



Higher Education Policy Institute

# When Skills England calls, will anybody answer the phone?

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## About the author

Tom Richmond is an education policy analyst and host of the 'Inside Your Ed' podcast. After starting his career as a secondary school teacher, he spent almost a decade working in policy development and research. This included working in two think tanks and later advising two Secretaries of State and ministerial teams at the Department for Education. After leaving the Department he taught at a Sixth Form College before returning to education policy and research in 2018. From 2019 to 2024 he was the director of EDSK – a think tank that designed solutions to policy problems across the education system including schools, colleges, apprenticeships and universities.

## Introduction

*Our skills system is in a mess, which is why we are transforming our approach to meet skills needs over the coming decades.*

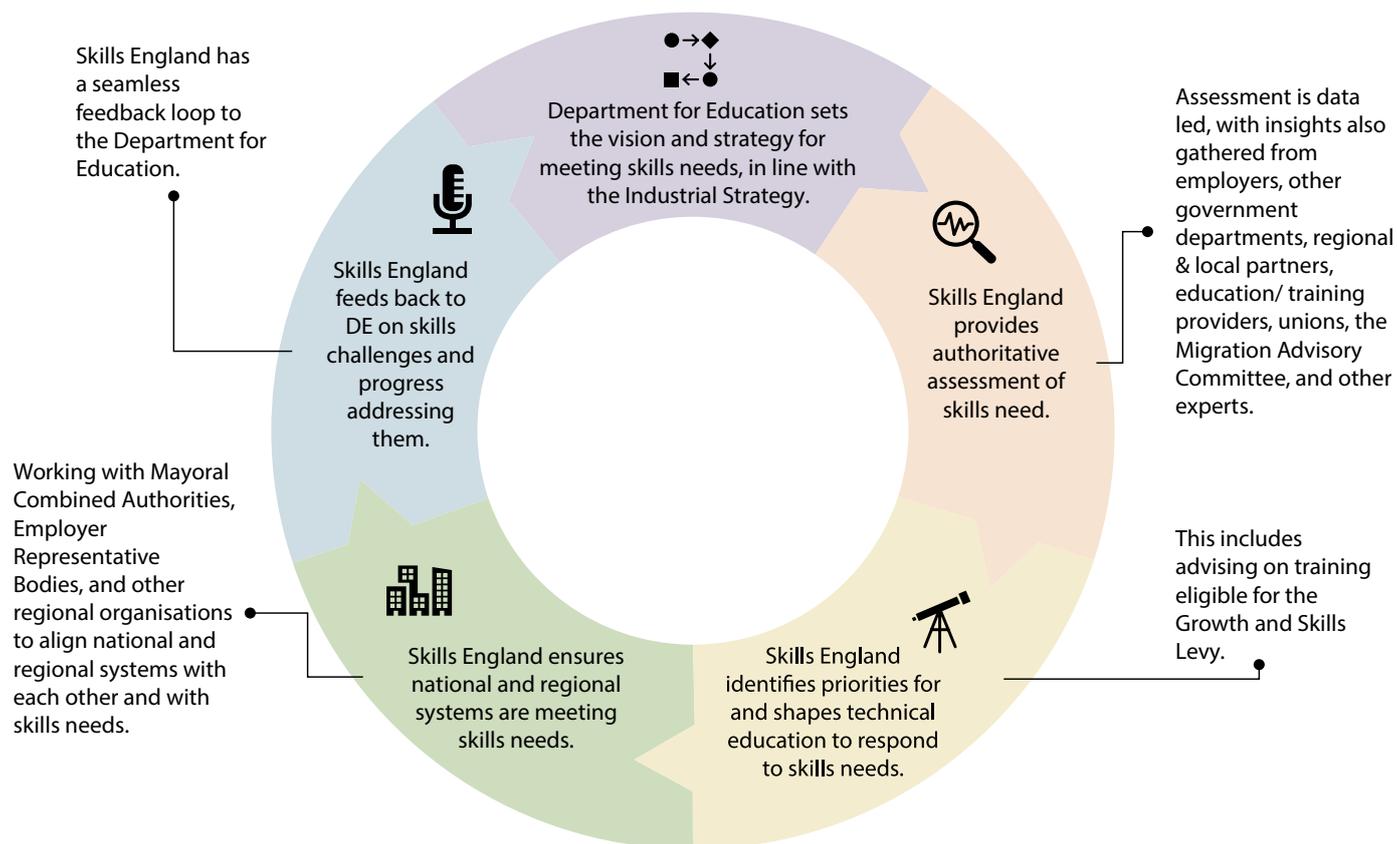
Source: Department for Education, 'Skills England to Transform Opportunities and Drive Growth', Press release, 22 July 2024

