



A MINISTRY FOR MANCHESTERISM:  
*REWIRING WHITEHALL FOR LOCALLY  
DRIVEN PROSPERITY AND CHANGE*

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THE POST 100 PROJECT

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# ABOUT THE POST-18 PROJECT

The Post-18 Project exists to shape the policy environment around universities and colleges and provide practical solutions for anyone with a stake in the success of post-18 education in the UK. We bring new thinking, ideas and analysis from experts around education to drive reform of post-18 education in the UK.

This paper draws on The Post-18 Project's longer-term work to reform and improve the whole post-18 education system in England, including:

- *Blood, Debt, Toil, and Arrears* diagnosed the dysfunction of the whole post-18 system, arguing that none of the fourteen factors necessary for a coherent education system are being properly managed – the proposals in this paper would begin to address that structural failure.
- *Tooling Up* examined the attempts by Keir Starmer's government to tackle the problem of weak skills development, and its analysis of why those attempts fell short is directly relevant to the case made here for a differently configured department.
- *Marking The Course* dealt specifically with the recommendations in the post-16 White Paper, many of which remain relevant to the issues discussed here, and, as yet, have not been operationalised by any government department, either through legislation or direct executive action.
- A forthcoming paper will address the student loan accounting framework, which presents a further structural obstacle to the reform likely to be pursued by the department proposed here.

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# *EXECUTIVE SUMMARY*

## **The top line**

Britain is likely soon to have a Prime Minister whose governing philosophy – Manchesterism – suggests that policy on skills, education, and economic development should have a much stronger local dimension. But no part of Whitehall is currently configured to deliver this. The post-18 education system, the principal mechanism through which skills, research, and productivity growth are developed, is fragmented across three departments in a configuration no other comparable democracy has adopted. A Prime Minister committed to Manchesterism will need to build the tools he requires, because they do not yet exist.

## **The context**

Manchesterism is more than devolution by another name. It operates on three layers: a pragmatic programme of public investment and local control; an institutional theory that devolution is the structural precondition for functional governance; and a moral claim about where legitimate political authority comes from. Andy Burnham’s direct experience of the frustrations of the current system – particularly the resistance of the Department for Education to sharing powers over skills – makes the post-18 education system central to any Manchesterist programme.

## **What the paper finds**

The English post-18 system is fractured across the Department for Education, the Department for Science, Innovation, and Technology, and the Department for Work and Pensions. It has two junior ministers, both peers, both answering to two different secretaries of state, but with no formal relation to each other. No other G7 country or EU member state, including the other UK nations, runs things this way.

The current arrangement has never been adequately theorised or explained by any Westminster government. It is not so much a model as a mistake.

Bringing those functions back together is an essential starting point for a department to deliver Manchesterism but both DWP and DfE have broad portfolios and centralising tendencies. Neither is a suitable base for such a department.

## **What the paper proposes**

A new Department for Skills, Research, and Prosperity, built on the DSIT base, should reunite all post-18 education functions – higher education teaching and research, further education, adult skills and apprenticeships – and absorb the industrial strategy from the Department for Business and Trade. Unlike its predecessors in BIS and BEIS, which became bloated by the addition of company law, business regulation, and consumer affairs, DSRP would be built from its first day with a presumption in favour of local decision-making: local where possible, national where necessary.

The paper also distinguishes DSRP’s role from that of MHCLG, which should retain responsibility for the legislative framework of devolution, and from the Treasury, which DSRP should complement rather than rival.

## **The bottom line**

Manchesterism has a genuine diagnosis of what ails Britain, seeks to build broad-based prosperity to treat that illness, and its clear enhancing agency in local communities is a key requirement for that.

But a philosophy is not a programme until it has institutional form. Without a department built for the purpose, the structural incoherence that has frustrated a decade of skills reform and a decade of devolution will simply continue – and the next government will inherit the same problems as every government before it.

# INTRODUCTION

Every government in the past decade has explicitly set out to expand non-degree aspects of post-18 education. The aim has been consistent: better match students' qualifications to the needs of the labour market, and through a more highly skilled workforce, drive increased economic growth.

Across that same decade, every government has also experimented with devolution, creating new local and regional administrative units expected to build more efficient and effective policy, precisely because it is designed and implemented closer to the people it serves.

Neither of these approaches has been fully successful, and Britain is likely soon to have a Prime Minister with direct experience of the frustrations of both.

Andy Burnham has served as Mayor of Greater Manchester, perhaps the most mature of all the English devolution projects, throughout this period.<sup>1</sup> He is now set to take control of the country, guided by “Manchesterism”, a term which describes not so much an ideology as a disposition towards governing,<sup>2</sup> in which both the post-18 educational challenge and the hyper-centralising yet intervention-averse tendencies of the British state play central roles.

Right now, Burnham will find no government department properly set up to deliver Manchesterism. The tools for supporting and enhancing the skills-driven growth he seeks, through direct government action in which local and regional power are prioritised, are dispersed across Whitehall, and there is little reason to believe that any of the major ministries are ready and able to make genuine place-based policy their driving principle.

