



All Party Parliamentary Group on Local Growth, Local Enterprise Partnerships and Enterprise Zones

Call for evidence on local growth and the skills system

The All Party Parliamentary Group on Local Growth, Local Enterprise Partnerships (LEPs) and Enterprise Zones, chaired by Caroline Dinenage MP and James Morris MP, is announcing a call for evidence on local growth and the skills system, for an inquiry to report later in the year. All interested parties, including businesses, local authorities, LEPs, local and national business bodies, educational institutions, skills and employment support providers and others, are warmly invited to make a submission to the inquiry.

This builds upon the APPG's *Where Next for LEPs* project last year aiming to evaluate the effectiveness of LEPs to date. This attracted interest and participation from a significant body of businesses and business support organisations, interest groups and experts, LEPs, councils and academics, and the need to align local skills provision more closely with local needs was the most frequently and widely cited area among participants. The broader topics of skills and employment, particularly for young people, have remained high on the national agenda since the release of the APPG's report in September. Now, with the role of LEPs in driving local growth likely to expand in the wake of the Heseltine Review and the second wave of City Deals, there is a window of opportunity to examine more specifically what local partners can and should be doing to help align local skills provision with the labour market.

There is no doubt that this realignment is needed. UKCES' most recent employer skills survey in 2011 showed that over 100,000 vacancies – 16% of all vacancies – are 'hard to fill' due to skills shortages among applicants, while over 40% of employers currently provided no training. Manufacturers' organisation the EEF reported in 2012 that three quarters of manufacturing firms were struggling to find staff with the right skills. Local Government Association commissioned research contrasts the 94,000 people trained in hair and beauty in 2011, despite there being just 18,000 new jobs in the sector, with the 123,000 people trained for around 275,000 advertised construction jobs – more than two jobs for every qualified person.

Basic skills were also a concern: weaknesses in employees' literacy, numeracy and ICT skills were each reported by over half of employers surveyed by the CBI (2012) alongside high dissatisfaction with the self-management and customer service skills of school and college leavers. There were still over a million NEETs in England towards the end of 2012, while NIACE figures also show a drop in adult participation in learning. Meanwhile, initiatives aiming to address these issues are often perceived as top-down and inflexible, taking little account of local strengths and weaknesses, relationships and trends.

This inquiry into local growth and the skills system aims to understand the barriers that businesses, LEPs and local authorities face in bringing employers and skills providers together and matching provision with need, gather more detail on good practice on the ground, and make credible recommendations for improvement.

Key lines of inquiry – participants are invited to address any questions which interest or concern them

Local leadership and coordination

- How important is an effective skills system for driving growth? Are there examples of tangible growth outcomes on the ground that could result from improvements in skills policy, governance and funding?
- What are LEPs, local authorities, the new City Deals and local business institutions around the country *already doing* to align local skills provision more effectively with employers' needs? What leadership or coordination role should local partners play *in the future* to align local skills provision more effectively with employers' needs?
- How far should local partners seek to forecast future trends and establish 'pipelines' to align skills provision towards them? Are there examples of where this has been successful or unsuccessful?
- What can local partners do to drive improvement in the basic skills employers require?
- What should be the balance of control between local authorities and partnerships, skills providers, employers and central Government, and how could this balance be achieved?
- How should skills provision be better coordinated with 'back to work' initiatives and programmes to address barriers to employment, and what role can local partners play?

Skills provision

- How well are skills providers adapting to the new local growth landscape, and what more could or should they be doing to align provision with need?
- Are there differences in approach or performance between private and public skills providers and their alignment with the job market? What improvements could be made?
- How can LEPs and others support the role of employer training in reducing skills gaps?
- What is, or should be, the role of the higher education sector in working with employers, local growth partners and skills providers at other levels?
- How might skills providers be held to account at a more local level?

Taking it forward

- What barriers – policy-related, political, funding-based or otherwise – do organisations driving local growth encounter when seeking to make skills provision more responsive to the local economy, and how can these be reduced or removed?
- What are the potential pitfalls of trying to move towards a more responsive and employability-focused skills system and how could these be mitigated?

Proposed timetable

The draft timetable for the inquiry is as follows:

- January 2013 – agree scope of inquiry and launch call for evidence
- February 2013 – written evidence submitted; undertake supplementary desk and field research
- March-April 2013 – verbal evidence session(s) in Parliament
- Spring 2013 – report published

Submitting evidence

The APPG welcomes those that wish to contribute evidence to the inquiry.

Memoranda addressing any or all of these issues, in accordance with the guidelines set out below, are invited by **11th March 2013**.

Each submission should:

- focus on practical examples, both to illustrate good practice and to indicate barriers or instances where the system could work better;
- be no more than 3,000 words in length;
- begin with a short summary in bullet point form;
- **be in Word format** – diagrams and charts to illustrate points are welcome;
- be accompanied by a covering letter or email containing the name and contact details of the individual or organisation submitting evidence; and
- indicate whether the individual or organisation would be willing to give evidence verbally if asked.

A copy of the submission should be sent by e-mail to mneky@westminster.gov.uk and marked "APPG SKILLS INQUIRY".

Evidence provided to the APPG will be considered to be public unless otherwise requested. Participants should feel free to publicise and share their own evidence submissions as they see fit.