



**MAYOR OF LONDON**

# **Skills for Londoners**

**A SKILLS AND ADULT EDUCATION  
STRATEGY FOR LONDON**

**JUNE 2018**



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enquiries 020 7983 4100  
minicom 020 7983 4458

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## Mayor's Foreword

For centuries, London has been a byword for opportunity – a place where people from all over the UK and around the world would travel with the intent of pursuing their dreams. In the 1960s, London welcomed my parents – immigrants from Pakistan – with open arms and gave them a chance to build a better life for themselves and their children. I will forever be grateful to London for that, and for giving me the opportunities that allowed me to become Mayor of this great city. Even though I worked my socks off, I know if it wasn't for the high-quality state school education and affordable university tuition I enjoyed here in London, I might never have been able to fulfil my potential.

My story explains why I'm so passionate about ensuring that today's Londoners have the skills, education and training they need to get on. I fear that with the rising cost of living, many in our city are finding it increasingly difficult to access these opportunities and make the most of what our capital has to offer. So, I'm determined to restore for all Londoners the essential bargain that in the modern era has underpinned economic life in our city. It's something I call the London promise and it's the idea that if you work hard and do the right thing, you should be given a helping hand to achieve your ambitions.

In today's economy, it's more important than ever that helping hand takes the form of support around skills and training. I recognise that not all Londoners have been as fortunate as I've been. Too many children in our city are still leaving school lacking basic skills and qualifications, hampering their chances of getting a decent job or building a successful career in the future. For adults who lack a polished CV, the situation can be much worse, with opportunities to acquire new skills later in life even harder to come by. This leaves many Londoners stuck in low-paid jobs with little chance of improving their prospects or those of their family. All this means we must aim, as a matter of urgency, to increase the supply and quality of skills training to Londoners of all ages and backgrounds, working with our schools and further and higher education sectors.

This is even more crucial in the present context. Many of London's businesses currently face an acute shortage of skilled workers and are struggling to fill key vacancies. And in the coming years, we can expect a different economic landscape, with the UK's decision to leave the European Union having an impact on London's economy and our ability to attract new skills and talent. What's more, the changes resulting from new technology and automation will alter the type of work available, making re-training initiatives critical to helping Londoners share in their city's prosperity in the years ahead.

With these challenges in mind, it is vital that City Hall<sup>1</sup>, London's boroughs and central government show real leadership and work together with London's businesses, skills and education providers to address the very real skills gap. For too long, successive governments have failed to provide a post-16 vocational and technical education offer that truly meets local need. We now have the chance to change this. For the first time, London will see devolution of skills with the Adult Education Budget. It won't happen until after 2019 - but I intend to seize this opportunity to help Londoners get the skills they need.

I am the first Mayor to produce a dedicated skills strategy. Closely aligned with my Economic Development Strategy, it sets out a vision for a skills system that is tailored to the diverse needs of London's businesses and its population. My hope now is for this vision to be widely adopted, with the ultimate goal of making London's skills and education system the most prosperous and inclusive in the world. I know that by working together we can deliver more jobs for Londoners and a thriving economy for our city.

A handwritten signature in blue ink, appearing to read 'Sadiq Khan' with a small '2' below the 'h'.

Sadiq Khan  
**Mayor of London**

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<sup>1</sup> From this point forward the Greater London Authority (GLA) will be referred to as City Hall.

## Executive Summary

Skills for Londoners (SfL) is the first dedicated post-16 skills and adult education strategy produced by a London Mayor. It sets out the skills challenges London faces, along with priorities and actions required to make the London skills system the envy of the world and achieve the Mayor's vision for:

‘A city for all Londoners –  
making sure Londoners, employers and businesses get the skills  
they need to succeed in a fair, inclusive society and thriving  
economy’

Realising this vision will not be without its challenges. Many Londoners do not have access to the opportunities that the city provides. Some of the key issues include above average unemployment rates; high numbers of Londoners who are stuck in low pay, with little chance to progress to better-paid, more secure work; continued and persistent gender, race and disability pay gaps; the highest proportion of people in poverty of any UK region; and low levels of qualifications, particularly in literacy, English language, numeracy and digital skills. Other barriers faced by Londoners in accessing education and employment opportunities include a lack of coherent, effective careers information, advice and guidance and the soaring cost of childcare in London.