Burnham will need to build the tools he requires to make Manchesterism a mover of government priorities, and this paper suggests how he might do that.

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<sup>1</sup> Greater Manchester Combined Authority, ‘About Us’ (<https://www.greatermanchester-ca.gov.uk/who-we-are/>).

<sup>2</sup> Andy Burnham, ‘Manchesterism: the Devolved Blueprint Rewriting Britain’s Political Future’, PoliticsUK, 6 May 2026 (<https://politicsuk.com/news/manchesterism-andy-burnham/>). See also his keynote speech to the Centre for Cities, 10 March 2026, summarised in Jess Tulasiewicz, ‘Manchesterism from devolution’, Centre for Cities blog, 10 March 2026 (<https://www.centreforcities.org/blog/manchesterism-from-devolution/>).

# THE CHALLENGE

Two brute facts provide both the context for Manchesterism and its greatest challenges:

1. Britain has experienced a lost decade in living standards growth<sup>3</sup>
2. Britain is the most centralised large democracy in the world.<sup>4</sup>

Labour won in 2024 on a prospectus of driving improved living standards and declared economic growth its “defining mission”.<sup>5</sup> Instead, it has delivered anaemic growth, indistinguishable from the trend it inherited, and significantly adrift of comparator nations.<sup>6</sup>

There are many plausible explanations for why Britain is such an outlier amongst G7 countries in its per capita growth, but one obvious distinction is that the British state is tightly run from the centre. Formal devolution to Scotland, Wales, and Northern Ireland is inconsistent – none of those three countries has the same set of powers in relation to Westminster. Within England, while some areas of the country have received greater local authority, this has been very diffuse by geography and level of power. The current Labour government has moved money and authority to regional mayors, but as Burnham himself has complained, this has been at the discretion of Whitehall, not by right.<sup>7</sup>

Burnham says that Manchesterism is “not a slogan, but a system”: a practical not theoretical framing, which considers relative economic weakness a consequence of an over-mighty central state.<sup>8</sup> But Burnham’s approach is more than pragmatic municipalism, or “just” devolution by another name – it carries a specific account of what devolved power should be used for.

Although he resists significant theorisation, Burnham’s public statements suggest that manifesting political power in localities is not only better at achieving social progress, but also essential for ensuring people feel empowered. He has explicitly argued that when national policies dismantled industries, the knock-on destruction of communities without adequate support or

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<sup>3</sup> Resolution Foundation, *The Living Standards Audit 2022* (London, 2022).

(<https://www.resolutionfoundation.org/press-releases/families-have-suffered-from-20000-of-lost-living-standards-growth-over-the-past-20-years/>).

<sup>4</sup> OECD, *Fiscal Decentralisation Database* (2023). See also Institute for Government, *Subnational Government in England: An International Comparison* (London, 2022).

<sup>5</sup> Labour Party, *Change: Labour Party Manifesto 2024* (London, 2024), p. 13. Available at <https://labour.org.uk/change/>.

<sup>6</sup> House of Commons Library, ‘GDP international comparisons: Economic indicators’, updated 24 June 2026 (<https://commonslibrary.parliament.uk/research-briefings/sn02784/>). See also ONS, ‘GDP first quarterly estimate, UK: January to March 2026’, 14 May 2026.

<sup>7</sup> Tom Fleming, ‘What could an Andy Burnham premiership mean for constitutional reform?’, UCL Constitution Unit Blog, 29 May 2026 (<https://blogs.ucl.ac.uk/constitution-unit/2026/05/29/what-could-an-andy-burnham-preiership-mean-for-constitutional-reform/>).

<sup>8</sup> Andy Burnham, ‘Manchesterism: the Devolved Blueprint Rewriting Britain’s Political Future’, PoliticsUK, 6 May 2026. (<https://politicsuk.com/news/manchesterism-andy-burnham/>).

reinvestment was not merely problematic, because its effects were undesirable, but unjust, because as well as inflicting bad outcomes on people, this mode of doing policy denied agency to localities to determine their own futures.<sup>9</sup>

Local politicians, Manchesterism suggests, are closer to both the specifics of the challenges in their regions and better placed to convene the relevant stakeholders and drive the change required. When Burnham says “place first,” he means something more than an organising principle for departmental responsibilities – it is a claim about where legitimate political authority comes from.

In essence, then, Manchesterism has three layers. The surface is a pragmatic programme – buses, skills, clusters. The middle layer is institutional theory – devolution as the structural precondition for functional governance. The deepest layer is a moral claim about the proper relationship between economic power, political authority, and place. In some ways, Manchesterism might be better defined by the term “prosperity” than by the concept of “economic growth” – the second may be a pre-condition for the first, but the improvement of human dignity and welfare is the objective, economic growth the tool, and that tool far more managed than prevailing policy instruments have attempted.

That moral commitment matters for what follows: no department in Whitehall currently can serve Manchesterism properly. Devolution is not alien to England’s central government, else Burnham would never have had the chance to be Manchester Mayor at all. Yet because the centralising logic of the Whitehall machine is so strong, no current government department has the presumption to release power to the regions built into its DNA, not even the Ministry of Housing, Community and Local Government – in its various guises under both Labour and Tory, it has overseen more powers passing to regional mayors, yes, but has also driven through significant consolidation of local government units across the country.

