

think...

## **Region to be cheerful?**

Exploring the role for vocational HE and apprenticeships within English devolution

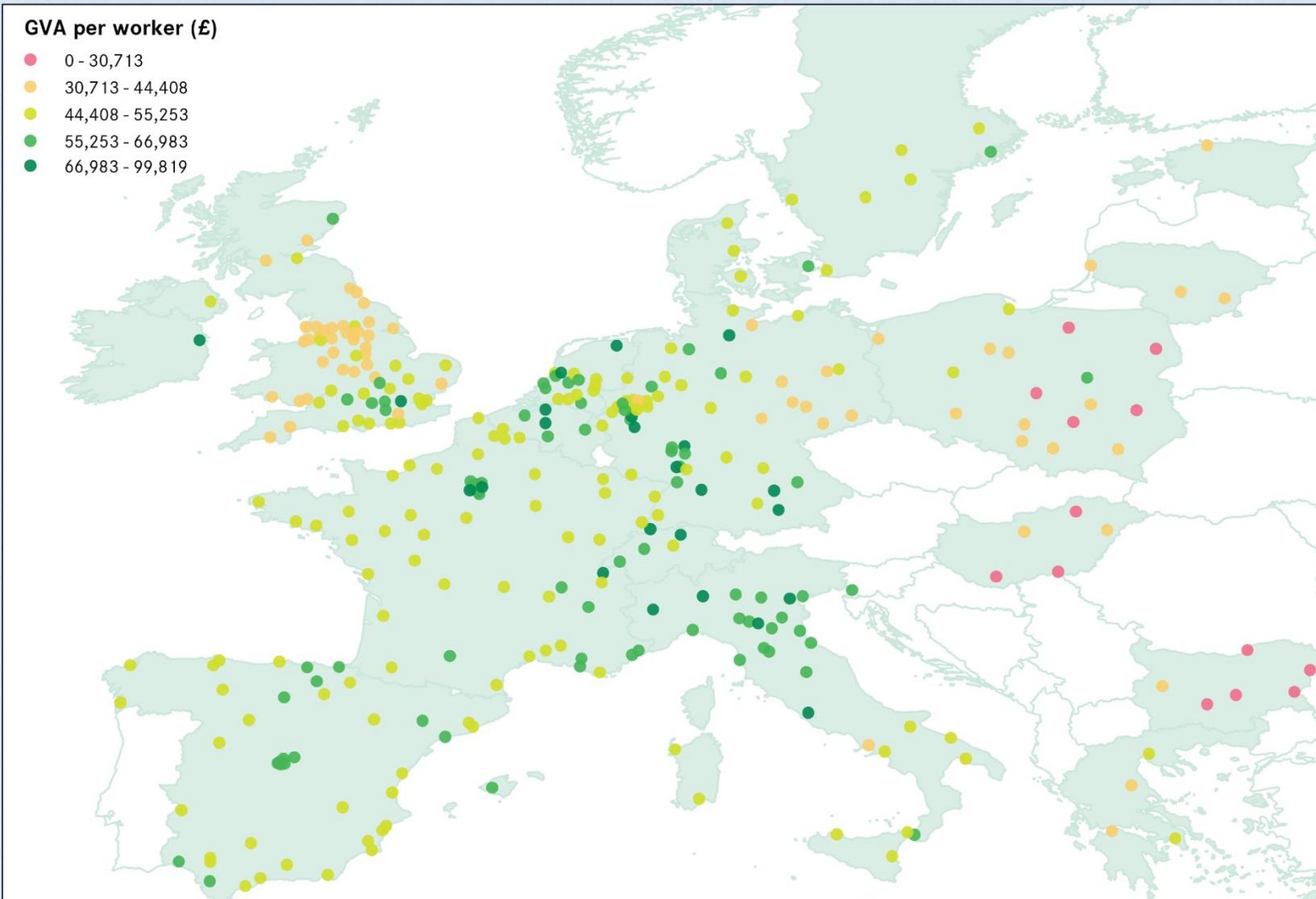
November 2025

# POLL: What do you think?

- Does your area have a devolution deal?  
(Yes / No / Don't know)
- Do local sector / labour market priorities influence your curriculum offer?  
(A lot / A little / Not at all)
- Have you, or are you engaged with your area's Local Skills Improvement Plan?  
(Yes, a lot / Yes, a little / Not at all)

