

Making Devolution Deliver

Three tests for skills, opportunity and economic growth

The UK Government has committed to delivering what Andy Burnham has described as "good growth in every postcode". Across England, powers over skills and economic development are being devolved to Mayoral Strategic Authorities. In Scotland, reforms to tertiary education and skills funding are creating a more integrated national funding system, alongside renewed emphasis on Regional Economic Partnerships and regionally focused skills interventions to respond to employer and workforce needs.

Yet devolution will only succeed if it helps tackle the longstanding regional inequalities that continue to hold back opportunity and growth. Economic growth is not simply about attracting investment. It also depends on whether local people can access higher-level skills, build successful careers and contribute to the prosperity of the places they call home.

The UK has some of the widest regional disparities in the OECD. In England, these inequalities are reflected in the uneven distribution of higher-level skills, with graduate-level skills heavily concentrated in London and the South East. Devolution provides an opportunity to address this imbalance by building stronger local skills pipelines and ensuring that more places have the skilled workforce they need to realise their economic potential.

Modern universities have deep roots in their communities and a long-standing commitment to widening participation, supporting social mobility and driving regional growth. As anchor institutions and placemakers, they create local skills ecosystems that connect learners, employers, public services and communities. They provide vital pipelines of talent into growth-driving sectors and essential public services, helping local economies access the skills they need.

These universities educate 76% of the UK's nurses and 67% of university-based teacher trainees¹. Their economic activity generates £17bn² for the UK economy and supports more than 200,000 jobs. They also widen participation for learners who are too often overlooked by traditional pathways into higher education, while creating strong links between education, employment and place.

Just as importantly, modern universities help communities benefit from the talent they develop. Their graduates are more likely to build careers in the regions that educated them, strengthening local economies and supporting local growth.

Universities already contribute to regional skills and growth planning through business boards, skills partnerships and collaboration with colleges, employers and local authorities. Modern universities bring particular strengths to these arrangements through their reach among under-represented learners, their provision of higher-level skills and their relationships with local communities and public services. The question is how these contributions can consistently inform policy and investment as regional responsibilities develop.

This locally embedded model increasingly reflects what government wants to see across the university sector. In September, Skills Minister Baroness Jacqui Smith said, "Universities should be at the heart of local partnerships that turn economic opportunity into courses, student workplace experience and good jobs for local people."

As policymaking becomes increasingly devolved, the challenge is not simply whether qualifications are delivered. It is whether devolved skills and growth policies are producing the outcomes they are intended to achieve, and whether the bodies responsible for designing, funding and implementing those policies are accountable for those outcomes.

However, there is a gap between the government's ambitions for universities and their roles in devolved decision-making. While the Guidance for Mayoral Strategic Authorities clearly sets out an expectation that

¹ MillionPlus (2025), *Think Modern: Facts and Stats 2025*. London: MillionPlus.

² MillionPlus (2022) *Staying local to go far: modern universities as placemakers*. London: MillionPlus.

MSAs should work with further and higher education providers³, there is no consistent model for how universities should participate in the structures that shape local economic, skills and innovation priorities.

In Scotland, universities are involved in many City Region and Growth Deal and Regional Economic Partnership arrangements, but their involvement varies by region rather than being guaranteed through a consistent national framework. In England, two Sheffield universities, for example, are represented on South Yorkshire's Economic Advisory Council, while universities in other mayoral areas participate through business, skills, innovation and investment structures. These arrangements demonstrate that universities can make a practical contribution to devolved policymaking, but involvement remains uneven and can depend on local relationships and structures.

MillionPlus believes universities should have a formal role in the strategic structures responsible for developing regional growth and skills policy. This should reflect local governance arrangements without depending solely on discretionary invitations or individual relationships, ensuring that higher education's expertise in skills, innovation and labour markets, and its connections with employers, public services and communities, inform regional policymaking.

To assess whether these frameworks and investment plans deliver the intended outcomes, MillionPlus proposes three simple tests:

Access:

Can local people access higher-level skills flexibly and close to home?

Connect:

Do locally acquired skills lead to local opportunities?

Retain:

Do places benefit from the talent they help to develop?

These are not tests for universities. Nor are they league tables or new institutional performance measures. They are tests of whether national, regional and local policy frameworks are enabling skills investment to support inclusive economic growth.

MillionPlus argues that universities should have a formal and systematic role in the devolved structures that shape growth, skills and innovation policy.

TEST ONE: ACCESS

Can local people access higher-level skills flexibly and close to home?

Economic growth depends on people having access to the skills employers need. Yet higher-level skills attainment remains uneven across the UK, while shortages in key occupations continue to constrain productivity and growth.

Widening access to higher-level skills must therefore remain a priority if governments are to spread opportunity, raise productivity and support more balanced economic growth across the country.