And precisely because the British government is so centralised, a Prime Minister committed to Manchesterism will need to build Whitehall tools capable of making a reality of his aspirations.

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<sup>9</sup> New Economy Brief, ‘Explaining Manchesterism’ (<https://www.neweconomybrief.net/the-digest/explaining-manchesterism>); Justin Klawans, ‘How “Manchesterism” could change the UK’, The Week, 29 January 2026 (<https://theweek.com/politics/manchesterism-change-uk-government>).

# MANCHESTERISM AND POST-18 EDUCATION

The post-18 education system is central to these challenges. Higher and further education have always been seen as crucial to any growth mission, and under Labour, Coalition, and Conservative governments, these policy areas were bound to local and regional economic planning from 2009 to 2016. Burnham himself has explicitly named the Department for Education as the source of his greatest frustrations as Greater Manchester Mayor, resisting sharing powers over the skills system when Burnham felt it was both essential and proper that those decisions be made locally.<sup>10</sup>

Burnham's direct experience of these frustrations is weighted toward skills and further education – the policy areas where he had, or sought, devolved levers. He has been notably quieter on higher education, although this is clearly not from a lack of interest – that Greater Manchester should be the most mature tertiary system is no accident, and Burnham's direct and personal engagement with, and convening of, leaders of both universities and FE colleges in Manchester has been a significant driver of, for example, the Atom Valley project or the establishment of Greater Manchester's Institute for Technology.<sup>11</sup> Bringing universities and research fully into the Manchesterist framework – recognising them as place-based institutions with a role in regional prosperity, not just national prestige – is the work this paper seeks to advance.

Creating both a more level and more local playing-field for institutions engaged in post-18 education does not pre-suppose that all such institutions are necessarily only, or even mainly, focussed on the locality. The University of Manchester, for example, has not lost its international outlook by virtue of the creation of the GMCA, nor its place as a nationally-significant host of cutting-edge research. What could change is that decisions about what provision is required in a locality, and the processes of working with local post-18 institutions to deliver that provision, move closer to the people served, the better to understand their needs and work together to resolve challenges.

Improving the interplay between the provision of higher learning, whether academic, technical, or vocational, and the skills needs of the economy will not automatically generate prosperity, but it is impossible to imagine it occurring

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<sup>10</sup> Andy Burnham, oral evidence to the House of Commons Business and Trade Committee, 30 April 2025. Burnham told the Committee: 'The frustration, to answer your question: the biggest is the Department for Education, without a shadow of doubt. Why are we remaking the case for devolution to this department now? I've been doing it for eight years.' Reported in PA Media, 30 April 2025 (<https://www.pmtoday.co.uk/departments-for-education-stifling-efforts-to-boost-skills-warns-andy-burnham/>).

<sup>11</sup> See GMCA, 'Greater Manchester goes for new decade of growth as work begins on flagship innovation hub in Atom Valley', 12 November 2025 (<https://www.greatermanchester-ca.gov.uk/news/greater-manchester-goes-for-new-decade-of-growth-as-work-begins-on-flagship-innovation-hub-in-atom-valley-1/>).

without that shift. Manchesterism sees that interplay being mediated at the local level, with a strong bent toward co-operation between different local and regional actors. For such eco-systems to properly endure and flourish, the ultimate arbiter for determining the success or otherwise of relevant initiatives, and therefore determining who will receive funding for these, must be fundamentally local.

This last is not simply about allowing local politicians to spend money currently reserved to the centre, it is as much about reducing the pressure on the centre of resolving the arguments which will inevitably arise. We should not expect Manchesterism to end what are inevitable conflicts between different institutions seeking to serve some of the same students with similar education tools, especially in the context of the likely shrinking population of students the English system is facing. But instead of, at present, committees convened somewhere in and between the DfE, DSIT, and the DWP being expected to determine whether one or more FE and HE institutions within a given area are more-or-less likely to successfully respond to the needs of the locality, those decisions are made locally, owned locally, defended locally.

It therefore seems both likely and sensible that a Manchesterist PM will want to review the oversight of the post-18 education system by the government. What they will discover is that those responsible for government oversight and leadership of post-18 education are actively hampered in doing so by the way the English state has wired those responsibilities.

## **How the English post-18 system is currently organised**

The post-18 system can be thought of as making three crucial contributions to the prosperity agenda: developing students' agency over their own lives, most especially through teaching powerful knowledge; allowing students to improve their career prospects through increased social, cultural, and personal capacity and well-devised technical skills training, both before and during their working lives; and generating improvement and innovation within the economy by fostering high quality research.

These three functions are not divided neatly between institutions: both further education colleges and higher education providers deliver teaching focussed on academic disciplinary knowledge and specific technical skills, although the proportions vary between sectors and between institutions within each sector. In general, research is undertaken only in universities, and not even in all of those.