Newly elected Prime Minister Keir Starmer did not hold back at the launch of Skills England – a new government agency – in July 2024. The Labour Party's 2024 election manifesto had stated that Skills England would 'bring together business, training providers and unions with national and local government to ensure we have the highly trained workforce needed to deliver Labour's Industrial Strategy'.<sup>1</sup> Just a few weeks later at Skills England's official unveiling, both the Prime Minister and the Education Secretary Bridget Phillipson reiterated that this new agency will 'bring together the fractured skills landscape and create a shared national ambition to boost the nation's skills' as well as 'providing strategic oversight of the post-16 skills system aligned to the government's Industrial Strategy'.<sup>2</sup>

All this would be achieved by Skills England absorbing many functions previously carried out by the Institute for Apprenticeships and Technical Education (IfATE), which was established in 2017. The IfATE is a 'non-departmental public body' sponsored by the Department for Education (DfE), which has operational independence from its sponsor. In contrast, Skills England is an executive agency within the DfE, meaning that it has no legal autonomy from ministers or civil servants. Concerns over its independence were heightened when it emerged in October 2024 that the Chief Executive Officer (CEO) of Skills England would be appointed as a Director within the Civil Service and would report into a Director General – a senior civil servant – at the DfE, who themselves reports into the Permanent Secretary.<sup>3</sup> That the CEO position has subsequently been awarded to two job-sharing civil servants (Tessa Griffiths and Sarah Maclean) has done little to allay these worries.<sup>4</sup> Alongside the new CEO position, the Chair of Skills England will be Phil Smith CBE, the former UK CEO of Cisco, and the Vice Chair will be Sir David Bell, a former Chief Inspector of Ofsted and Permanent Secretary at the DfE.

Leaving aside its legal status, the first report by Skills England – published in September 2024 while the organisation was still in 'shadow' form – highlighted the importance and benefits of upskilling and reskilling the workforce as a contributor to driving economic growth, along with repeating long-standing worries about the low level of skills and employer investment in training that has hampered the UK economy for years. The report also set out what it saw as Skills England's core functions (Figure 1), which related to goals such as identifying priorities for investment and sharing better data to provide advice to all stakeholders on possible skills gaps and mismatches.

Figure 1 Skills England's main functions



Source: Department for Education, *Skills England: Driving Growth and Widening Opportunities*, 2024, p.18

The same report set out a wide range of activities that Skills England would undertake. That said, these activities rarely went beyond high-level aspirations and preferences. For example, the report cited the frequently aired complaint that the skills system has ‘been too complex, making it confusing and difficult to navigate for both individuals and businesses’, although it was not clear how this complexity and confusion would be resolved by scrapping the (recently established) IfATE and replacing it with a brand new agency within the DfE that has considerably less independence.

Furthermore, the creation of Skills England is taking place alongside the implementation of other Labour election manifesto commitments that could be just as significant, if not more so. The report by Skills England claimed that it will ‘bring HE and FE systems closer together’ – a slightly watered down version of Labour’s manifesto ambition to ‘better integrate further and higher education’.<sup>5</sup> In addition, the manifesto set out plans to replace the current Apprenticeship Levy with ‘a flexible Growth and Skills Levy, with Skills England consulting on eligible courses to ensure qualifications offer value for money’.<sup>6</sup>

Building Skills England into a credible, respected and influential agency will not be straightforward, not least because its two most recent predecessors – the IfATE and the UK Commission for Employment and Skills (UKCES) – both failed to survive a single decade before being scrapped. On that basis, it is reasonable and necessary to ask who is likely to answer the phone if and when Skills England calls. The opening report from Skills England was adamant that it would be a force for good:

*It is by bringing these functions together within a single organisation, with a single feedback loop back into Government to help inform funding and policy decisions, that Skills England will be able to affect change – i.e. by bringing together key stakeholders to identify and assess skills needs, ensuring that this assessment is reflected in the content and provision of technical qualifications and training, and then ensuring that national and local skills systems evolve in line with the identified needs and available training.<sup>7</sup>*

This Policy Note investigates how these goals can be achieved, and what obstacles Skills England may face along the way. It is underpinned by 15 interviews with higher education and further education leaders, policy experts and regional stakeholders and begins by considering the opportunities and risks that Skills England may face in terms of its relationships *within* central government. This is followed by an analysis of the opportunities and risks awaiting Skills England in their relationships *outside* central government.