Additionally, there are challenges in aligning skills provision with the needs of the London economy. Skills challenges for employers include a need for higher-level skills; a historic low level of employer investment in workforce training and apprenticeship places; and increased skills shortage vacancies. Skills requirements are also changing due to technological advancements, including automation, and Brexit is threatening the availability of talent. To better meet the needs of Londoners and employers, London must have an agile skills system that can effectively respond to the London economy and enable its businesses to succeed in competitive global markets.

### *Objectives and Priorities*

The Mayor has identified three key priorities and a set of collaborative actions to help address these challenges and realise his vision. A SfL Framework will be informed by the SfL Strategy. It will set out further detail on the Mayor's funding priorities, desired outcomes and delivery approach for the devolved Adult Education Budget, European Social Fund, Skills for Londoners Capital Fund and other City Hall skills and employment programmes.

**Priority 1: Empower all Londoners to access the education and skills to participate in society and progress in education and work**

The Mayor will create an all-age careers offer to help reduce barriers to participation in lifelong learning and progression in work. As part of this, City Hall will work with the National Careers Service in London to ensure local needs are met. The Mayor is also extending the London Enterprise Adviser Network, making it available to every state secondary school, sixth form and college in the London Economic Action Partnership (LEAP) area.

City Hall will support targeted employment and skills provision for the most disadvantaged groups, including those people experiencing complex barriers to work, so they are better equipped to access the opportunities that London has to offer. The Mayor will seek to utilise the remaining European Social Fund allocation in London and lobby to ensure London gets a fair funding settlement in the UK Shared Prosperity Fund.

For the first time, London will see true devolution of skills through the Adult Education Budget (AEB) in 2019/20. City Hall will seek to increase the number and diversity of adult learners in London gaining the skills they need to participate in society and progress into further / higher-level learning, work or an apprenticeship. The Mayor will also seek to ensure that City Hall's skills and employment programmes are accessible and available to meet the needs of different groups of Londoners.

**Priority 2: Meet the needs of London's economy and employers, now and in the future**

City Hall will promote productivity by supporting employers to develop and make the best use of the skills of their current and future workforce, including through use of their apprenticeship levy. City Hall will lobby for the levy to be ringfenced and devolved to support skills development in London. The Mayor's Good Work Standard and Growth Hub will also encourage and support businesses and employers to focus on workforce development.

City Hall will also work with employers to ensure that the devolved AEB and wider technical and vocational education system delivers for the London economy, including through the establishment of a London occupational skills board to help steer skills provision. Employer engagement will also be promoted to improve the relevance and quality of training in some of London's key sectors and occupations, such as construction, digital and the creative industries.



### Priority 3: Deliver a strategic city-wide technical skills and adult education offer

City Hall will help improve access to information to support learners and employers to make informed decisions about training through the creation of a Skills and Employment Knowledge Hub. This will be complemented by work with sub-regional partnerships of boroughs and others to create a more collaborative and strategic skills system.

City Hall will seek to increase participation in learning and improve progression pathways into intermediate and higher-level skills by promoting awareness of financial entitlements, sharing best practice to improve attainment at 16 and supporting the establishment of Institutes of Technology. City Hall will also seek to raise the quality of facilities, teaching and leadership in London's further and adult education sector, promote the sector's specialisms and ensure its sustainability.

#### *Indicators*

A set of indicators has been identified for the Mayor's Skills for Londoners Strategy spanning to 2028, as well as relevant top level indicators that will be tracked through the Mayor's Economic Development Strategy (to 2041).

Skills for Londoners	Economic Development Strategy
<ul style="list-style-type: none"> <li>• Participation in learning</li> <li>• Employer investment in workforce skills</li> <li>• Coordination of skills provision - skills shortage vacancies</li> <li>• Coordination of skills provision - working age population intermediate-level skills</li> <li>• Percentage of working age population with intermediate skills</li> </ul>	<ul style="list-style-type: none"> <li>• Employment rate</li> <li>• Productivity performance</li> <li>• Wellbeing</li> </ul>

#### *An Ambitious Future*

This strategy sets out the Mayor's immediate ambitions and priorities for skills and education over the coming years, but, in the longer term, working with the London boroughs, the Mayor aspires to create a single, integrated skills and adult education offer for London to deliver a more strategic, whole-system approach to post-16 skills. While devolution of the Adult Education Budget is an important and welcome first step, the Mayor needs government to go further. London needs a bespoke devolution deal that is responsive to the local economy, particularly considering London's scale, the potential impact that the UK's departure from the European Union will have on the supply of labour, and other skills challenges the city faces.