Nor are the distinctions between these functions as clean as administrative arrangements suppose. The concept of "skills" often pre-supposes that these can be trained for in a vocational setting, separate from the disciplinary

knowledge more commonly associated with university lecturing. In reality, skills are manifestations of knowledge, and knowledge is enhanced by practising skills. Research and teaching, especially at higher levels of study, are tightly bound together: those studying for degrees or other higher qualifications often, rightly, expect that what is being recently discovered in their fields of study should feature in their learning.

This is the context for the decisions taken over the past decade to divide the post-18 brief in ways not previously undertaken.

The current government divided further education in half, with FE colleges remaining in DfE, but adult skills moving to the Department for Work and Pensions (DWP).<sup>12</sup> In theory, that represents a fusion of strategic skills planning with job readiness for the unemployed, but this has yet to yield either practical policy change or new legislation, and although Skills England moved, responsibility for the implementation of the Lifelong Learning Entitlement, through which much future training might be funded, has remained with DfE. A single minister, Baroness Smith, holds both these portfolios, answering to a different Secretary of State for each, but Smith is also the only DfE minister in the Lords, and therefore responsible for all DfE business in that chamber, which has included several lengthy stints guiding non-FE or HE-related legislation. She is also the Minister for Women and Equalities, with additional responsibilities from that role.<sup>13</sup>

DfE has retained responsibility for all teaching in higher education, but research has been the province of another department since 2016, and while a bridging minister held both portfolios for a time, this ceased in 2020. The minister with responsibility for research now still bridges two departments, but it is Lord Vallance, who serves both in DSIT and the Department for Energy Security and Net Zero, and has no formal relationship with the other aspects of post-18 at all.<sup>14</sup>

This lack of coherence is rare when compared to previous English arrangements, and unique internationally. Fuller comparisons are drawn in the appendices, but the key point is this: if post-18 education is a lynchpin of any strategy directed towards prosperity, then some reorganisation of government machinery is essential for delivering on the PM's ambitions.

## International comparisons

Not only is the current post-18 ministerial set-up in England anomalous by the

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<sup>12</sup> HC Written Ministerial Statement HCWS930, 'Machinery of Government – Skills', 16 September 2025. The change followed the Cabinet reshuffle of 7 September 2025. See also House of Commons Library, 'Skills policy in England', Research Briefing CBP-10365, updated June 2026 (<https://commonslibrary.parliament.uk/research-briefings/cbp-10365/>).

<sup>13</sup> UK Government, <https://www.gov.uk/government/people/jacqui-smith>

<sup>14</sup> UK Government, <https://www.gov.uk/government/people/patrick-vallance>

standards of our own system, it is unique when compared with those used in other constitutional democracies of the G7 and the EU. Looking around the world, it is possible to classify three different models for government oversight of post-18 education:

- **Model 1:** A dedicated post-18 department, with FE, HE, research, adult skills and apprenticeships in a single department, separated from schools, led by a Cabinet-equivalent minister.
- **Model 2:** A dedicated post-18 minister within a broader education ministry; in some cases, with Cabinet status for that minister.
- **Model 3:** A higher education, science and research ministry, distinct from FE, adult skills, and vocational training, which generally, although not always, sit with schools.

In addition, several comparator systems have either formal federal arrangements or long-standing conventions which divide responsibilities between national and regional or local government.

Two features are universal across all three models. First, higher education research is always administered alongside higher education teaching – no comparator nation separates the two into different departments. Second, further education and skills are always kept together – no comparator nation splits FE colleges from adult skills and apprenticeships.

England currently has neither feature. HE teaching is in DfE, HE research is in DSIT, and the further education system is divided between DfE (colleges) and DWP (adult skills and apprenticeships). Of comparator nations, only Australia shares the education department versus employment department split for post-18 functions, but even Australia does not also divide the HE portfolio: schools and HE sit in one department, and FE and skills in another.<sup>15</sup> A fuller comparison of international arrangements is at Appendix B.

What international comparisons suggest is that, while it is possible and often useful to distinguish between adult skills, higher technical education, academic qualifications, and research and development when discussing specific policy initiatives, the lived experience of students, staff, and administrators of these functions is that all post-18 institutions, everywhere in the world, engage in several of those activities simultaneously. Given the current English position has never been adequately theorised or explained by any government, there is no reason to suppose we are consciously proposing a fourth model others could follow.

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<sup>15</sup> Australian Government, Department of Education (<https://www.education.gov.au/>) and Department of Employment and Workplace Relations (<https://www.dewr.gov.au/>), accessed 25 June 2026.

Ultimately, that no other comparable democracy has chosen to organise their post-18 oversight in this way suggests that it is not so much a model as a mistake. Certainly, it seems likely that it will hamper any attempt to build a more effective prosperity engine powered by high quality skill provision and research excellence.

# PRINCIPLES FOR A NEW MINISTRY

A PM looking for an appropriate vehicle for driving Manchesterism through Whitehall might consider a new department an additional encumbrance when what is needed is simply more devolution.