## Relationships inside central government

### *Working across government departments*

Trying to successfully coordinate and implement cross-government initiatives is a difficult task at the best of times. In the context of numerous government departments seeking to advance (and protect) their own objectives, programmes and funding streams, a new body such as Skills England sitting within the DfE could find itself facing an uphill struggle. This challenge has almost certainly been made harder by Skills England being handed a huge list of responsibilities regarding cross-government coordination. Skills England will apparently ‘collaborate across government organisations’ (an awkward and ambiguous phrase in itself), including working with the:

- **Industrial Strategy Advisory Council** ‘to develop the skilled workforce needed to deliver a clear, long-term plan for the future of the economy’;
- **the Department for Business and Trade** ‘to support businesses and investors in navigating, participating in, and developing the UK skills landscape’;
- **the Department for Work and Pensions (DWP) and HM Treasury** ‘[to understand] labour market trends and supporting Government’s plan to Get Britain Working, driving towards the UK’s long-term ambition of an 80% employment rate’;
- **the Migration Advisory Committee** ‘so that growing the domestic skills pipeline supports a reduced reliance on overseas workers’;
- **the Department for Energy Security and Net Zero** ‘to ensure the UK has the skills needed to deliver the Clean Energy Mission, feeding into Skills England’s wider assessment of skills needs’;
- **devolved administrations in Scotland, Wales and Northern Ireland** ‘to spread best practice’ and ‘equip the four nations to support one another in boosting growth and spreading opportunity throughout the UK’; and
- **the Department for Science, Innovation and Technology (DSIT)** ‘on priority science and technology sectors’.<sup>8</sup>

Such is the variety of tasks that Skills England will supposedly deliver across government, it was recently dubbed ‘a swiss army knife of an agency’.<sup>9</sup> While cross-government discussions could be helpful in many respects, the expectation that Skills England can generate positive outcomes from all these relationships raises yet more questions about the decision to make Skills England an internal DfE agency because senior officials (including Permanent Secretaries) in other departments and agencies will most likely see the CEO and staff at Skills England as being too junior.<sup>10</sup> Critics have lamented that, without a remit set out in legislation, Skills England will have ‘very limited cross-Whitehall influence’ to the point where ‘people will turn up and be nice, but will know Skills England doesn’t have any real teeth or mandate’.<sup>11</sup>

That the Chair of Skills England is a member of the Industrial Strategy Advisory Council presents an obvious opportunity for the agency to be part of crucial conversations regarding skills and training, especially for industry sectors identified as priorities within the Strategy itself. Even so, being part of a conversation is not the same as being able to influence the conversation. Whether Skills England can alter the direction of the Government’s Industrial Strategy and any associated investment will be a key test of its ability to shape policies rather than merely reflect policies.

Skills England’s ability to influence departments across government has also been thrown into doubt by the DWP recently establishing a new Labour Market Advisory Board, which is made up of experts on labour markets and employment policy. The Board’s purpose is to ‘provide insight into key labour market challenges the government is facing, by sharing relevant expertise and evidence’, ‘bring specific knowledge and insight to the fore through recommendations to the Secretary of State to support development of the department’s labour market strategy’ and ‘synthesise research to inform the department’s evidence base and plans for labour market reform’.<sup>12</sup> This remit is certainly narrower than that given to Skills England, and supporting people into employment is unlikely to feature many of the higher level courses and programmes that could form part of Skills England’s plans. Even so, the DWP’s decision to set its own path on tackling economic inactivity and increasing the employment rate does not bode well for the likelihood of Skills England carving out a cross-government leadership role.

