

Speech

Northern Powerhouse Education, Skills, and Employment Summit 2020

Speech given by the Minister for Regional Growth and Local Government at the Northern Powerhouse Education, Skills, and Employment Summit.

Published 15 July 2020

From:

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Delivered on:

15 July 2020 (Transcript of the speech, exactly as it was delivered)



Thank you for that kind introduction, and thank you to Devo Connect for hosting today's summit.

It's a pleasure to be joined virtually today by so many local government leaders, metro mayors, and, of course, members of the Economic Recovery Group, with whom I have worked so closely over the last few weeks.

We meet at an extraordinary time.

Thanks to the hard work and sacrifice of our entire country, the worst of the coronavirus pandemic is now behind us.

But there can be no complacency about the ongoing health risks, or the need to be alert.

And there is vital work to be done to deliver a strong recovery...

And build a better United Kingdom.

The debate on skills, education, and employment has clearly never been so important.

I believe now is the moment to pursue a clear, unashamedly ambitious strategy for growth...

A strategy which protects communities from the worst economic effects this virus has wrought, and offers a brighter future.

The government recognises the enormity of the task before us, and the unprecedented scale of support that's going to be needed as we shift from response to recovery, together.

It is time for action.

A new deal for the north

Last month, the Prime Minister set out a £5 billion "New Deal" to rebuild public infrastructure, create thousands of new jobs, and help our regions build back and bounce forward.

This was complemented by the Chancellor of the Exchequer's excellent summer statement last week.

For the north, it means record investment in connectivity and transport, delivering Northern Powerhouse Rail and upgrading our road network, while also investing in digital and green technology so that we can lay the foundations for long-term economic growth.

The 'Getting Building' projects we're bringing forward in the north of England are doing exactly that...

Projects such as the North Yorkshire Digital Infrastructure Programme to expand full fibre optic broadband to local businesses... While creating a new 'Internet of Things' network to deliver the next generation of services for health, tourism, agriculture, and highways.

And in Cumbria, the 'Getting Building' fund is being used to create an innovative vertical farm, establishing the county as a centre for excellence in international research while creating a new, sustainable food supply to reduce the region's imports.

However, we have to recognise that, alone, government investment can only go so far in supporting the North's economic comeback.

What matters equally as much is how we conduct the business of government.

As we deliver the recovery from Covid-19, it's imperative that we continue empowering local communities by devolving money, resources, and control away from Westminster.

Before the onset of coronavirus, the government, working side-by-side with local leaders, had made great breakthroughs delivering the most ambitious devolution agenda for over 70 years.

The Parliamentary Order has now been laid to unlock £900 million of investment for the Sheffield City Region while a new devolution deal, including over £1.1 billion of investment for West Yorkshire, was agreed and announced at Budget.

Once a new mayor is elected in West Yorkshire, 63% of people in the north of England will be represented by powerful and accountable metro mayors – many of whom join us here today.

I am a huge believer in this group of men – who I hoped will soon be joined by strong female leaders too.

And I thank them for their friendship, advice and support on a cross-party basis during this crisis.

We want to see responsible and effective mayors representing 100% of the north of England...

Which is why, as we enter the recovery phase, we are pressing ahead with negotiations for new mayoral devolution deals in:

- Cumbria
- York and North Yorkshire
- Hull and East Riding

With a number of other areas are in close contemplation - and making rapid progress.

I am very grateful to the council leaders who are already working closely with my department on bringing these new deals to fruition.

Delivering change is not always easy, but the prize for our communities and our country is enormous.

I do not believe it is either right or sustainable to have the current asymmetry in our devolution arrangements.

Whereby the gap between those areas that have mayoralities enjoying the resulting funding and freedoms...and those areas that do not...will only widen, unless and until we take action to address it.

With that in mind, we need to provide local authorities with a clear blueprint to take forward their own aspirations for devolution.

This September, the government will therefore be publishing the Devolution and Local Recovery White Paper...which will lay a clear path for levelling up every region of our country.

It will provide a roadmap for establishing a series of new mayors within the next ten years - representing the greatest decentralisation of power in our modern history.

In our towns, cities, and rural counties, we will give local places the ability to come forward with new mayoral devolution deals which work for every community, allowing them to become masters of their own destiny.

The White Paper will also redefine the way in which local government serves its communities by establishing the unitarisation of councils as a vital first step for negotiating these mayoral devolution deals in the future.

A move to unitarisation will streamline the delivery of good governance...

Place local government on a more sustainable financial and population footing...

Inject more accountability into our democratic structures...

And save money that can be re-invested in those communities.

I say this very conscious of the immense contribution of all tiers of local government during this crisis.

Unitarising at the right scale can preserve the best of district councils' strong relationship with local communities...with the more strategic geography of the county councils.

Several 2-tier areas in the north, including Cumbria and North Yorkshire, are already considering reform and my department wants to work with them in facilitating this transformation.

Devolution and labour markets

The creation of more mayors and more accountability in our political system must also be accompanied by increasing the powers of the current mayors – putting local people in the driving seat by giving them greater influence over the services that matter most to them.

The White Paper establishes the framework to fundamentally rewire the role of the state at all levels.

Yesterday it was described to me as the shift from MS-DOS to Opensource.

Central government should set clear and ambitious benchmarks for success.

But we know that local institutions will be able to complement this work...

And propel it to new achievements - if we allow them to help design and deliver key policy programmes.