But the irony is that delivering devolution requires a central tool. The forty-year process of denuding local government of both money and functions means that the local state cannot absorb new responsibilities without a coherent national framework and appropriate support.<sup>16</sup>

So a new central department will be necessary, and this department ought to be governed by three clear principles:

1. **“Local where possible, national where necessary.”** Instead of the present situation in Whitehall where every decision to devolve something must be justified against a status quo of central control, the calculus should be reversed: where decisions about matters covered by the department can be made locally, they should be, and justification is required to pull a decision back towards the centre.
2. **“Collaborative by design.”** This must not be a department for the wholesale outsourcing of central government problems to local government, telling them to get on with it without support – such methods are too reminiscent of the Coalition’s handling of austerity.<sup>17</sup> While local decision-making should be preferred, the department should foster imaginative forms of collaboration, in form ranging from full transfer of functions to the regions, through properly accountable local and national partnerships, to simply improved communications between regions and the centre on implementation.
3. **“Accountability comes with authority.”** In determining how issues should be collaborated on with localities, the department should be mindful of not simply handing over the responsibility for the outcomes of a policy, but also the funding and decision-making necessary for a locality to take meaningful decisions.

A radically different approach to engagement with local government is likely to require a department built quite differently from many in Whitehall. Neither of the two largest current post-18 departments, DfE and DWP, is a suitable starting point. Both are very large departments — DWP is one of the two largest

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<sup>16</sup> Charlie Jeffery, ‘Broke and Broken: The Crises Facing Local Government in England’, *The Political Quarterly*, vol. 96, no. 1 (2025), pp. 1–10. (<https://onlinelibrary.wiley.com/doi/10.1111/1467-923X.13478>).

<sup>17</sup> Mia Gray and Anna Barford, ‘The depths of the cuts: the uneven geography of local government austerity’, *Cambridge Journal of Regions, Economy and Society*, vol. 11, no. 3 (2018), pp. 541–563. (<https://academic.oup.com/cjres/article/11/3/541/5123936>).

in Whitehall by staff, and DfE is one of the largest by budget. Both are also highly centralised, with other fundamental functions – benefits payments, schools and children’s welfare – which are only made more complicated by the addition of responsibility for a regionally-driven prosperity agenda.

DSIT has fewer of these problems. It is a newer department, only created in 2023, and without other enormous priority areas to manage, it is a prime candidate as the core of a prosperity-focused ministry. That ministry should carry a name that manifests directly its purpose, Prosperity, and the tools by which it is to be achieved, the enhancement and application of Skills and Research.

## **The Department for Skills, Research, and Prosperity**

The DSRP would reunite the post-18 contributions – knowledge, skills, and research – that have been progressively separated since the dismantling of BIS,<sup>18</sup> but unlike its predecessors, it would be built from the outset with a presumption in favour of local decision-making.

It should take nearly all of DSIT’s current responsibilities, recombine higher education research funding with responsibility for higher education teaching, also bringing over from DfE responsibility for further education colleges, and recombining that with adult skills and apprenticeships, which should leave DWP.

This would create, for the first time since 2016, a single coherent post-18 department, with significant scope to influence both adult and young people’s education and training. It would also allow the new department to address a particular challenge flagged by Andy Burnham, of the creation of arms-length agencies which cut across rather than working with devolved bodies. Under this scheme, a single department would sponsor UKRI and the research councils, the Office for Students, and Skills England, providing a platform for significant change in how these bodies interact with each other, post-18 education institutions and stakeholders, and of course local and regional government.

The department should also take responsibility for the Industrial Strategy, currently with the Department for Business and Trade, giving it specific levers for initiating and co-ordinating activity in the regions and localities.

Previous governments built something similar to this, in BIS and BEIS, but those created overly-large departments by including company law, business regulation and support, consumer affairs and employment relations. Instead,

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<sup>18</sup> BIS was created in June 2009 from the merger of DIUS and BERR and held HE, FE, skills, research, and business regulation together until its replacement by BEIS in July 2016. Institute for Government, ‘BIS – Department for Business, Innovation and Skills’ (<https://www.instituteforgovernment.org.uk/government-data/department/bis>).

those functions should be transferred to DWP to create a Department for Employment and Enterprise, charged to work on both sides of the employer-employee relationship. The idea that DWP ought to have a more coherent role in shaping policy to encourage prosperity, which underlay the movement of skills into DWP, was not entirely wrong-headed – the wrong aspects were combined.

The two departments whose functions are most complementary to DSRP's are the Ministry of Housing, Communities and Local Government, and the Treasury, and their respective roles need to be clearly differentiated.

Designing the legal nature of devolution and determining the specific policy objectives which ought to be achieved through it are not the same. Someone will need to keep thinking about how, both legislatively and practically, authority is shared out better between the centre and localities, and hold the ring in the inevitable tensions which will arise at the margins, and MHCLG should retain responsibility for directly managing the legislative framework for central government relations with local authorities.

This ensures government is not creating a department that is marking its own homework when it comes to how successful any given devolved project is. DSRP should be the department that designs devolved skills and research policy; MHCLG should remain the department that brokers the devolution framework. This is especially important as the process of devolution in England is so uneven: no two “devo-deals” are entirely alike, and much of the country does not have the sort of strategic authority Manchester has, nor are their geographies necessarily favourable for the creation of these. Separating MHCLG and DSRP keeps both the mechanisms and objectives of devolution as the primary functions of two different departments, which is exactly the dynamic a Manchesterist PM would want.