A concerted focus on supporting the Industrial Strategy could be one of the most fruitful endeavours for Skills England. The Government's draft Industrial Strategy – published in October 2024 – identified eight 'growth-driving sectors' in the economy:

- i) advanced manufacturing;
- ii) clean energy industries;
- iii) creative industries;
- iv) defence;
- v) digital and technologies;
- vi) financial services;
- vii) life sciences; and
- viii) professional and business services.<sup>13</sup>

Subsequently, Skills England launched an 'initial engagement exercise' that 'fed into DfE's consideration of the priorities for the Growth and Skills offer' (such language perhaps inadvertently highlighted the power imbalance between Skills England and its sponsor). It was stated that 'Skills England will prioritise 10 sectors in this initial engagement': the eight sectors listed above, plus construction and health and social care as they were deemed 'essential to the government's missions'.<sup>14</sup> Matching the funding for apprenticeships and non-apprenticeship training from the Growth and Skills Levy with the 10 priority sectors identified by Skills England has a clear logic to it. That said, there is an obvious tension between this approach and other objectives that Skills England has been assigned.

The eight sectors in the Industrial Strategy were selected to '[enable] the UK's world-leading sectors to adapt and grow, and [seize] opportunities to lead in new sectors'.<sup>15</sup> This suggests that these sectors will require investment in higher level skills, from Level 4 (equivalent to the first year of an undergraduate degree) up to Level 8 (equivalent to a doctorate). On that basis, one might assume that universities and other higher education providers would be central to this upskilling agenda and thus attract an increased share of the Growth and Skills Levy – even more so when the Industrial Strategy noted that the UK has four of the world's top 10 universities, which include specialisms in many of the growth-driving sectors, such as life sciences.<sup>16</sup> However, Skills England has also been tasked with reducing the country's dependence on overseas workers, which could instead require more investment at lower levels of training where higher education providers play a much less prominent role. For example, Skills England may choose to direct resources towards qualifications and courses at Level 2 (equivalent to GCSEs) and Level 3 (equivalent to A Levels) in sectors such as construction and health and social care.

A stark illustration of this tension between higher and lower levels of training is already evident in the debate over the future of Level 7 apprenticeships (equivalent to a Master's degree), which have grown rapidly in recent years and now consume over £200 million a year from the existing Apprenticeship Levy.<sup>17</sup> In September 2024, Prime Minister Keir Starmer said that:

*... employers are being asked to rebalance their funding for apprenticeships, asking them to invest in younger workers. This will also involve businesses funding more of their level 7 apprenticeships – equivalent to a master's degree and often accessed by older or already well qualified employees – outside of the levy.*<sup>18</sup>

Skills Minister Jacqui Smith later confirmed that the removal of Levy funding for Level 7 apprenticeships will be 'pretty widespread' because 'for too long employers have not invested enough in skills, and that's something which needs to change'.<sup>19</sup>

The Government's approach has attracted strong criticism from employers and training providers, most notably in the public sector as the NHS, schools and local councils are seen as major beneficiaries of the current system.<sup>20</sup> Over 600 employers, training providers and industry professionals wrote a letter to the Chancellor of the Exchequer Rachel Reeves in December 2024 to outline their '[concerns] about the impact of plans to defund level 7 apprenticeships on economic growth' because 'Level 7 apprenticeships are helping to provide the skills needed for occupations in growth-driving sectors outlined in "Invest 2035"'.<sup>21</sup> Although we are still awaiting a final decision on the fate of Level 7 apprenticeships, the difficulties that Skills England will have in driving forward competing objectives from different industry sectors and government departments is plainly apparent.

Another possible source of tension related to these so-called priority sectors is that Skills England has taken over the IfATE's responsibilities for developing occupational standards that set out the knowledge, skills and behaviours required by different job roles across the economy. The processes for designing and approving standards has not previously been carried out in the context of some sectors being explicitly prioritised, with other sectors necessarily de-prioritised. Should Skills England choose to focus their resources on creating and / or updating standards in their priority sectors, this could help align their wider activities with the Government's Industrial Strategy but it may also attract a negative reaction from many employers.

### *Link to the Office for Students*

As the regulator of higher education in England, the Office for Students (OfS) is a central part of the post-18 infrastructure. The OfS's recent consultation on its 2025-2030 strategy asserted that it would:

*work with government and Skills England to develop a shared understanding of the extent to which the higher education options available to students will deliver the national and regional skills needed to support economic growth.*<sup>22</sup>

While this lacklustre commitment is unsurprising given that Skills England has not yet become fully operational, a 'shared understanding' of whether higher education is helping to tackle national and regional skills gaps is a far cry from the OfS or Skills England actually driving forward the changes needed to reduce those gaps.