The Mayor will work with London's boroughs and sub-regional partnerships, businesses and employers, skills providers, community and voluntary groups, and other local stakeholders to further develop proposals for a devolved skills and adult education offer. The aim is to create a skills offer for London that pulls together all relevant investment to provide a more coherent and simplified system. This will help more Londoners to gain skills that are relevant for work and to progress within their chosen career, while supporting local economic growth by forging stronger links between skills providers and employers. This will be a system in which every Londoner is empowered to participate and progress in an increasingly digital society and to learn and succeed in work, thereby helping to reduce inequality and disadvantage. This will be a city for all Londoners.

## Vision

Every child, young person and adult in London deserves the chance to fulfil their potential. For many individuals, living in the capital offers unrivalled economic, social, cultural and civic opportunities that enable them to make the most of their talents and realise their ambitions. But too often, low levels of education and skills prevent many Londoners from being able to participate fully in society or benefit from the opportunities available. More often than not, it is young people and adults born to poorer families or belonging to minority or disadvantaged groups, such as those with special educational needs and disabilities, who are held back. Not only does this have a profound effect on levels of income equality and social mobility in the capital, it caps London's economic success, preventing the city from being all that it could be.

The Mayor is determined for London to become a city where all residents benefit from the capital's opportunities and success, and where London's employers and businesses can access the skills they need to succeed and compete nationally and internationally. To achieve this, London must have a system for post-16 and adult education and skills that delivers for all Londoners and employers. This system should be the envy of cities around the world for its outcomes and ambitious standards. It must be responsive to the demands of the capital's local labour markets, both now and in the future. The Mayor's vision is for:

‘A city for all Londoners –  
making sure Londoners, employers and businesses get the skills  
they need to succeed in a fair, inclusive society and thriving  
economy’

Realising this vision will not be without its challenges. The London labour market faces tests, both in the short and long term, including the impact of Brexit and the changes expected from technological advancements and automation. In addition, the UK is forecast to fall from 22<sup>nd</sup> to 28<sup>th</sup> out of 33 Organisation for Economic Co-operation and Development (OECD) countries for intermediate skills by 2020<sup>2</sup>. Now, more than ever, London must strive to deliver a strong skills and adult education offer that provides clear progression pathways for all young people and adults.

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<sup>2</sup> UK Commission for Employment and Skills (2015) ‘[UKCES bulletin: UK skills and international competitiveness](#)’





We cannot let the challenges London faces stand in the way of developing a fairer, more inclusive city. To help realise the Mayor's vision, further and adult education and skills provision must:

- 1. Empower all Londoners to access the education and skills to participate in society and progress in education and work;**
- 2. Meet the needs of London's economy and employers, now and in the future; and**
- 3. Deliver a strategic city-wide technical skills and adult education offer**

This transformation cannot be achieved by City Hall alone. It can only be accomplished through strong local leadership and collaboration between employers, skills and employability providers, charities, unions and London government. The Mayor has developed this vision and strategy with support from the Skills for Londoners (SfL) Taskforce, Business Advisory Board, London Economic Action Partnership (LEAP) and Strategy Task and Finish Group, as well as consultation respondents<sup>3</sup>. Collective work is also underway with London's four sub-regional partnerships of boroughs<sup>4</sup> and London First's Employment and Skills Commission<sup>5</sup>. The SfL Strategy outlines a series of collaborative actions that City Hall will undertake with stakeholders over the coming decade.

The vision set out in this strategy builds on 'A City for All Londoners'<sup>6</sup> – paving the way to achieving a standard of living for all Londoners that befits the world's greatest city. It aligns with the Mayor's transport, equality, diversity and inclusion, and housing strategies and delivery plans, which will all help to overcome barriers to participation, and is reflected in the emerging Economic Development Strategy, which aims to ensure London remains globally successful while supporting the wellbeing of all Londoners.