# Poll results

# Why devolve? Unlike other European nations, the UK has few economic hotspots outside of its capital



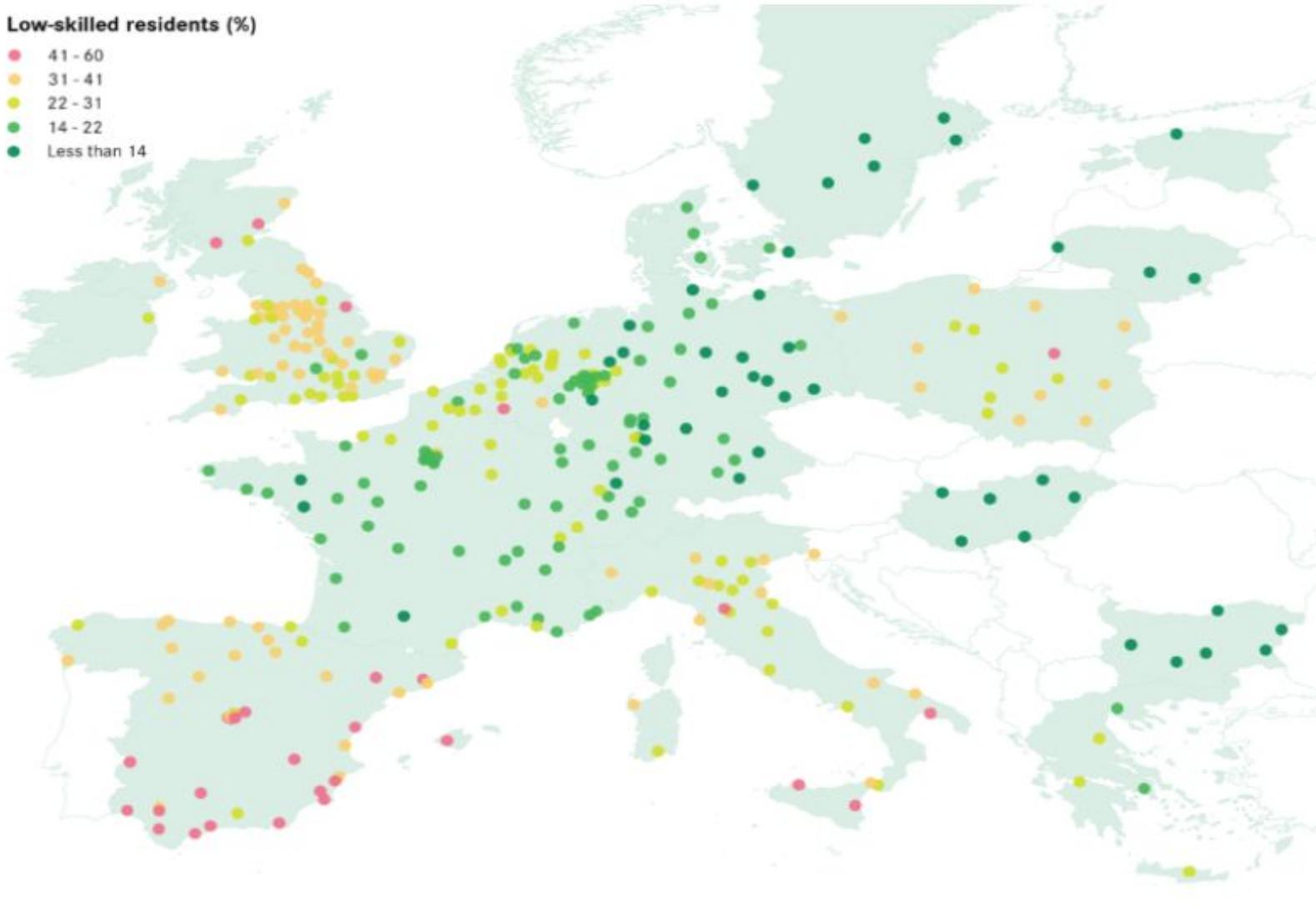
Centre for Cities (2016):