One could instead look to the OfS's *Business Plan 2024-25*, which included an intention to 'continue to run programmes to address skills shortages and will work with partners to shape wider skills policy'. In reality, though, examples of these endeavours were restricted to initiatives such as working with the Department for Science, Innovation and Technology (DSIT) to 'provide funding for degree conversion courses in artificial intelligence (AI) and data science', working with the DfE on the introduction of the Lifelong Learning Entitlement (LLE) and publishing new guidance on funding for degree apprenticeships.<sup>23</sup>

None of this suggests the OfS is currently in a position to help Skills England influence the behaviour of universities and other higher education providers, particularly when the OfS remains primarily focused on meeting the needs of students – not employers. Moreover, the expectation that Skills England will help reduce the dependence on overseas workers also implies a degree of control over the course decisions made by higher education providers that is clearly at odds with their legal autonomy. Professor Martin Jones, Vice-Chancellor of the University of Staffordshire, recently suggested that 'a memorandum of understanding between the Office for Students and Skills England would be a good start in helping to bring the two organisations closer together.'<sup>24</sup> When Skills England call, the OfS will almost certainly pick up the phone, yet their formal roles and responsibilities have little in common and neither organisation has the ability to determine the size and shape of the post-compulsory education system. Consequently, there is no guarantee that either organisation will have the capacity and willingness to invest in, and sustain, this relationship.

## **Relationships outside government**

### *Better data sharing*

One area where Skills England could have a positive impact is on sharing data between different stakeholders. As Skills England outlined in its first report in 2024, they see developing detailed reports and insights on labour market data as one of their most important objectives.<sup>25</sup> This will be supported by the work of the Unit for Future Skills, which will now sit within Skills England rather than as a separate team within the DfE.

As Skills England acknowledged, 'many sources of data exist on labour market jobs and skills which facilitate national and local measures of demand and employment for different cuts of the labour market'. Skills England's own measure – the 'Occupations in Demand' index – 'uses information from seven indicators across the labour market, including wage growth, online job adverts and visa applications to index demand for occupations'.<sup>26</sup> This index – published alongside Skills England's first report – identified 39 occupations in 'critical demand' (defined as being outliers on the seven indicators) and a further 128 showing 'elevated demand' (above-average on the seven indicators). Of the 2.5 million workers in 'critical demand' occupations, 83 per cent require a qualification that is below degree level – for example, care workers and home carers. In contrast, of the 12.6 million workers in 'elevated demand' occupations, 46 per cent require a degree or equivalent qualification – for example, software developers and teachers.<sup>27</sup> This disparity emphasises the challenge facing Skills England as it tries to tackle skills gaps at different levels – some of which may benefit from a greater role for higher education and some of which may bypass higher education altogether.

Skills England is planning to publish further analysis, including ‘further research to understand the causes behind falling employer investment in skills and mapping occupations onto education pathways to understand the most common pathways into priority professions.’<sup>28</sup> This work is likely to be welcomed by many stakeholders because ‘producing these assessments and ensuring they are understood, recognised by, and accessible to all parts of the skills system will provide greater clarity on which occupations and sectors are facing skills gaps’. Furthermore, ‘this deep, data-led understanding of skills needs will provide a solid platform on which central and local government, employers, providers, unions, and regional organisations (e.g. Employer Representative Bodies) can come together to make effective decisions on where to focus to close skills gaps and mismatches.’<sup>29</sup> In short, if Skills England can offer high-quality data on skills shortages in specific sectors, occupations and locations, stakeholders will no doubt be keen to answer their calls.

### *Bringing higher education and further education closer together*

This author has previously argued, as have others, that the time has come for a single tertiary education system in England that truly integrates higher education and further education, on the grounds that such a system could be more coherent, collaborative, equitable and sustainable than the present siloed approach.<sup>30</sup> However, in advance of the Government’s long-awaited post-16 strategy (another manifesto commitment), it is hard to gauge whether ministers have the appetite for such a powerful yet long-term reform programme. Higher education and further education have sat apart for decades in terms of their funding, regulation, oversight and accountability, and given the aforementioned concerns about the level of influence and independence afforded to Skills England, it is unlikely that this new agency alone will have sufficient political and policy clout to end this approach.