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<sup>3</sup> See Annex 1 for lists of group membership and stakeholder consultation respondents.

<sup>4</sup> Sub-Regional Partnerships: Central London Forward, Local London (including South East and North East London), South London Partnership, West London Alliance. See Annex 2 for a borough membership map.

<sup>5</sup> The London First Employment and Skills Commission involves business representatives from a range of sectors. Its role is to consider how to create a system where London's employers can access the talent they need from the local workforce.

<sup>6</sup> 'A City for All Londoners' (2016) sets out the Mayor's vision and direction for London that is being expanded on through a number of Mayoral strategies.

## Setting the Scene

The full Skills for Londoners Strategy Evidence Base and executive summary have been published with this strategy, alongside the results of the public consultation on the draft strategy and opinion research that City Hall carried out with Londoners. This section draws out key contextual issues relating to the strategy priorities, informed by this primary and secondary research. It also includes input from the four borough sub-regional partnerships – Central London Forward, Local London, South London Partnership and West London Alliance (see Annex 2 for the boroughs included in each of these) highlighting any specific local issues in these sub-regions.

### Skills Challenges for Londoners

#### Summary of key skills challenges for Londoners:

- **Unemployment rates above the national average, with young people, disabled adults, black, Asian, and minority ethnic (BAME) groups and women disproportionately under-represented in the labour market, especially in higher-skilled, better-paid jobs.**
- **Continued and persistent gender, race and disability pay gaps.**
- **Wages struggling to keep pace with the rising costs of living, leaving one in five workers paid below the London Living Wage and the highest proportion of people in poverty of any UK region.**
- **Substantial variation in employment rates and incomes across London, meaning the capital is the most unequal region in the country.**
- **Low levels of qualifications and skills holding many Londoners back, particularly in literacy, English language, numeracy and digital.**
- **A lack of an effective careers information, advice and guidance offer, limiting Londoners' ability to upskill / reskill and progress in work.**
- **The changing nature of work due to technological advancements and the increasing need for digital skills to find work and access public services.**
- **The soaring cost of childcare posing a significant obstacle to parents - particularly women - accessing education and employment opportunities.**

For those who know where and how to access it, London is a city full of opportunity. Every year, thousands of young people flock to London to make the most of the capital's varied job opportunities, which can help them on the path to a rewarding and fulfilling career. Many young Londoners are well-positioned to access the city's jobs and professions. The capital's schools now have the best GCSE results in the country. In London, 83 per cent of further education and skills providers were rated good or outstanding by Ofsted at their most recent inspection<sup>7</sup>. This year, four of London's universities were listed among the world's top 40<sup>8</sup>.

But many Londoners are not able to benefit from the opportunities that are available in their own city. While employment rates in the capital have increased recently, unemployment in London is still above the national average<sup>9</sup> and some groups remain under-represented in the labour market. The unemployment rate for 16 to 24 year olds in London is 2.9 times higher than for adults aged 25 to 64<sup>10</sup>.

### *Barriers to work*

Almost double the proportion of working age disabled adults in London are not in work, compared to non-disabled adults<sup>11</sup>. This is a key issue in the Central London Forward<sup>12</sup> area, where the proportion of the population with a disability (14 per cent) is lower than the national average but the disability employment gap is wider than both the London and national average<sup>13</sup>.

British black, Asian, and minority ethnic (BAME) Londoners have higher rates of unemployment and economic inactivity than other ethnic groups<sup>14</sup>. Women are also more likely to be unemployed than men in London – nine per cent of men are not in work compared with 33 per cent of women<sup>15</sup>.

One group that faces specific barriers to work is homeless Londoners. By the end of 2017, there had been a 51 per cent increase in the number of households living homeless in temporary accommodation since the end of 2010<sup>16</sup>. London now accounts for 69 per cent

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<sup>7</sup> OFSTED (2017) '[Further education and skills inspections and outcomes as at 31 August 2017](#)'

<sup>8</sup> Times Higher Education (2018) 'The Times Higher Education World University Ranking'

<sup>9</sup> Based on analysis of ONS Labour Force Survey data.

<sup>10</sup> Based on analysis of ONS Annual Population Survey, Oct 2016 to Sep 2017.