That's why we've devolved the Adult Education Budget to Mayoral Combined Authorities, including £192 million this financial year to 4 areas in the Northern Powerhouse; Greater Manchester, Tees Valley, North of Tyne, and the Liverpool City Region.

Pending the necessary approvals, the Adult Education Budget will also be devolved to West Yorkshire and Sheffield City Region from next year.

The benefits of devolving this fund are already starting to show.

Mayors were able to act quickly in securing provider finances in the emergency response to Covid-19.

They are also helping learning providers to innovate and adapt to the needs of local employers – Liverpool City Region's Test and Learn pilots for English, Maths, and Digital Skills are a great example of this work.

That engagement with employers at a local level must also include a renewed focus on apprenticeships and the value they can offer school-leavers taking their first tentative steps into the job market.

Pre-Covid, the north has consistently punched above its weight on apprenticeships and further education.

The Secretary of State for Education recently gave an excellent speech about ensuring we promote vocational routes properly...and great as university is, end the culture that the only way to measure

success is by the proportion of young people who go on to higher education.

Around 35% of all apprenticeship starts are in the north...

Despite our region accounting for only 25% of the working population.

However, the economic blow the virus has dealt means that apprenticeship vacancies have dropped by over 80% and that has obviously created unique challenges for our region's employers.

As the Chancellor announced last week, the government is urgently bringing forward over £1.6 billion to scale up employment support schemes, training and apprenticeships.

Young people in particular are amongst the worst hit by the crisis, which is why it's crucial that we give them dedicated and targeted support. We are therefore providing businesses £2,000 for each new apprentice they hire under the age of 25.

This is in addition to the existing £1,000 payment we already provide for new 16-18-year-old apprentices and those aged under 25 with an Education, Health and Care Plan.

We're also tripling the scale of traineeships next year, doubling the number of work coaches to 27,000 and fast-tracking £32 million into the National Careers Service to help more young people access the high-quality training and skills they need during this challenging time. The Chancellor's Plan for Jobs also includes an incentive payment for employers who create new work placement opportunities, with £1000 being offered per person for up to 10 learners.

These are reforms which will bring real benefits to regional employers such as Bentley, the Lloyds Banking Group and Clarke Energy, who have stood by their apprentices and trainees in recent months...while helping young people to gain the skills, know-how and, most importantly, job experience, to succeed in the local labour market.

While we support the provision and take-up of apprenticeships, we must also increase our intervention in the early years of children's development and schooling, so that every child growing up in the North has the best possible start in life.

As I know from my own constituency on Teesside, levelling up is as much about life chances as it is about infrastructure.

In the last 3 years, the government has invested £90 million in 12 Opportunity Areas across the country, to help young people overcome the barriers to academically flourishing.

And this programme is already delivering impressive results in the 5 Opportunity Areas of the Northern Powerhouse

- Blackpool
- Bradford
- Doncaster
- Oldham and...
- the North Yorkshire coast.

Over half of the schools judged to be inadequate or requiring improvement in Bradford at the start of the programme have now improved by at least one Ofsted grade.

And on the North Yorkshire coast, teacher supply and quality have increased - filling over 100 vacancies across 28 schools and securing more Teach First placements.

In addition to these Opportunity Areas, we are also investing up to £24 million to improve educational and employment outcomes across 12 North East local authorities as part of "Opportunity North East".

This programme has a particular focus on secondary schools...

And includes building on the work of the region's 2 Local Enterprise Partnerships (LEPs), to develop an enhanced offer of careers support and business engagement for secondary schools.

These are programmes which back local communities to build on their strengths while driving investment in all of our region's education providers.

Because it's just not schools and colleges which have been hard-hit by Covid-19.

Home to nearly 30 world leading universities and over half a million students, the north's higher education sector has of course also faced significant challenges in recent months.

And yet, many of them, including the N8 research-partnership, have played a key role in helping the world to understand more about Covid-19 - to examine how we monitor and slow its spread, how we manage the long-term impact that the pandemic will have on our communities.

They continue to play a central role in defeating this virus so it's only right, in the weeks and months ahead, that we do everything we can to help these institutions - our 30 North Stars - to bounce back stronger.

Last month, DfE announced over £280 million of grant extensions to universities and research organisations impacted by coronavirus.

That funding includes supporting researchers' salaries and other research costs such as laboratory equipment and fieldwork.

From the Autumn, we are also bringing in a package of support for research-active universities with low-interest loans covering up to 80% of a university's income losses from international students.

This will help shield many of our Northern universities from the worst losses they have experienced in the last few months - while helping them get back into the business of tackling the grand challenges of our time...from eliminating poverty and inequality to tackling climate change and helping the UK reach Net Zero carbon emissions by 2050.

Even after the worst of Covid-19, the fundamentals of the North's economy remain strong.

If the Northern Powerhouse were a country, it would have the 8th biggest economy in Europe.

Our region accounts for nearly 20% of the UK's economic output and exports over £60 billion worth of products every year.

We remain the international trend-setter in green technology, with Cumbria home to the largest offshore Windfarm in the world at Walney Extension - that is, until it's relieved of that title by Hornsea Windfarm off the coast of Yorkshire!

The north is still recognised across the world as a great place in which to invest and do business...with foreign direct investment (FDI) doubling in the last 10 years, and Manchester retaining the title of the most attractive city for foreign investment in the UK outside of London.

In the months and years ahead, let's finish what we started and resume building a Northern Powerhouse with an international reach that matches the size of its economic and cultural might...

A Northern Powerhouse built by the north and for the north.

Thank you.