That said, there is plenty of good practice to potentially build on in terms of cross-sector collaboration, including a variety of regional and sub-regional partnerships:

- **Sheffield City Regional Post-18 Education Partnership** acts as a ‘forum for building a post-18 education and skills system ... and will focus on issues such as skills shortages, education progression routes, apprenticeship opportunities, outreach work with hard-to-reach communities and delivering lifelong learning’. The Partnership brings together further education and higher education providers, the Sheffield City Region Local Enterprise Partnership (LEP), employer representatives such as the CBI and their Higher Education Progression Partnership. The goals of the Partnership include their desire to ‘address identified skills shortage in priority industries through close collaboration and innovative delivery of learning’, ‘develop ambitious progression routes leading to work or further study in areas of skills shortage and employment demand’ and considering ‘innovative approaches to encourage lifelong learning, including collaborative development of more flexible delivery’.<sup>31</sup>
- **Greater Manchester’s 14 universities and colleges** created a collaborative partnership that aimed to ‘create a distinctive, world-leading and locally relevant further and higher education ecosystem for Greater Manchester that will be an exemplar for other regions across the UK’. This ‘ecosystem’ set out to focus on ‘clear progression pathways between GM institutions and into higher skills training and/or high value employment’, ‘improved access to post-18 education for all’, ‘a distinctive model to signpost learners to opportunities’, ‘opportunities for older learners to develop new skills/re-train post Covid’ and ‘new joint programmes that are responsive to regional needs’.<sup>32</sup>
- **Lincolnshire Institute of Technology (LloT)** is a collaboration between higher education, further education and employers to develop training courses that meet local and regional needs. The list of LloT delivery partners includes the National Centre for Food Manufacturing at the University of Lincoln, University Campus North Lincolnshire, North Lindsey College, Grimsby College, Lincoln College, Boston College, Grantham College, Riseholme College and Lincoln University Technical College. The partners share skills and expertise to design courses in certain sectors such as Manufacturing and Engineering (including Agritech), Science and Construction, with a focus on provision at Levels 4 and 5.<sup>33</sup>

In addition to regional partnerships, many collaborations have been established between individual institutions:

- **The University of Warwick and University College Birmingham** established a partnership that sought to combine the research strengths and employer links of a Russell Group university with an institution that offers a wide range of vocational and professional courses alongside academic provision such as A Levels, undergraduate and postgraduate courses. The aim of the partnership is to widen access to higher education for students from all backgrounds as well as providing new pathways for apprentices up to degree apprenticeship programmes.<sup>34</sup>
- **Loughborough College and Loughborough University** signed a ‘Memorandum of Understanding’ in 2023 that ‘highlights a collective aspiration for Loughborough to be a nationwide example of what can be achieved when higher and further education institutions work collaboratively’. This collaboration builds on the existing partnerships between the two institutions such as developing the East Midlands Institute of Technology (EMloT),

setting up a Careers and Enterprise Hub and an NFL Academy as well as Loughborough University validating Loughborough College's Sports Science and Engineering programmes.<sup>35</sup>

Higher education and further education leaders are all too aware of the barriers that can prevent them from striking up productive conversations about working together, not least the fact that higher education remains in the private sector whereas further education is in the public sector. The on-going financial pressures facing both sectors means that investing the time, money and resources needed to establish new partnerships is not an obvious choice for leadership teams, especially when there is still a strong degree of competition both within and between the two sectors. This investment could look even more daunting if the goal is to create new and innovative courses and / or more flexible pathways and progression routes for learners that may not exist at present.

Having separate regulatory systems for higher education and further education creates further obstacles. Meanwhile, further education institutions can be forgiven for being hesitant about the prospect of partnering with a much larger and more prestigious institution such as a university that can theoretically offer similar courses and programmes. That some collaborations are based on government-funded initiatives such as IoTs is also an important consideration. In this case, IoTs are closely associated with the previous government (who were willing to invest £300 million in their creation and expansion), yet their future under the current government seems undecided.<sup>36</sup>

Another initiative associated with the previous government – the Lifelong Learning Entitlement (LLE) – has already been adopted by current ministers, albeit with a delay until 2027. The LLE aims to 'transform the post-18 student finance system' by replacing the current higher education and further education loan facilities with a single loan system under the banner of 'broadening access to high-quality, flexible education and training [and] supporting greater learner mobility between institutions'.<sup>37</sup> Skills Minister Jacqui Smith said in September 2024 that 'the LLE will have an important role in the future of higher education'.<sup>38</sup> The Department for Education has subsequently added that it:

*... will provide more information in the coming months on how we will work with Skills England to ensure that the LLE aligns to the government's skills priorities [and] creates opportunities across the country for young people and adults to develop skills.*<sup>39</sup>

The mention of skills priorities suggests a possible link between the LLE and the Growth and Skills Levy – an important issue explored in a recent HEPI report because these two policies currently risk being implemented as standalone initiatives despite both having significant implications for higher education and further education.<sup>40</sup> Skills England could theoretically help close this gap, and using the LLE to drive greater mobility between institutions and more flexible training opportunities may be a sensible way to generate more collaborations and partnerships. Even so, whether DfE ministers and civil servants would be willing to cede a sufficient level of control over these two high-profile initiatives to Skills England is debatable.

Research has shown that cross-sector collaborations can produce positive outcomes in the right circumstances. These partnerships are most likely to function well if there is:

- **shared mission and values** that mean the institutions agree on what they are trying to achieve, such as widening participation or creating new progression pathways;
- **strong leadership and personal relationships** that ensure the collaboration remains a priority within management teams and is based on open and trusting communication;
- **clear delineation of roles** to avoid unnecessary competition between institutions in terms of attracting students and providing courses; and
- **suitable geographical areas** that build a strong place-based connection between institutions in terms of the areas / labour markets they want to support.<sup>41</sup>

In this context, a phone call from Skills England would most likely be answered if it comes with a package of support for the institutions concerned. For example, if Skills England were given a budget with which to provide small amounts of seed funding for new partnerships then this could help generate more interest and investment in collaborations. Seed funding, should it emerge, would be best targeted at sectors or areas of the country that are not yet covered by formal partnerships, including those lacking a Combined Authority (see next section). None of this would produce immediate results in terms of tackling skills shortages, but it could nevertheless stimulate the right discussions at a local and regional level.

Skills England's first report stated that it would 'collaborate' with and 'support' Combined Authorities (recently renamed 'Strategic Authorities' and 'Mayoral Strategic Authorities') and other regional partners, to ensure 'all post-16 providers ... are incentivised to meaningfully engage in and help grow their local skills ecosystems' and 'identify examples of best practice and encourage and incentivise these kinds of partnerships across the country'.<sup>42</sup>

Sharing best practice is certainly within the gift of Skills England, and the above examples show that collaborations can be developed to suit a range of circumstances. Nevertheless, it is not obvious how Skills England could 'incentivise' more of these partnerships without offering additional funding. What is more, when the higher education sector is based around the notion of institutional autonomy, and many providers retain an international as well as domestic focus, the extent to which Skills England will be able to 'encourage' and 'incentivise' these institutions to engage in more locally-focused activities remains to be seen.

Neil Carberry, Chief Executive of the Recruitment and Employment Confederation, has argued that 'the impact that the regional mayors have had on skills is remarkable', so 'what we need now is national stewardship – but not national control – of that convening in place and in the key sectors'.<sup>43</sup> That 'convening' power could be further bolstered by some Strategic Authorities having been handed joint ownership of existing Local Skills Improvement Plans (LSIPs), which have been produced and overseen by Employer Representative Bodies (ERBs) – in most cases, local Chambers of Commerce. In addition, Strategic Authorities will establish the 'skills priorities' that inform development of the LSIP.<sup>44</sup>

These existing features of the devolved landscape present an opportunity for Skills England. They will be able to pick up the phone to a Strategic Authority to discuss their priorities and plans and, in areas without a Strategic Authority, there is still an ERB with which to hold similar discussions. These conversations could be supplemented by Skills England publishing labour market data and analyses at a Strategic Authority level. Although it would not be without potential opposition, the DfE could give Skills England responsibility for signing off LSIPs and subsequently holding Strategic Authorities and ERBs to account for whether they are delivering what is set out in their LSIP. Making this connection would no doubt encourage these bodies to answer Skills England's phone calls.

Nonetheless, the relationship between Skills England and regional partners presents as many risks as opportunities. For instance, in an increasingly devolved policy landscape, a national agency such as Skills England would not be a natural choice for encouraging or incentivising local collaborations between institutions. Furthermore, the joint ownership of LSIPs in areas such as Greater Manchester arguably makes Skills England less relevant when it comes to shaping local provision. To compound this, Skills England could suffer from a lack of legitimacy in the eyes of Strategic Authorities when deciding which courses and programmes are required, which skills needs should be prioritised and where the available funding from central government or devolved authorities should be directed.