<sup>11</sup> The Equality and Human Rights Commission (2016) '[Is England Fairer?](#)' p47

<sup>12</sup> Central London Forward (CLF) is the strategic sub-regional partnership for Central London covering the local authorities of Camden, the City of London, Hackney, Haringey, Islington, Kensington and Chelsea, Lambeth, Lewisham, Southwark, Tower Hamlets, Wandsworth and Westminster.

<sup>13</sup> Annual Population Survey (APS) 2016, provided by GLA Economics, accessed via Nomis.

<sup>14</sup> Trust for London (2017) 'London's Poverty Profile' p85

<sup>15</sup> Trust for London (2017) op.cit. p88

<sup>16</sup> MHCLG Live Table 775

of homeless households living in temporary accommodation in England<sup>17</sup>. A recent study estimated that one in 50 Londoners is now homeless<sup>18</sup>.

Offenders face some of the greatest barriers to work and training, and the possession of a criminal record can mean a punishment extending beyond a custodial sentence. Public spending cuts to probation services are further impairing the successful resettlement and rehabilitation of offenders in London.

### *Low pay and in-work poverty*

For many who are employed, work does not pay enough to lift them out of poverty, or offer them the financial security they need, as wages have struggled to keep pace with the rising costs of living in London. Despite the improvement in the number of people in work in London, over two million Londoners are living below the poverty line<sup>19</sup>, and the proportion of people in poverty is the highest of any UK region<sup>20</sup>. Fifty-eight per cent of those below the poverty line are in working families<sup>21</sup>. Many are stuck in, or moving in and out of, low-paid, insecure employment, with few chances to progress into better-paid and more stable jobs. Research published by the Social Mobility Commission identified that the proportion of people in London moving out of low pay and earning higher wages for a sustained period of time is lower than the British average<sup>22</sup>. On the other hand, London's share of 'cyclers' – those who have moved out of low pay at some point, but who have not consistently stayed above the low pay threshold – is nearly eight percentage points higher than the British average<sup>23</sup>. In 2015, 22 per cent of London workers were paid below the London Living Wage<sup>24</sup> – in 2014 this equated to 752,000 jobs<sup>25</sup>. This problem is particularly acute in the Central London Forward area, where the proportion of employees earning below the London Living Wage increased in every borough in the sub-region between 2010 and 2015<sup>26</sup>. Gender, race and disability pay gaps persist. Though these gaps exist in all sub-regional areas, they are particularly acute in South London, where in-work poverty is a more significant issue for women<sup>27</sup>.

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<sup>17</sup> Ibid.

<sup>18</sup> Shelter (2016), 'Life on the margins: Over a quarter of a million without a home in England today' (press release)

<sup>19</sup> Trust for London (2017) op.cit. p25

<sup>20</sup> In 2015/16, 27 per cent of Londoners were in poverty. This was the highest of any UK region. In the UK overall, 21 per cent of individuals were in poverty. See: Trust for London (2017) 'London's Poverty Profile'

<sup>21</sup> Trust for London (2017) op.cit. p25

<sup>22</sup> Social Mobility Commission (2017) 'The Great Escape? Low pay and progression in the UK's labour market'

<sup>23</sup> Ibid.