Modern universities already play a distinctive role in delivering that access. MillionPlus analysis shows they educate 76% of students whose parent or guardian HESA categorises as having never worked or is long-term

³ Ministry of Housing, Communities and Local Government (2026) *Guidance for Mayoral Strategic Authorities on developing Local Growth Plans*. Updated 8 May 2026.

unemployed, 65% of students whose parents work in routine occupations, and 65% of Black students.⁴ In Scotland, modern universities educate 47% of undergraduates from the country's lowest-participation neighbourhoods despite accounting for around one-third of all students⁵.

Access is not simply about admissions. It is about whether participation is realistically possible. Nearly half of modern university students live at home while studying. For learners balancing work, caring responsibilities or family commitments, the ability to study locally can make the difference between participation and exclusion.

This is one of the defining strengths of modern universities. Their regional presence allows learners to gain higher-level skills while remaining connected to their communities and local labour markets.

Regional skills planning should also connect provision across qualification levels, including clear routes from further education into higher-level study. Collaboration between modern universities, colleges and employers can help people progress while remaining close to home.

Devolved skills frameworks and investment should therefore be judged on whether they support genuine access to higher-level qualifications close to where people live and work. A successful system should be able to demonstrate that local people can access the skills needed by local economies and public services. The assessment should include participation in higher-level education and skills, particularly among people from under-represented groups and places. It should also examine progression from areas with high rates of young people not in education, employment or training (NEET), and participation in communities with historically low levels of higher-level skills attainment.

TEST TWO: CONNECT

Do locally acquired skills lead to local opportunities?

Access alone is not enough.

Learners, employers and communities all benefit when higher education creates clear pathways into skilled employment. Higher education develops transferable skills as well as bringing broader social, civic and cultural benefits, but one of the key objectives of devolved skills policy must be to ensure people can translate learning into opportunity within their local economies. Increasingly, the purpose of devolved growth and skills policy is to ensure education provision reflects the needs of local economies and priority sectors.

Modern universities already demonstrate what successful skills-to-employment pathways look like. Through degree apprenticeships and close collaboration with employers, they enable students to earn while they learn, gain real-world experience and graduate with the skills required in high-demand sectors including digital technology, cyber security and data analytics.

They also work closely with employers, local authorities and public services to align higher-level skills provision with workforce demand. This is particularly important given the Government's focus on growth-driving sectors and regional economic development.

In Cumbria, the University of Cumbria was closely consulted by the Chamber of Commerce during the development of the Local Skills Improvement Plan, helping to connect provision across the local skills system.

In the West of England, four universities, including Bath Spa University, have formed Universities West, alongside Colleges West, which brings together five further education colleges. The forums support collaboration with employers and policymakers, while Universities West is represented on the Mayoral Combined Authority's Business Board and its supporting cluster groups. These examples show how universities and colleges already contribute to the delivery of regional skills and growth priorities.

⁴ MillionPlus (2025) *The value of loyalty: How modern universities create local skills ecosystems to drive local economic growth*. London: MillionPlus.

⁵ Scottish Funding Council, Report on Widening Access 2020–21, most deprived parts here is defined as the SIMD20 or most disadvantaged quintile.

Modern universities are also involved in regional business, skills and innovation bodies across England, including in Cambridgeshire and Peterborough, the East Midlands, Tees Valley and West Yorkshire. These existing relationships provide a basis for strengthening their contribution to devolved decision-making.

MillionPlus analysis highlights the scale of modern universities' contribution to meeting local workforce needs. In the North East, modern-university education graduates were equivalent to 39% of regional education vacancies and 33% of health and social care vacancies. In the North West, education graduates from modern universities were equivalent to 42% of sector vacancies. These examples demonstrate how existing partnerships can provide a model for a formal role in local growth and skills planning.

The question for policymakers is whether devolved frameworks are creating genuine pathways between local education and local employment. Success should not be measured by the number of plans, partnerships or strategies created. It should be measured by whether local people progress into skilled employment and whether employers can access the workforce they need.

Every regional growth and skills strategy should establish a formal role for universities, alongside colleges, employers and public services in the structures responsible for shaping local skills, economic and innovation priorities. This should include identifying higher-level skills needs, developing talent pipelines and connecting people with locally important occupations and priority sectors. The precise governance mechanism should reflect local circumstances, but university involvement should be systematic rather than dependent on individual relationships or invitations. Modern universities bring particular value to these structures through their connections with local learners, employers, public services and communities.

TEST THREE: RETAIN

Do places benefit from the talent they help to develop?

Growth depends not only on creating skills but also on ensuring communities can benefit from those skills.

Graduate mobility is an important and positive feature of higher education, giving people the freedom to pursue opportunities and build careers across the UK. At the same time, places need to retain a sufficient supply of graduate skills to realise their economic potential. This is particularly important in sectors where skills shortages constrain growth, and in smaller towns and rural areas that can struggle to retain highly skilled workers.