LSIPs are one possible source of contention. Central government (including Skills England) could set various goals in terms of priority sectors and occupations that are suffering from skills shortages, either through the Industrial Strategy or via separate initiatives across government departments. At that point, though, it is not clear whether devolved areas would have to accept and follow these national priorities through their LSIPs. A potential model would be to require Strategic Authorities to make some contribution or reference to national priorities within their LSIP, which is unlikely to cause much friction. However, if Skills England can hold Strategic Authorities and ERBs accountable for the content and subsequent delivery of their LSIP then there could be plenty of room for disagreements about how much freedom local areas should be given when trying to tackle nationally determined skills shortages.

The selection of 10 priority sectors by Skills England may create another flashpoint. For example, if a Strategic Authority wishes to focus on non-priority sectors such as agriculture or tourism, they could find themselves at odds with Skills England. If, as the Government has indicated, funding from the new Growth and Skills Levy will be targeted at their 10 priority sectors then this could deny devolved areas the ability to address any skills shortages that sit outside Skills England's priority list. As with the wider Industrial Strategy, there is some logic to matching Growth and Skills Levy funding to priority sectors, yet the risk would be that those parts of the country facing other challenges in terms of skills and training gaps could quickly find themselves short of funding and support.

All these issues will be compounded by the fact that, regardless of who owns or produces the LSIPs, higher education providers are not required to pay attention to, or respond to, the contents of these Plans. As a result, colleges and employers may be brought closer together but higher education providers will remain on the periphery unless they voluntarily commit their time and resources. Some higher education providers might see the value in engaging with

Skills England and regional partners, particularly those with a more employer-focused offer, but other providers could simply choose not to engage. Again, while institutional autonomy offers many benefits to the English higher education sector and contributes to its international reputation, this same autonomy will remain an obstacle for Skills England if and when it seeks to help 'grow local skills ecosystems'.

## Conclusion

Given the political and economic circumstances in which Skills England has been created, they have an unenviable task ahead. Concerns around the likely influence of an internal DfE agency within and outside central government are understandable at this stage. The question is whether, despite these impediments, Skills England can deliver visible benefits for learners, employers and higher education and further education providers that will make every stakeholder want to pick up the phone when Skills England calls.

The best-case scenario does indeed look promising. Skills England generates and distributes high-quality data on skills shortages and labour markets at national, regional and sub-regional levels, which galvanises employers and providers to work closer together through a shared understanding of which courses at different levels will lead to the best outcomes for learners. Meanwhile, Skills England offers funding to establish new initiatives, partnerships and programmes that address the most complicated and systemic challenges across the country, which in turn helps to remove barriers to economic growth. Within government, Skills England is seen as a credible partner that works with organisations such as the Migration Advisory Committee to direct funding and resources at those sectors that need additional support to attract and retain high-quality employees. Moreover, regulators such as the Office for Students (OfS) see value in building an open and constructive dialogue with Skills England to identify areas of weakness in terms of provision and providers.

The worst-case scenario is considerably bleaker. Skills England struggles to become a respected voice within government and is largely ignored by other departments and organisations who see little value in engaging with it, given their other more pressing priorities. Their lack of independence from ministers means Skills England is unable to express its own opinions or ideas for how to improve the skills system, relegating it to a bland supporting role in conversations around skills and training. No funding is available for Skills England to drive changes outside government with Strategic Authorities and other delivery partners, so providers receive little more than examples of good practice plus some words of encouragement. Strategic Authorities have a fractious relationship with Skills England due to what they consider to be interference in their own local plans for skills and economic growth. The OfS, Ofsted and other quality assurance stakeholders continue their work almost entirely unaffected by Skills England, even if they are willing to arrange occasional meetings.

Skills England begins its journey in the context of a post-16 education system that is plagued by uncertainty, with many critical decisions – such as the design of the Growth and Skills Levy and the future of higher education funding and regulation – still undecided. Against this unsettled backdrop, Skills England could evolve in many different directions, all of which come with opportunities and risks. The failure of Skills England's two predecessors – the IfATE and the UKCES – is a stark warning about how quickly ministers and civil servants can lose faith in such institutions if they fail to deliver what is required or expected of them. How the Chair, Board, CEO and staff at Skills England try to ensure that this new agency avoids the same fate will make for intriguing viewing in the coming months and years.

## Endnotes

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