As for the Treasury: as Appendix C discusses, there is a case for a more radical restructuring that would see growth-focused spending functions detached from HMT and placed in a new ministry. The lesson from Harold Wilson's Department of Economic Affairs, however, is that the way to change the Treasury's behaviour is to complement it, not rival it.<sup>19</sup> DSRP complements the Treasury by building productive capacity – through skills, research, and regional economic development – that fiscal management alone cannot generate. It does not need the Treasury's powers; it needs to be the department that gives the Treasury something worth funding.

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<sup>19</sup> The DEA was created by Harold Wilson in October 1964, under George Brown as First Secretary of State. It was wound up in 1969 after the Treasury reasserted control. See Christopher Clifford, *The Rise and Fall of the Department of Economic Affairs 1964–69: British Government and Indicative Planning* (London, 1997).

# CONCLUSION

Manchesterism is a serious governing philosophy with a genuine diagnosis of what ails Britain: that the most centralised large democracy in the world is also one of the worst-performing, and that reconnecting economic power to the places where people actually live and work is a precondition for reversing that decline.

But a philosophy is not a programme until it has institutional form, and at present no part of Whitehall is configured to deliver what Burnham is proposing. The post-18 education system – the principal mechanism through which skills, research, and productivity growth are developed – is fragmented across three departments in a configuration no other comparable democracy has adopted.

A Department for Skills, Research, and Prosperity, built on the DSIT base, absorbing all post-18 education functions and the industrial strategy, and governed from its first day by a presumption in favour of local decision-making, would give Manchesterism the Whitehall tool it currently lacks.

It would not, by itself, deliver prosperity.

But without it, or something very like it, the structural incoherence that has frustrated a decade of skills reform and a decade of devolution will simply continue – and the next government will inherit the same problems as every government before it.

# *APPENDIX A: CURRENT ARRANGEMENTS FOR MINISTERIAL OVERSIGHT OF THE POST-18 EDUCATION SYSTEM IN ENGLAND*

England's post-18 education system is currently distributed across three departments:

**Department for Education (DfE)** is responsible for a series of portfolios broadly related to teaching and qualifications provided by FE, HE, and other training providers. DfE is directly responsible for the roughly 230 FE colleges, following their reclassification into the public sector in 2022.<sup>20</sup> DfE is also the sponsoring department for the Office for Students, the regulator for higher education; Ofsted, which inspects FE and teacher training and apprenticeships in HE; the Further Education Commissioner's office; the Student Loans Company, which administers the student fee and living costs loans system; and Ofqual, which regulates qualifications offered by both FE and other training providers. DfE also administers the Strategic Priorities Grant, the last remaining significant injection of direct cash from government into the teaching side of HE, and is the lead department on the introduction of the Lifelong Learning Entitlement. DfE is also responsible for the state school system, early years, and child safeguarding.

**Department for Science, Innovation and Technology (DSIT)** is responsible for research infrastructure and spending, overseeing approximately £14bn per year, of which around £8.8bn is moved through UKRI, for which DSIT is the sponsoring department.

**Department for Work and Pensions (DWP)** has, since 2025, been responsible for a broad "skills" agenda, operationalised through the Growth and Skills Levy (the replacement for the Apprenticeship Levy), the Adult Skills Fund, careers policy and aspects of FE covering adults, defined here as those over 20. At the same time as acquiring these responsibilities, DWP also became the sponsoring department for Skills England, the arms-length strategic body for identifying and addressing skills gaps, in addition to its previous responsibilities, including Jobcentre Plus, Universal Credit and reducing economic inactivity.

Aside from this triumvirate, the Department for Business and Trade is

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<sup>20</sup> Office for National Statistics, 'Economic statistics sector classification – classification update and forward work plan', 29 November 2022 (<https://www.ons.gov.uk/economy/nationalaccounts/uksectoraccounts/articles/economicstatisticssectorclassificationupdateandforwardworkplan/november2022>). See also Department for Education, 'Further education reclassification: government response', 29 November 2022 (<https://www.gov.uk/government/publications/further-education-reclassification>).

responsible for the industrial strategy, which shapes decisions about the adult skills system and other education systems; the Home Office administers the visa schemes, and through UKVI has direct regulatory impact on any institutions with international students; the Department for Health and Social Care is responsible for student medical services, as well as the NHS being the employer of a very significant number of graduates; and Treasury holds the loan book. Accommodation and transport sit elsewhere again, but are of central importance, given that student movement to HE is the largest internal migration Britain experiences, and it happens every year.

# *APPENDIX B: INTERNATIONAL COMPARATORS FOR MINISTERIAL OVERSIGHT OF POST-18 EDUCATION*

Comparator nations organise government oversight of post-18 education in three broad models. The following survey covers G7 and EU member states and the devolved UK nations.