- Germany, France, Italy, Low Countries all have several cities / clusters with high productivity
- But in England, only London and a few places in South East England have strong GVA per worker performance.
- On Northern England's cities: *"Putting aside a few exceptions, cities with a similar level of poor productivity can only be found in the East of Germany and in Eastern Europe."*

# Population skills broadly correlate with productivity performance

## Low-skilled residents (%)

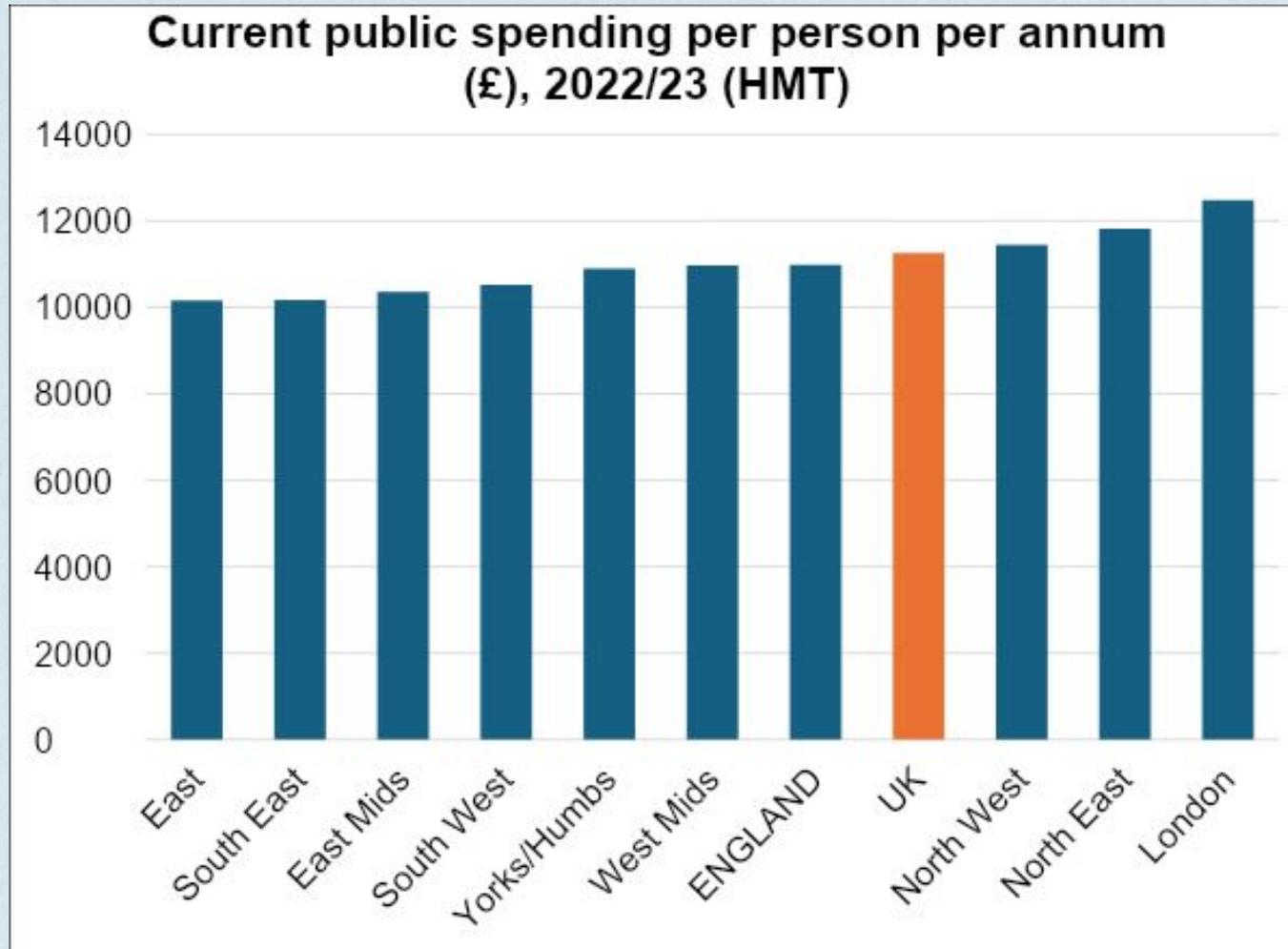
- 41 - 60
- 31 - 41
- 22 - 31
- 14 - 22
- Less than 14



