



## **LEP – Sub Committee**

### **LEP - Lancashire Skills and Employment Board**

**Private and Confidential: No**

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### **Green Paper: Building our Industrial Strategy**

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#### **Executive Summary**

The Green Paper 'Building our Industrial Strategy' was published by the Government in January for consultation. The deadline for responses is 17<sup>th</sup> April 2017. One of the ten pillars of the strategy is focused on 'Developing skills' and driving up basic skills; building a new system of technical education to benefit the half of young people who do not go to university; boosting science, engineering, technology and maths (STEM) skills; and raising skills levels in lagging areas.

#### **Recommendation**

The committee is asked to:

- 1) Note the publication of the Industrial Strategy and the contents.
- 2) Contribute to a discussion at the committee meeting, particularly in relation to the 'Developing skills' pillar, with view to feeding comments into the wider LEP response to the consultation.

## **Background and Advice**

### **Building our Industrial Strategy**

#### **1. Background**

The Green Paper 'Building our Industrial Strategy' was published by the Government in January for consultation. The deadline for responses is 17<sup>th</sup> April 2017. The Government have posed a number of questions for the consultation against each of the ten pillars of the strategy.

The plan is aimed to shape a new modern industrial strategy for a post-Brexit Britain. The objective of the strategy is to improve living standards and economic growth by increasing productivity and driving growth across the whole country; this includes spreading wealth and developing a fairer society and helping young people to



develop the skills that they need to do the high-paid, high-skilled jobs of the future. The strategy includes reference to tackling regional disparities in productivity, average income and unemployment. The plan will build on strengths and extend excellence into the future. The full document can be accessed via [https://beisgovuk.citizenspace.com/strategy/industrial-strategy/supporting\\_documents/buildingourindustrialstrategygreenpaper.pdf](https://beisgovuk.citizenspace.com/strategy/industrial-strategy/supporting_documents/buildingourindustrialstrategygreenpaper.pdf). The summary can be found on pages 9-23.

## **2. Ten Pillars of the Industrial Strategy**

The strategy is structured against ten pillars. These are listed overleaf, with the aim of each pillar. Pillar 2 is focused on 'Developing skills' and driving up basic skills; building a new system of technical education to benefit the half of young people who do not go to university; boosting science, engineering, technology and maths (STEM) skills; and raising skills levels in lagging areas. Pillar 9 'Driving growth across the whole country' also includes reference to closing the gap in relation to disparities in skills levels and working with local areas to test new approaches to closing the skills gap e.g. through improved pre-school education; retention and attraction of graduates; and measures to increase the take-up of apprentices. An improved skills base (particularly in STEM) will also feed into success in other areas e.g. science, research and innovation, business start-up and growth, and cultivating world-leading sectors.



## The pillars

- 1. Investing in science, research and innovation** – we must become a more innovative economy and do more to commercialise our world leading science base to drive growth across the UK.
- 2. Developing skills** – we must help people and businesses to thrive by: ensuring everyone has the basic skills needed in a modern economy; building a new system of technical education to benefit the half of young people who do not go to university; boosting STEM (science, technology, engineering and maths) skills, digital skills and numeracy; and by raising skill levels in lagging areas.
- 3. Upgrading infrastructure** – we must upgrade our standards of performance on digital, energy, transport, water and flood defence infrastructure, and better align central government infrastructure investment with local growth priorities.
- 4. Supporting businesses to start and grow** – we must ensure that businesses across the UK can access the finance and management skills they need to grow; and we must create the right conditions for companies to invest for the long term.
- 5. Improving procurement** – we must use strategic government procurement to drive innovation and enable the development of UK supply chains.
- 6. Encouraging trade and inward investment** – government policy can help boost productivity and growth across our economy, including by increasing competition and helping to bring new ways of doing things to the UK.
- 7. Delivering affordable energy and clean growth** – we need to keep costs down for businesses, and secure the economic benefits of the transition to a low-carbon economy.
- 8. Cultivating world-leading sectors** – we must build on our areas of competitive advantage, and help new sectors to flourish, in many cases challenging existing institutions and incumbents.
- 9. Driving growth across the whole country** – we will create a framework to build on the particular strengths of different places and address factors that hold places back – whether it is investing in key infrastructure projects to encourage growth, increasing skill levels, or backing local innovation strengths.
- 10. Creating the right institutions to bring together sectors and places** – we will consider the best structures to support people, industries and places. In some places and sectors there may be missing institutions which we could create, or existing ones we could strengthen, be they local civic or educational institutions, trade associations or financial networks.



### **3. Pillar 2: Developing Skills**

The section outlines the opportunity that the apprenticeship reforms bring (growth from 2.4m in the last Parliament to 3m in this Parliament), and the increase in percentage of young people now entering higher education (it is now estimated that around half of all 17 year olds will participate in higher education by the age of 30). The Government's Higher Education and Research Bill, currently before Parliament, will build on the strengths of the UK's universities by putting in place a teaching excellence framework (as outlined and discussed at previous committee meetings). It is stated that a modern industrial strategy can also help create the right framework to incentivise businesses to invest in skills alongside public investment.

The strategy outlines the current challenges: including poor performance in basic and technical skills; the shortage of high skilled technicians below graduate level; shortages of skills in sectors that are dependent upon technical skills and STEM skills; the poor quality of careers advice; and the pace of technological change and thus the necessity of lifelong learning. It should be noted that the strategy refers to significant regional variations in progression to A-level mathematics – there is a marked difference in the percentage progressing when comparing London and the South East with other parts of the Country. Blackburn with Darwen is listed as one of the Local Authority areas with the lowest percentage progression (14%).

The strategy then goes on to outline a number of actions. This includes those that are underway such as the schools reforms, the apprenticeship reforms and the Sainsbury Review and the Skills Plan (as summarised and discussed at the July 2016 committee meeting) and a number of new commitments. The new commitments refer to: the implementation of the Skills Plan and the creation of a small number of high quality technical education routes post-16, taught by industry specialists; college centres of excellence for teaching maths and English; a system which enables clearer progression at 16 (similar to the UCAS process); actions to address the imbalance of progression in maths including the spread of the specialist maths school model pioneered by Exeter and King's College London; stimulating uptake of STEM subjects; publication of a comprehensive careers strategy later in the year; a review of approaches to lifelong learning; and addressing differences in skills levels between different areas of the country.

#### **4.0 Consultation Questions**

A total of 38 questions are posed within the consultation, including 5 against the 'Developing skills' pillar. The questions posed against 'Developing skills' are:



### Questions for consultation

1. What more can we do to improve basic skills? How can we make a success of the new transition year? Should we change the way that those resitting basic qualifications study, to focus more on basic skills excellence?
2. Do you agree with the different elements of the vision for the new technical education system set out here? Are there further lessons from other countries' systems?
3. How can we make the application process for further education colleges and apprenticeships clearer and simpler, drawing lessons from the higher education sector?
4. What skills shortages do we have or expect to have, in particular sectors or local areas, and how can we link the skills needs of industry to skills provision by educational institutions in local areas?
5. How can we enable and encourage people to retrain and upskill throughout their working lives, particularly in places where industries are changing or declining? Are there particular sectors where this could be appropriate?

## 5.0 Recommendation

The committee are asked to consider the 'Developing skills' Pillar of the Industrial Strategy and contribute to a discussion in relation to the questions posed. The discussion will then be summarised and a response compiled to feed into the broader LEP response to the strategy. Due to the timing of meetings, it is recommended that the input from the committee be approved via written procedure.