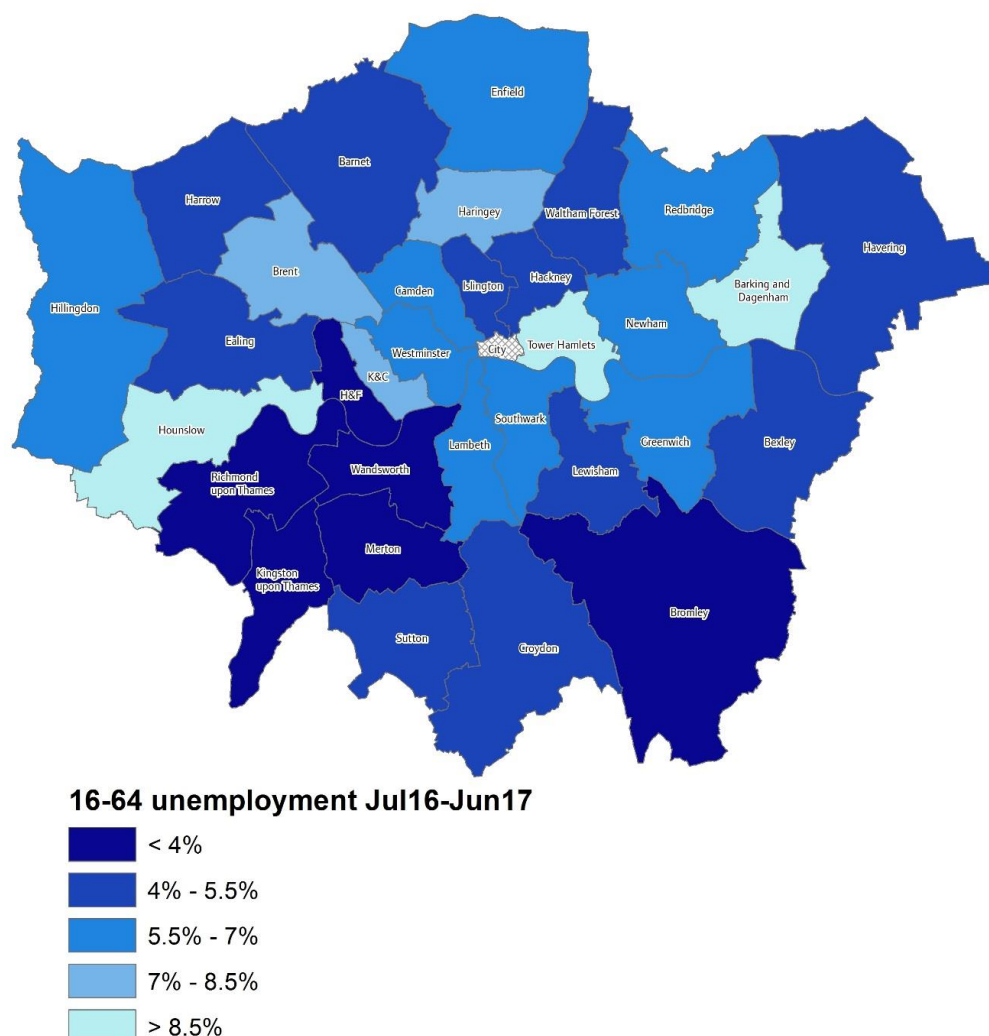
<sup>24</sup> ONS (2015) 'Proportion of employee jobs in London paid less than the London Living Wage and the poverty threshold wage'

<sup>25</sup> ONS (2015) 'Jobs in London paid less than the London Living Wage, 2005 to 2014'

<sup>26</sup> Based on Sub Regional Area Evidence. Central London Forward.

<sup>27</sup> Based on Sub Regional Area Evidence. South London Partnership.