Population qualification levels in UK towns and cities are below those found in most western European nations. The pattern broadly correlates with productivity performance.

The map opposite shows the proportion of residents who lacked level 2 qualifications, published in 2016.

# Why devolve? Less prosperous English regions absorb more public expenditure (excl. London)



Greater Manchester CA calculated that the city-region's total public spend in 2014/15 was £27bn, but that it generated £20bn of tax revenue.

Its devolution deals intended to narrow this £7bn gap by enabling stronger growth, reducing reliance on public spending. Productivity data suggests that, at least on growth, this is working.

Note: The UK's fiscal management is highly centralised – it is the G7 nation with the lowest proportion of tax revenues generated locally.

# Downing Street, 9<sup>th</sup> July 2024

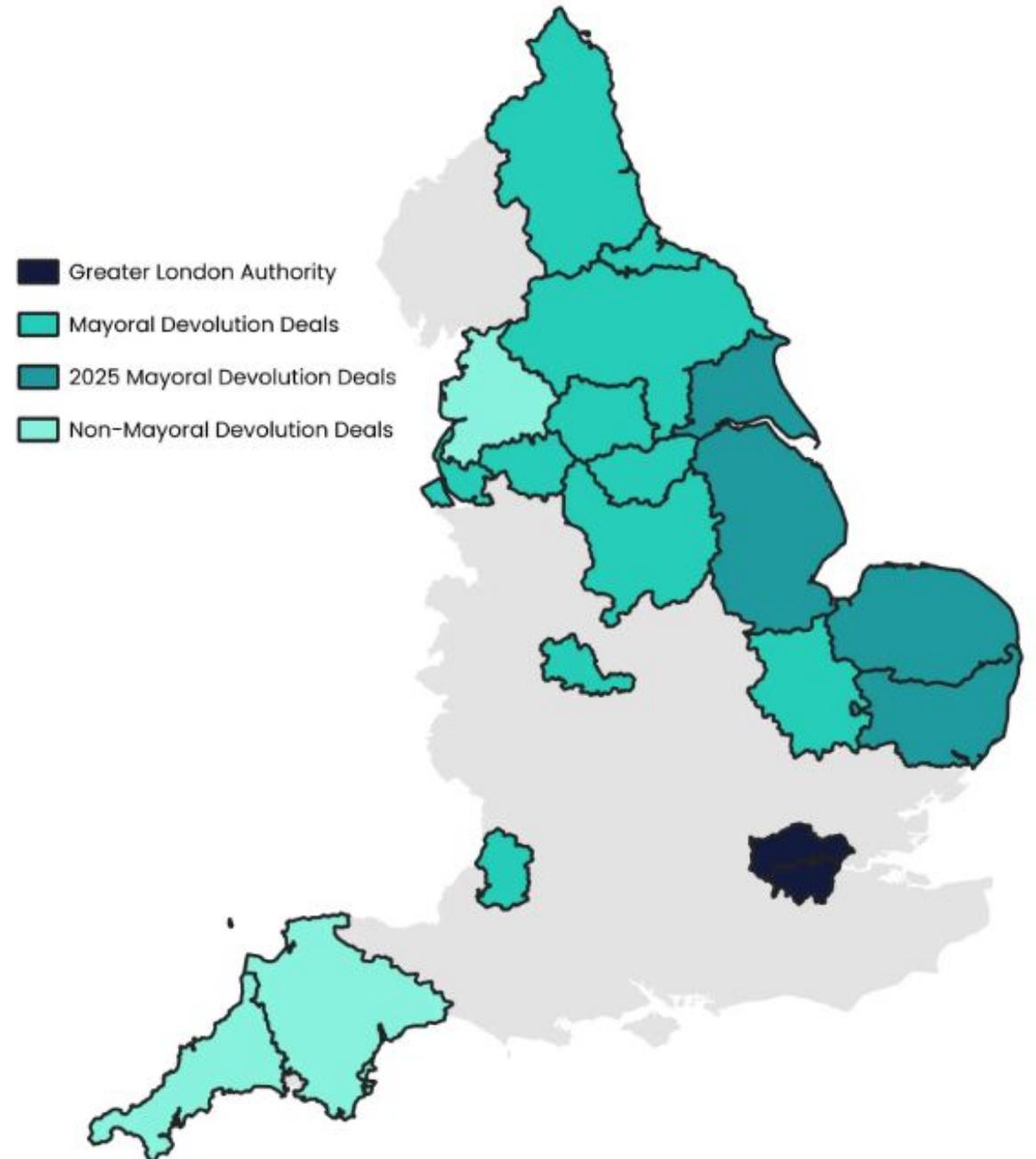


# A growing patchwork

It is 26 years since the GLA Act and just over a decade since the first Greater Manchester devolution deal.

Despite 10 years of turmoil in Whitehall, devolution has endured and extended thanks to a cross-party consensus.

Work is also underway on devolution deals in Cumbria, Cheshire and Warrington, Greater Essex, Hampshire and Solent, Sussex and Brighton.



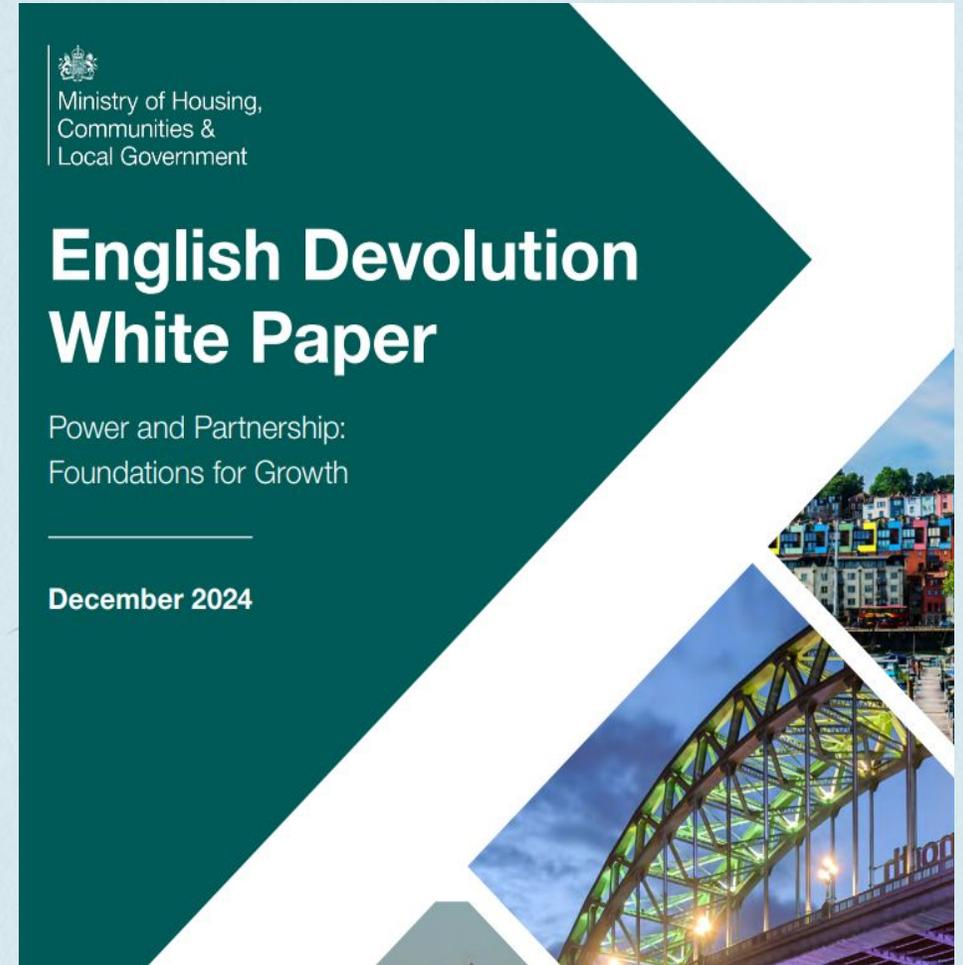
# Policy – Devolution White Paper and Bill