## **Model 1: A dedicated post-18 department**

Under this model, FE, HE, research, adult skills, and apprenticeships sit in a single department, separated from schools, led by a Cabinet-equivalent minister.

Ireland created the Department of Further and Higher Education, Research, Innovation and Science (DFHERIS) in August 2020, led by a full Cabinet minister – Simon Harris, who subsequently became Taoiseach.<sup>21</sup> The department covers FE, HE, research, innovation, science, apprenticeships, and adult skills, with schools separate. A junior Minister of State handles the FE and skills sub-brief. DFHERIS has survived six years, multiple changes of government, and two changes of minister – it is now led by James Lawless TD, with Marian Harkin TD as Minister of State for further education, apprenticeships, construction and climate skills.

Northern Ireland takes a variant approach: HE, FE, skills, and research all sit in the Department for the Economy, bundled with the wider economy brief including energy, economic development, and consumer affairs. The Economy Minister sits in the Executive and is an elected MLA. The design principle is the same as Ireland's – schools separate, everything post-school together – but housed in an economy department rather than a dedicated tertiary one.

This model offers maximum ministerial focus, no competition with the schools agenda, and preserves both the HE–research and FE–HE links while integrating skills with the institutions that deliver them. Its vulnerability is political: small departments can be absorbed, and England's own version – DIUS – lasted only 23 months. The school-to-university pipeline also crosses a departmental boundary.

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<sup>21</sup> Government of Ireland, 'Department of Further and Higher Education, Research, Innovation and Science', gov.ie (<https://www.gov.ie/en/organisation/department-of-further-and-higher-education-research-innovation-and-science/>).

## **Model 2: A dedicated post-18 minister within a broader education ministry**

Under this model, one ministry covers all education, but a dedicated minister – usually with Cabinet status – holds the post-18 brief.

The Nordic systems are the paradigm. Norway, Sweden, and Finland each have two ministers inside one Ministry of Education and Research, both attending Cabinet. The HE and research minister has a dedicated brief and an independent Cabinet voice. In Sweden, the minister's title – Upper Secondary School, Higher Education and Research – explicitly bridges the 16–18 transition into HE, owning the last years of school alongside universities.

The Netherlands inverts England's seniority allocation. The senior minister (currently Rianne Letschert, a former university president) handles HE, research, and culture. The junior State Secretary handles schools.<sup>22</sup> England does the opposite – Phillipson (senior) does schools, Smith (junior) does HE.

Austria, Japan, and Portugal are single-minister variants where one Cabinet minister covers the whole education and research landscape, but Austria and Portugal are significantly smaller systems, while Japan compensates through strong bureaucratic infrastructure including a dedicated Higher Education Bureau.

Wales and Scotland both have junior ministers for HE and FE who lack Cabinet status, but both have created compensating statutory agencies: Wales through Medr, the Commission for Tertiary Education and Research created by the 2022 Act, which funds sixth forms, FE, HE, apprenticeships, and research in a single statutory body;<sup>23</sup> Scotland through the Scottish Funding Council, recently given a wider, more integrated remit through legislation.

This model provides dedicated ministerial focus plus Cabinet access without the overhead of a separate department, keeps the school-to-university pipeline visible, and is less vulnerable to reshuffles. Its weakness is that Cabinet attendance for the dedicated minister is not guaranteed – in the UK system, PM-granted attendance can be withdrawn at the next reshuffle (Willets had it, Clark didn't, Donelan had it, Jenkyns didn't). The political salience of schools also creates a permanent gravitational pull on the Secretary of State's attention.

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<sup>22</sup> Government of the Netherlands, 'Ministers', [rijksoverheid.nl](https://rijksoverheid.nl) (accessed 25 June 2026).

<sup>23</sup> Tertiary Education and Research (Wales) Act 2022, c.1 (<https://www.legislation.gov.uk/asc/2022/1/contents/enacted>).

### **Model 3: A distinct higher education and research ministry, with FE and skills elsewhere**

Under this model, HE and research sit together in a dedicated ministry, while FE, vocational training, and skills are administered separately, usually through labour, education, or regional government.

France has had a dedicated Ministry of Higher Education and Research in some form since 1974, surviving every political configuration from Giscard to Macron. The current minister is a full Cabinet member, with schools in a separate ministry. The HE and research side is administratively coherent, but vocational training is fragmented across labour, education, and regional government.

Italy has oscillated between combining and separating universities from schools. The dedicated Ministry of University and Research (MUR) dates in its current form from 2020 and has been maintained through the Draghi and Meloni governments. Spain briefly had a standalone Ministry of Universities from 2020 to 2023, but without research, it was widely criticised and remerged.

Most German Länder follow this model, with education and research ministries at Land level distinct from vocational training oversight. Ontario and Quebec also broadly fit the pattern.

This model provides maximum HE–research coherence and guaranteed Cabinet weight. Its weakness is that FE and vocational training become fragmented, the FE–HE boundary becomes a departmental boundary, and lifelong learning falls between stools.

### **The US exception**

The United States operates within a different governance tradition entirely – board governance rather than ministerial governance – but even within that tradition, the trend is toward coordination and integration through coordinating boards and unified systems rather than fragmentation. The states that have fragmented postsecondary governance across multiple uncoordinated boards, such as California until recently, are the ones that have experienced the most severe coordination problems.