Modern universities make a distinctive contribution here. MillionPlus research found that 48% of modern-university graduates grew up, studied and worked in the same region, compared with 26% of graduates from pre-1992 universities. In Scotland, modern-university graduates were almost twice as likely to follow this local pathway⁶.

This reflects what MillionPlus has described as the value of loyalty. Modern universities create opportunities for people to gain skills, build careers and contribute to their communities. They strengthen local skills ecosystems by connecting learners, employers and public services, helping places benefit from the talent they develop.

The policy implication is not that graduates should stay put. Where graduates choose to build their careers depends on the availability of skilled jobs and wider economic conditions as well as on education. The test for policymakers is whether devolved systems are creating the conditions that make building a successful career locally a realistic and attractive option.

Measures of graduate progression into skilled employment and graduate retention should therefore form part of the way governments assess whether devolved skills and growth policies are delivering local economic benefit. In England, Mayoral Strategic Authorities should use this evidence alongside wider labour-market indicators to understand whether their growth strategies are creating sufficient skilled opportunities locally. Where places consistently educate talent that must then leave to find suitable work, that should prompt examination of whether local growth strategies, investment priorities and labour-market opportunities are sufficiently aligned.

This should not be interpreted as an expectation that every region can support every profession or industry nor should retention be measured simply by whether graduates remain within the same local-authority boundary. It

⁶ MillionPlus (2022) *Staying local to go far: modern universities as placemakers*. London: MillionPlus.

should be considered at an appropriate regional or functional labour-market level, recognising commuting patterns and the fact that universities often serve several overlapping economic geographies. The aim is to understand whether regions are developing the skilled opportunities associated with their own economic strengths and strategic priorities.

In some sectors, particularly emerging industries such as clean energy, advanced manufacturing and digital technologies, the benefits of devolved skills investment may take many years to materialise. Assessment should therefore focus on long-term trends as well as short-term outcomes.

CONCLUSION

Devolution provides a major opportunity to strengthen the relationship between skills, opportunity and economic growth.

Modern universities are already demonstrating what successful local skills ecosystems look like. As anchor institutions and placemakers, they widen access to higher-level skills, support more than 200,000 jobs, generate £17bn in economic impact and provide vital pipelines of talent into public services and growth-driving sectors⁷. Their contribution extends beyond workforce development. They support social mobility, civic participation, cultural life, innovation and community cohesion. Their community connections, commitment to widening participation and role in local workforce development should inform how devolved skills and growth policy is designed and delivered.

Delivering these outcomes will require more than better planning. Policymakers must also consider how funding, student support, employer engagement and industrial strategy can encourage participation in priority sectors while avoiding the emergence of geographical or disciplinary "cold spots" where opportunities to study particular subjects are lost.

MillionPlus calls for universities to be systematically involved in the development, delivery and review of regional skills and growth plans, alongside colleges, employers and local government. Their contribution should inform decisions about higher-level provision, progression routes and the workforce needs of public services and local industries. Their strong employer relationships, deep roots within their communities and proven record of delivering workforce skills make them indispensable to successful local growth strategies.

In England, Mayoral Strategic Authorities should build on existing university partnerships to ensure this expertise informs Local Growth Plans and regional skills priorities. In Scotland, national funding reforms and regional skills and economic-development arrangements should draw systematically on modern universities' knowledge of learners, employers and local communities.

But participation cannot depend on whether an individual mayoral authority or regional partnership happens to invite a university to the table. Every regional growth and skills strategy should therefore establish a formal role for universities in identifying higher-level and future skills needs, developing talent pipelines, supporting innovation and connecting people with skilled local employment.

The precise mechanism should reflect local circumstances rather than prescribe a single governance model, but it should ensure universities are systematically involved in identifying higher-level and future skills needs, developing talent pipelines, supporting innovation and connecting people with skilled local employment.

The three tests of Access, Connect and Retain offer a simple way to assess the outcomes that matter, and use that evidence to shape subsequent policy and investment.

Again, these are not tests for universities, but for those in government responsible for designing and implementing policy in this area. They provide a way to hold devolved skills and growth policy to account for whether it is widening access to higher-level skills, connecting those skills to employment and creating economies in which locally developed talent has opportunities to stay and succeed.

⁷ Nathwani, T. (2026) 'Moving local: An update to our graduate mobility marker'. HESA, 12 May.

If governments in England and Scotland want to know whether devolved skills investment is delivering on the promise of good growth, they should ask three questions:

- Can local people access higher-level skills flexibly and close to home?
- Do those skills connect them to local opportunities?
- Do places benefit from the talent they help to develop?

The answers will reveal whether devolution is creating the skills, talent and opportunity needed to support sustainable growth in every nation, region and community across the UK.