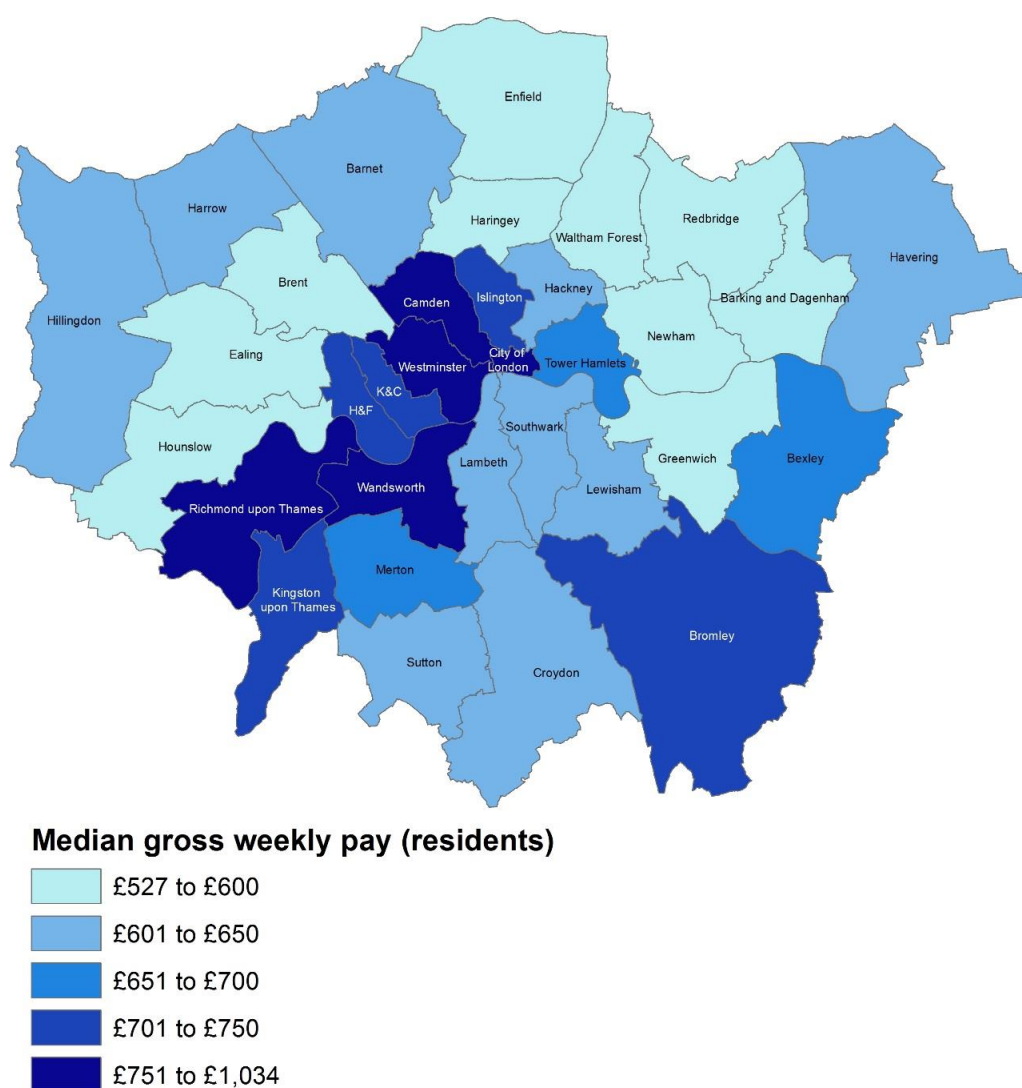




There is substantial variation in incomes across London, which is the most unequal region in terms of income in the country. Between 2011 and 2014, the gross income of the poorest 10 per cent of households in London was £231 per week, compared to £1,945 per week for the richest 10 per cent of households<sup>28</sup>. There is also inequality between and within boroughs. In 2017, gross weekly pay for full time workers in the highest earning borough (Kensington and Chelsea) was £862, 55 per cent higher than in the lowest

<sup>28</sup> Data refers to gross household income over the period 2011/12 to 2013/14, from the DWP Family Resources Survey. See: GLA Economics (2016) '[Economic Evidence Base for London](#)' Chapter 10, p519-520

earning borough (Barking and Dagenham, where average income was £555)<sup>29</sup>. Pay is more unequally distributed in the Central London Forward area than in any other sub-region<sup>30</sup>. In 2014, average weekly household net incomes were £560 greater in the highest earning area of Westminster than in the lowest earning area. In 2014, of the 20 local authorities in England and Wales with the greatest difference between their highest and lowest earning areas, 10 were in London<sup>31</sup>.



<sup>29</sup> Refers to median gross weekly pay of full time workers (residents), Annual Survey of Hours and Earnings. Accessed via Nomis. Note that City of London data was suppressed in 2017 due to sample size, it is likely that income in City of London surpasses that in Kensington and Chelsea.

<sup>30</sup> Based on Sub Regional Area Evidence. Central London Forward.

<sup>31</sup> These are Westminster, Hammersmith and Fulham, Kensington and Chelsea, Haringey, Tower Hamlets, Merton, Enfield, Southwark, Barnet, and Hounslow. Data refers to the difference between the highest and lowest earning Middle Super Output Areas within each local authority. Household income is equivalised for household type, and net of tax. See: [ONS \(2016\) 'Small area model-based income estimates, England and Wales: financial year ending 2014'](#)

These inequalities are also reflected in health and wellbeing outcomes – with healthy life expectancy varying between boroughs by more than 15 years for men and almost 19 years for women<sup>32</sup>.