### **England’s position**

Of these three models, England most closely resembles Model 2, with a single DfE and a dedicated junior minister. But the division of adult skills from other further education across two departments, combined with the separation of HE research oversight into DSIT, marks it out from every comparator. Of comparable nations, only Australia shares the split between an education

department and an employment department for post-18 functions, but Australia does not also divide the HE portfolio: schools and HE sit in one department, FE and skills in another.

Two features are universal across all three models. Higher education research is always administered alongside higher education teaching. Further education and skills are always kept together. England currently violates both principles simultaneously.

# *APPENDIX C: ALTERNATIVE CONFIGURATIONS FOR A MANCHESTERIST DEPARTMENT*

This paper proposes a bold reformation of central government departments with responsibility for the different aspects of the post-18 education system, in order to properly design and deliver the policies needed to achieve the stated goals of the Labour government. The creation of a new Department for Skills, Research, and Prosperity balances the need for significant reform in ministerial oversight of the post-18 system and new approaches towards the role of local and regional government with the complexities of significant Whitehall re-organisation.

However, there are other possible combinations that could be considered, ranging from the minimal to the very dramatic. Below, we explore two possible ends of that spectrum, both to elucidate what other options exist, but also to suggest why the DSRP represents a good balance of boldness and pragmatism.

As an additional note, all these options recognise that DSIT's current responsibilities for digital regulation and telecommunications policy are not natural fits for a prosperity-focused ministry and should transfer elsewhere, most logically to the Department for Culture, Media and Sport.

## **The minimal change option: a slightly smaller DfE and a slightly bigger DSIT**

What about the other end of the scale – the smallest plausible change a PM minded to build a department for Manchesterism could consider? Minimal machinery-of-government changes would be required to move adult skills from DWP back to DfE, and to reduce DfE's burden by reuniting higher education teaching responsibility with research oversight by giving DSIT all HE-related policy areas.

This would have significant benefits. The split between HE research funding and HE teaching funding is one not found in any other G7 or EU nation, and for good reason: although not every higher education institution is research-active, those that are profess a deep connection between their research and teaching work, and one of the foundational ideas of a university is that it is an academic community which communicates knowledge to others, but also creates and curates it.

Transferring adult further education and skills to DWP has yielded no significant benefits, and has rendered FE colleges answerable to two masters without any

formal co-ordination arrangements. Reversing the split would be a commonsense acknowledgment that FE deserves a single directing mind.

This proposal would keep post-18 education split between two departments rather than three, on lines which are significantly more logical than at present and far more in keeping with G7 and EU comparators. It also involves only the three departments already directly concerned with post-18 education, and does not generate a wider ripple across government.

But the risk with small-scale changes is that they signal limited ambition. Even if rhetorical force can be deployed to change that impression, the government would still be relying on the same departmental tools which have failed to achieve the desired change under both Conservatives and Labour in the past decade.

### **The maximal option: a Ministry of Economic Growth**

One of the specific explicit concerns raised by Andy Burnham about the Westminster governing model is the power of the Treasury, and in particular its role as a barrier to more radical action to invest for growth. There is historical precedent for a Labour PM seeking to circumscribe the Treasury through departmental creation: Harold Wilson and the Department of Economic Affairs in 1964. Moreover, since Manchesterism is a core principle of the new PM, and the delivery of economic growth and wider prosperity is both the avowed aim of the government as set out in the 2024 manifesto and an essential prerequisite of its being re-elected at the end of this Parliament, a single mega-department committed to that aim might seem appropriate.

Such a department would absorb all the post-18 system functions discussed here from DfE, DWP, and DSIT, and would likely also encompass the whole of the Department for Business and Trade, bringing together industrial and commercial strategy with long-term skills planning. But, crucially, Burnham could go further and split the Treasury, adding its growth-focused spending teams, the tax policy functions relating to R&D credits, investment allowances and enterprise zones, the Green Book appraisal framework teams, and OBR liaison on growth forecasting. A new Ministry for Economic Growth, alongside a Treasury set firmly to the task of fiscal accounting, would be a powerful statement of the centrality of Manchesterism to the government's identity.

However attractive such a bold move might be, it is not without serious problems. When Wilson tried this, the Treasury ultimately consumed the alternative economic ministry. Cynics might argue this is merely departmental empire-building, but the reality is that running investment spending separately from fiscal management is genuinely difficult. Investment decisions both enable and constrain fiscal ones, and while Burnham is a more assured politician than

Liz Truss, the risk of triggering a rapid escalation in the costs of financing Britain's debt through seemingly unrestrained spending is genuine.<sup>24</sup>

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<sup>24</sup> For the September 2022 gilt market crisis following the Truss-Kwarteng 'mini-budget', see Bank of England, Financial Stability Report, October 2022; and Office for Budget Responsibility, Economic and Fiscal Outlook, November 2022 (<https://obr.uk/efo/economic-and-fiscal-outlook-november-2022/>).