reforming the scheme would enable property owners themselves to have a direct say and play an active part in regenerating trading areas. The consultation is open until 17th September 2013.

5.4.3 Government has also announced a £500,000 loan fund to set up more business improvement districts, and will be scrapping regulations to ensure these partnerships can be set up within a business area - rather than restricted by administrative boundaries.

COMMENT: Halton Borough Council has established BIDs in industrial areas which work well, with local businesses having a say in how their money is spent. Should the proposals to include property owners happen, it will be interesting to see how the initiative is rolled out.

5.5 National Careers Council – An Aspirational Nation: Creating a Culture Change in Career Provision

- 5.5.1 This report on national careers service – recently published by the National Careers Council signals the need for an urgent culture change, to address the mismatch between high unemployment and employers who are struggling to recruit. The report is intended to give a vision of the future of careers advice in England, including the operation of the National Careers Service. It was commissioned in May last year, alongside the establishment of the National Careers Service and makes a number of recommendations for the future of careers service provision across all age groups. The government expects to make a formal response in the autumn.

COMMENT: The report makes a lot of good points, particularly the mismatch between the skills required by employers and the skills of adults and young people. The report highlights that people will need to access careers advice throughout their lives, as due to the changing nature of jobs, people will have to change jobs many times in their careers. The report makes a number of recommendations to which the Government will need to respond.

5.6 Nick Clegg announces review of employment and training for young people

- 5.6.1 Nick Clegg has announced a review of employment and training options for 16 to 24-year-olds. Speaking at the CBI annual dinner, the deputy prime minister said "urgent action" was needed to prepare young people better for working life. And he urged Britain's five million businesses to create an extra one million jobs. In his speech, Mr Clegg told business leaders that school-leavers were faced with a confusing array of schemes designed to support them, with too many getting lost in lost in "a maze of different programmes". Companies considering employing young people also had to navigate a complex web of government initiatives. The review will look at how to simplify the system, although the government has already ruled out creating a single ministry dedicated to young people. There is likely to be greater co-ordination between departments, however. The review, to be conducted by civil servants, will report to the prime minister and deputy prime minister in the autumn.

COMMENT: This report is welcomed as it should help young people to take advantage of employment and training opportunities more easily. However the key issue will be businesses creating jobs for young people. This also links to the jobs and skills mismatch referred to in the report above National Careers Council – An Aspirational Nation: Creating a Culture Change in Career Provision. There will need to be better co-ordination between the skills and training young people access and those required by businesses.

5.7 Government redefines fuel poverty

- 5.7.1 The Government has revised its definition of fuel poverty. A household will now be classed as fuel poor once it has an income below 60% of the median and has energy costs higher than a typical household. [Independent advice given to the Government earlier this year](#) suggested current measures – classing a household as fuel poor if it was annually spending 10% of its income on energy – distorted understanding of the problem by capturing rich households and ignoring some of those in need. Households will now be fuel poor if they are below the income poverty threshold and have higher than typical energy bills
- 5.7.2 New measures will also include a fuel poverty gap, calculating the depth of a household's fuel poverty by charting what is needed to take it out of deprivation. Amendments made to the Energy Bill have also proposed a new government target for fuel poverty. Moving away from current objectives which aim for eradication of fuel poverty, the new target will focus on improving energy efficiency of fuel poor homes.

COMMENT: We would welcome improving homes so that they are better insulated and improving heating systems, however many people are unable to afford to put the heating on at all and are often having to choose between food and heat. Changing the definition of fuel poverty will do little to make energy prices more affordable, which is a real concern for many.

5.8 Fuel Poverty – A Framework for Future Action

- 5.8.1 This document sets out a framework for future action in tackling fuel poverty in England. It provides a bridge between the independent Hills Review of fuel poverty published last year and a future Government Strategy for Fuel Poverty, to be put in place following Royal Assent of the Energy Bill currently before Parliament. The approach outlined in this document is necessarily indicative as it is dependent on decisions that are yet to be taken.

COMMENT: Fuel poverty is primarily driven by three different factors: household income, energy prices and the thermal efficiency of dwellings. This reports looks at these areas and policy options going forward. We would welcome aims to improve the energy efficiency of homes and the potential impact this will have on business growth. We would also support encouraging switching to better energy tariffs (the council has already worked with Merseyside on such a scheme that has benefited Halton residents) and/or directly support household energy costs through grants etc making energy more affordable. It is not year clear however whether Government policies will lead directly to increase incomes for those in fuel poverty or what targeted support will be available. Benefit reforms will also impact on household income, making energy less affordable for many which is a significant concern.