English Devolution and Community Empowerment Bill, 2025 includes measures that:

- codify three tiers of strategic authorities (Foundation, Mayoral, and Establish Mayoral SAs)
- change governance to more clearly establish Mayors as the locus of power and leadership
- extend financial powers so MSAs can tax and borrow

Ministers and officials routinely talk of:

- ‘regional skills systems’ not tertiary markets
- skills system leadership by Strategic Authorities to ensure provision matches economic growth plan priorities
- LSIPs as the tool for identifying and addressing gaps in the offer (including for skills at level 4-8)



# Policy – Local Skills Improvement Plans

- ‘Jointly owned’ by Employer Representative Bodies and Strategic Authorities (where they exist).
- LSIP priority sectors informed by an area’s Local Growth Plan, UK Industrial Strategy (note the sector plans and skills packages...), and local Get Britain Working Plan.
- Draft guidance: *“LSIPs provide the local mechanism for bringing employers, skills providers and stakeholders together to develop a clear understanding of local skill needs **up to and including level 8** and the actions needed to address them...”*
- Universities have a statutory duty under the Skills and Post-16 Education Act 2022 to ‘cooperate’ with the ERB in developing and reviewing the LSIP, and to ‘have regard to’ the LSIP when planning post-16 technical education.
- For Strategic Authorities, a good LSIP is a step forward for devolution, giving influence over post-16 curriculum in the absence of budgetary control.
- LSIP refresh process began last month.

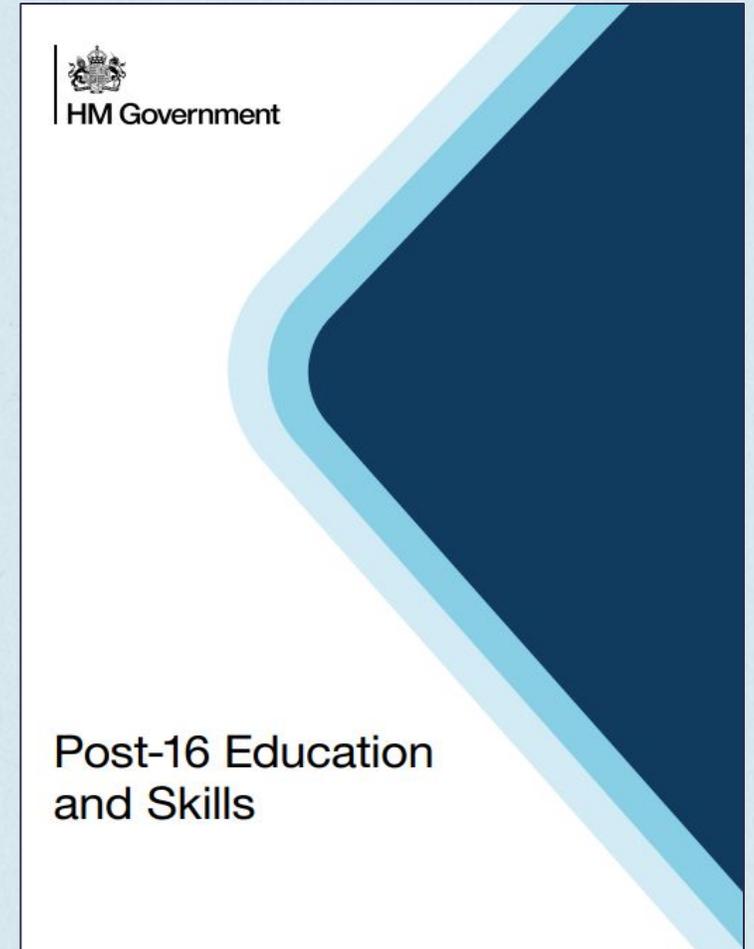
# Policy – Post-16 white paper

Five objectives for the HE sector, including:

**“Driving economic growth** by protecting curiosity-driven research and applied research and development, supporting priority sectors, driving knowledge exchange, start-ups, spinouts and research-intensive industries, and creating a highly skilled workforce

**“Providing national capability** through specific research expertise (e.g. nuclear, artificial intelligence and across the Industrial Strategy) and supplying the talent pipeline of critical skills in these areas

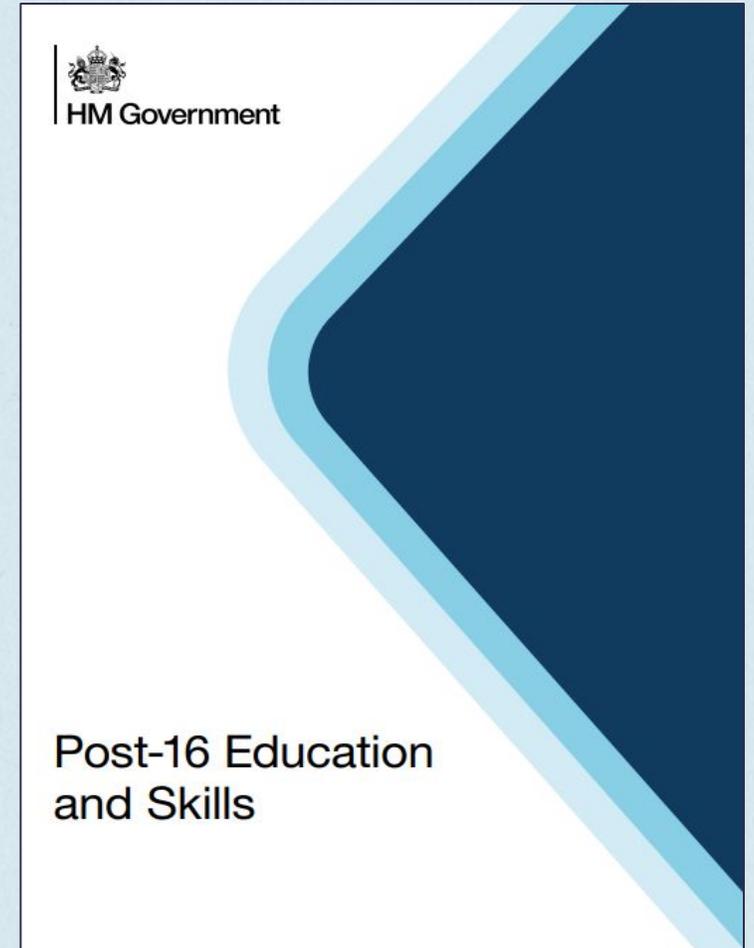
**“Delivering regional impact** for citizens by driving local economic growth, creating social value and inspiring people to succeed in life and work, and breaking down barriers to opportunity for students from all backgrounds”



# Policy – Post-16 white paper (part 2)

- Confirms regional system leadership role for Strategic Authorities in relation to skills - pathways to jobs and growth.
- Skills England to work with SAs on aligning data, insights, policy and delivery (national/regional).
- Stronger role for SAs in FE college accountability agreements (annual statements showing colleges' response to skills needs).
- With Government wanting to expand higher level learning among under-25s, it is seeking “*high-quality and novel alternative business models*” from HE, including federated models and partnerships with further education providers.

