

Local growth: realising every place's potential

The White Paper on local economic growth contains a welcome commitment to increasing the skills base but misses opportunities to integrate skills development into local economic planning and development. At the same time, there is potential for colleges and other providers to take the initiative to create partnerships and programme innovation.

The paper stresses the Coalition government's intent to give local communities and businesses more control over local economic development and employment opportunities. Local Enterprise Partnerships will manage economic growth and promote skills development following the abolition of the Regional Development Agencies and the £1.4 billion Regional Growth Fund opened today by Nick Clegg aims to stimulate private sector investment to replace jobs lost in the public sector cuts.

Local Enterprise Partnerships of private sector employers and local authorities are to provide vision and strategic leadership for sustainable private sector growth and job creation. Evidence from bodies such as the UK Commission for Employment and Skills demonstrates that skills are an intrinsic aspect of economic growth and suggests that skills development is essential to economic recovery¹ yet the LEPs' role in skills development is very loosely framed. They are encouraged, but not required, to work with networks of local learning providers to agree skills priorities. What will happen where providers do not establish networks, where provider networks do not easily align with LEP boundaries or the LEPs do not prioritise skills? It is important that this potential gap between economic renewal bids/developments and skills and learning is not allowed to open up.

The Skills funding Agency will be responsible for all skills funding. Whilst a single funding pot makes sense the mechanism by which the SFA will ensure that skills planning is integral to economic strategic planning is unclear.

The LEPs are to work with local employers, Jobcentre Plus and learning providers to help local people into jobs. This offers a focus for improving the ways in which different agencies work together and to address the weaknesses in the current system. The interim report of the UK Commission on Employment and Skills review of integrated employment and skills found that delivery partners do not always work well together towards a common goal for customers, often because organisational goals and targets do not align.

The White Paper states a commitment to local decision making. There is a huge stress on passing power to communities to decide on such matters as neighbourhood plans, planning consultations and renewable energy developments. This positive development could be undermined by the lack of recognition that there will be huge differentials in the readiness

¹ http://www.ukces.org.uk/upload/pdf/A2020_web_final.pdf

of communities to undertake this activity as well as in the skills of individuals to take up the challenge. There is great potential here for colleges and other learning providers to work with their local communities to develop their capabilities for active citizenship through local decision making.

The Regional Growth Fund has been opened for proposals that stimulate private sectors growth and employment. The objective of supporting communities that are particularly affected by the cuts in public sector spending is particularly welcome. There is a correlation between skills development, employment and economic growth, and differences in skills profiles need to be addressed to avoid perpetuation of disparities in skills levels and economic performance. Not requiring proposals to demonstrate how they will contribute to skills development risks separating skills from economic regeneration. However, colleges could take the opportunity to work with private sector partners to advocate for and contribute skills elements to bids so that outcomes ensure that public and private partnerships train and address identified skills gaps and provide opportunities for local young people and unemployed adults to have priority in being contracted for these programmes.

The paper reiterates the government's commitment to being the 'greenest government ever' and commits to environmentally sustainable growth. Evidence suggests that the concept of green growth needs further definition. 'Green jobs' also require further definition in terms of factors such as what they look like, who will undertake them, what skills are needed and where they are located. Businesses may be expected to develop a greater focus on managing risk, and the adoption of business practices which focus on building resilience within the global trading environment. In the light of the above it is crucial that proposals for developing the skills required to build a low carbon or green economy must be an integral element of bids.

As low carbon development is still relatively new, simultaneously developing green or low carbon employment and the training and qualifications they require poses challenges, not least the conundrum of how to articulate and stimulate demand and fund investment to develop training where curriculum, qualifications and learning programmes are still undeveloped or at early stages. Employers and employees already in the workforce also need colleges to work with them to develop customised training that extends and enhances their existing skills and knowledge to support them to adapt low carbon work rather than training tied to existing 'off the shelf' qualifications. As technology will not fossilise but will continuously advance, so training must not only keep pace but equip members of the present and future workforce to keep pace with these changes. Developing generic capabilities such as flexibility, adaptability and resilience will be critical to building and maintaining a responsive, adaptable workforce.

Local enterprises have potential to make a significant contribution to economic growth and their durability in the recession demonstrates this is a viable economic model that can

benefit communities. The Regional Growth Fund enables local enterprises to bid in partnerships to reach the minimum bidding threshold. This offers potential for learning providers to foster the development of skills for enterprise, provide valuable and cost effective support for new and emerging business start ups in areas particularly affected by the recession or the transition away from public provision of services.

Whether organised through colleges, local authorities, voluntary sector, unions or employers, it is certain that learning for adults has a major part to play in supporting local economic growth and the transfer of power to communities. These changes will be implemented in the context of change in the sector that includes cuts in local government and college funding. The Skills White Paper is due soon which will announce further changes. There is no doubt there will be hardship but any period of change offers scope for rethinking and creativity. Making sure that learning really does support adults to develop the skills they need and to take part in shaping their communities is surely a challenge worth accepting.