6.0 European Funding

6.1 GRUNDTVIG VISITS /EXCHANGE GRANTS

6.1.1 Adult education staff who want to improve their practical skills and to gain a broader understanding of lifelong learning across Europe can apply for funding to attend a seminar, conference, job shadowing and training in another European country. Visits and Exchange grants are offered under the Grundtvig part of the Lifelong Learning Programme. The Grundtvig programme aims to strengthen the European dimension in adult education.

6.1.2 There is a rolling deadline, you need to apply 12 weeks before the activity starts and no later than the 17th September 2013. Funding is open to those involved in adult education. Activities can last between one day and twelve weeks and are a great way for you to improve teaching, coaching, counselling or mentoring skills.

6.1.3 Grants are available to contribute towards the total costs incurred, including: Conference or seminar fees, Travel, Subsistence and other costs.

6.2 FUNDING TO SUPPORT TO YOUTH WORKERS MOBILITY AND EXCHANGES

6.2.1 The European Commission has launched a new call for proposals under Action 4.3 of the Youth in Action Programme. The closing date for applications is the 12 noon on the 3rd September 2013.

6.2.3 The maximum grant available per project is €25,000

6.2.4 Under this call for proposals a total of €755,000 is available to support projects that give youth workers the opportunity to experience youth work in a different country and to learn new skills and competences. Preference will be given to those projects which best reflect the permanent priorities of the 'Youth in Action' programme. These are participation of young people, cultural diversity, European citizenship, and inclusion of young people with fewer opportunities. Preference will also be given to projects reflecting the following annual priorities. Awareness-raising of the rights linked to the EU citizenship, inclusive growth, creativity, entrepreneurship and employability and healthy behaviours. To be eligible, projects must be based on a solid partnership between two partners from two different countries.

6.3 YOUTH IN ACTION PROGRAMME LAUNCHES NEW CALL FOR PROPOSALS

6.3.1 The closing date for applications is 12 noon on the 5th September 2013.

6.3.2 The European Commission has announced a new call for proposals under its Youth in Action Programme. This call for proposals is under sub-action 4.6 (Partnerships) and aims to support partnerships with regions, municipalities, civil society actors; etc, in order to develop over the long-term projects that support their capacity building as bodies active in the youth field providing non-formal education opportunities to young people and youth workers. In particular, this call seeks to promote the development of sustainable networks, the exchange of best practices as well as the recognition of non-formal education.

6.3.3 The types of actions that can be funded include:-

- Trans-national youth exchanges;
- European voluntary service;
- Training and networking

6.3.4 The total budget allocated to the co-financing of projects under this call for proposals is estimated at €2.5 million. The maximum grant allocated to each project will not exceed €100,000. Financial assistance will not be granted for more than 50% of a project's total eligible expenses.

6.4 EUROPEAN LIFELONG LEARNING PROGRAMME

6.4.1 The European Commission has issued a new call for proposals under its Life Long Learning Programme. The closing date for applications is 12 noon on the 16th September 2013.

6.4.2 The aim of this call is to encourage European policy cooperation to support developing skills for growth and competitiveness, strengthening youth employability and reducing early school leaving levels. Beneficiaries can be national or regional ministries in charge of education and training and lifelong learning policies, and other authorities/bodies and national, regional or local stakeholders' organisations active in the development and implementation of lifelong learning policies. The total budget earmarked for the co-financing of projects amounts to €4 million. Financial contribution from the European Union cannot exceed 75 % of the total eligible costs.

6.5 NEW EUROPEAN EDUCATION & TRAINING PROGRAMME FOR 2014 – 2020

6.5.1 The Irish Presidency has secured agreement on Erasmus+ among EU Member States and with the European Parliament.

6.5.2 Erasmus+ (2014-2020) is the new €16bn catch-all framework programme for education, training, youth and sport. It brings together the Lifelong Learning Programme (Leonardo, Comenius, Grundtvig, Erasmus and Jean Monnet actions), Youth in Action and five other international programmes including Erasmus Mundus and Tempus into one single, simplified and modern programme. This new programme will focus on formal and informal learning across EU borders to improve the skills and employability of students, educators and workers.

6.5.3 The total budget allocated to the co-financing of projects under this call for proposals is estimated at €2.5 million. The maximum grant allocated to each project will not exceed €100,000. Financial assistance will not be granted for more than 50% of a project's total eligible expenses.

7.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

7.1 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.

8.0 RISK ANALYSIS

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

9.0 EQUALITY AND DIVERSITY ISSUES

9.1.1 Not applicable.

10.0 FURTHER INFORMATION

10.1 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, the should contact; Debbie Houghton at Debbie.houghton@halton.gov.uk or 0151 511 8231

11.0 BACKGROUND PAPERS

None under the meaning of the Act. (For information - Hyperlinks to all of the full reports are embedded within the headings.)