*“Higher education providers should engage more actively with LSIPs as both providers of skills and as employers. Through this engagement...HE providers will build on and strengthen their collaboration with strategic authorities and FE providers, and ensure they are better meeting the needs of employers.”*



## From a speech in July by Skills Minister Jacqui Smith, at a skills summit hosted by Oxford University

*“Higher Education needs to reach out and play a bigger role in the skills system. Because ‘high-quality post-16 routes for all learners’ doesn’t necessarily mean they must choose between HE and FE.*

*Our analysis shows the majority of the future skills we’ll need will be at higher levels.....So the artificial barriers between Further and Higher Education must come down - **in a coordinated, effective way.**”*

# Policy - Qualifications landscape

- T Levels now have cross-party support.
- V Levels policy defines them as “add-ons” rather than a third 16 to 19 route. Purposeful defunding is planned which will lead to two clear post-16 routes.
- HTQs at level 4/5 under development. Very similar to T Levels
- Classic degree and professional training also similar.
- Lifelong Learning Entitlement providing the funding system to support a more diverse post-18 offer
- PM’s target for two thirds under 25s to participate in level 4, 5, 6 education or apprenticeships sets the ambition. Sub-target also announced for level 4/5 tech education or apprenticeships by 2040.

## **A consistent system seems to be developing for level 3 to 6 technical and professional training:**

- Full time education route to “threshold competence” and into work or higher level
- Apprenticeship route

## Discussion – 5 minutes + feedback

Your experiences of engaging with LSIPs and Strategic Authorities (aka Combined Authorities) so far.

What proportion of your learners/students are based within your strategic authority / LSIP area?

Do local sector / labour market priorities influence your curriculum offer currently?

Early thoughts on the implications of devolution – particularly responding to needs identified by LSIPs – on the level 4+ offer?

# AoC Devolution in England report

What are the main lessons from the experience of English devolution to date?

What can we learn from the way other nations manage tertiary education budgets and accountabilities?

How do existing governance, funding, accountabilities and incentives for FE colleges enable or hinder the contribution colleges make, individually and in collaboration?

How might a national and local skills system be best designed to meet the needs of learners, employers and communities within local areas, and across the country as a whole?

think...

**Association of Colleges**

Devolution in England:  
A new skills system

A report by Think  
April 2025

# Devolution: What we found

- Net positive feedback from colleges in most devolved areas, largely due to relationships and proximity that are difficult to re-create under a national model.
- Growing variation between funding rules at different SAs (Adult Skills Fund).
- Lack of clarity from SA's visions and expectations of colleges within that.
- Devolution is narrow in functional scope (and ambition?), process over end-product.
- System leadership capacity is already an issue at SAs, this will deepen.
- LEP/SA/LSIP/local authority strategies are numerous and have had little impact on 'mainstream' education and training delivery.
- Insufficient focus on employers and apprenticeships in devolved areas.
- Levels of local influence over FE are greater in other nations, in return there is less reliance on a compliance-led approach to funding. England is an outlier.
- Market-driven policy encourages competition which limits collaboration (to new provision or emerging technologies). This may be unsustainable as devolution grows

## **Selected recommendations: A new skills system under devolution**

**Higher trust, lower compliance** post-16 model is required, and this is possible if skills system leadership is established in local areas under devolution.

**SA/ERB to produce a 3-year local skills plan**, informed by national Industrial Strategy and the area's Local Growth Plan.

**Locally the LSIP should have primacy** over other local strategies as 'the plan' because of its statutory status with providers.

**Signed accountability statements/3-year planning agreements** as the basis for the offer from providers, including from universities for technical HE).

**Better destination tracking** is required so we know the sectors and occupations that learners enter after completing FE and HE courses.

**Enhance the capacity of SA and ERB staff** to provide skills system leadership in places.

# Concluding thoughts

- Devolved areas lack funding control but will grow in confidence and ambition.
- Government now talks of local systems driven by plans, not a tertiary market.
- Qualification system developments are seeking to enhance technical/vocational HE and the opportunity to connect FE and HE provision.
- There is growing interest – and a sense of political capital - among Mayors about skills. *How are universities and colleges providing the skills needed to fill good quality occupations in priority sectors with local people?* [good examples of this already exist]
- Some universities operate primarily in a national market (learners and employers) and/or focus primarily on academic HE.
- Local politicians are overwhelmingly positive about universities, but there is a risk if institutions are passive on devolution in the face of growing interest from Mayors and SAs.
- **What is the proposition that universities could put towards their local Mayor, including with FE colleges, that address key regional priorities?**

# Comments and questions

**Thank you**

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