#### *Wider educational context in London*

Far too many Londoners continue to face barriers that prevent them from seizing the opportunities the capital has to offer. Although school performance in London has improved significantly over the past 15 years, results still lag behind the best in the world<sup>33</sup>. Low levels of education and skills continue to hold many young people and adults back from fulfilling their potential, particularly among disadvantaged groups and communities. Despite outperforming other regions at GCSE level, both for all children and for those eligible for free school meals, London fails to sustain this progress post-16. Inner London ranks second lowest among the English regions for average points score at Level 3 among 16 to 18 year olds in state funded provision<sup>34</sup>.

While the capital includes some of the highest performing local authorities for A-Level and applied general qualifications in the country, it also includes some of the poorest performing local authorities for these qualifications<sup>35</sup>. At tech-level, outer London outperforms all regions except the North West, yet inner London is in the middle of the national rankings<sup>36</sup>. Moreover, young people aged 16 to 18 and from ethnic minority groups continue to be less likely to start an apprenticeship in London than their white counterparts<sup>37</sup>.

Regarding higher education, students from disadvantaged backgrounds in London continue to be less likely to attend university by age 19 than their wealthier peers<sup>38</sup>. The non-continuation or ‘drop out’ rate across London universities is 10 per cent, higher than the UK average (eight per cent). In London, non-continuation is higher for black students (14 per cent) than for students from other ethnic backgrounds. It is also higher for male students than female students (12 per cent compared to nine per cent)<sup>39</sup>.

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<sup>32</sup> Public Health England, Public Health Outcomes Framework, Healthy Life Expectancy at birth indicator 0.1i, 2013-15

<sup>33</sup> Based on Programme for International Student Assessment tests of 15-year-old students. See: Jerrim, J and Wyness, G (2016) [‘Benchmarking London in the PISA ratings’](#), UCL Institute of Education.

<sup>34</sup> Department for Education (2017) [A level and other 16 to 18 results: 2016 to 2017 \(revised\)](#).

<sup>35</sup> Ibid.

<sup>36</sup> Ibid.

<sup>37</sup> Statistic computed by dividing apprenticeship starts by population of relevant ethnic and age groups. Apprenticeship starts data refers to starts in academic year 2015/16, taken from Skills Funding Agency Localities Cube. Population data refers to 2015, and is taken from: GLA (2015) [‘Ethnic group population projections’](#).

<sup>38</sup> Department for Education (2017) SFR37-2016, part of [‘Widening participation in higher education’](#)

<sup>39</sup> HEFCE Teaching Excellence and Student Outcomes Framework Year 2. Data correct as at June 2017.

### *Basic skills*

One in three in the capital leave school at age 16 without having achieved a standard pass grade in GCSE English and maths<sup>40</sup>. London also has the worst post-16 resits rate in maths GCSE in the country and some of the worst resits rates in English GCSE<sup>41</sup>. This is a particular issue in the West London Alliance<sup>42</sup> area, where 31 per cent of 19 year olds leave full-time education without a Level 3 qualification<sup>43</sup>. Children in London are three years behind their peers in Shanghai in maths<sup>44</sup>. Proficiency in numeracy among London's adults is slightly lower than the national average<sup>45</sup>. Low levels of literacy and numeracy not only act as a substantial barrier to work and education opportunities; they can harm social integration and cohesion.

Proficiency in the English language is a prerequisite for most jobs in the capital, and for career progression. It is also associated with several other benefits, such as improved independence, confidence, self-determination, access to healthcare and education, and community integration<sup>46</sup>. However, some 210,000 working age adults in London report they cannot speak English well and around 25,000 cannot speak English at all<sup>47</sup>. Immigrants who do not speak English when they arrive in the UK usually want to improve their English language skills<sup>48, 49</sup>. However, many face barriers relating to the availability, sufficiency and flexibility of the English for Speakers of Other Languages (ESOL) offer in London<sup>50</sup>.

While there is a diverse base of established providers and a range of ESOL provision delivered across the capital, over half of providers - rising to two thirds of colleges - report that they struggle to meet demand for ESOL<sup>51</sup>. Oversubscription of ESOL provision is a problem in both inner and outer London boroughs<sup>52</sup>. For example, analysis by the South London Partnership<sup>53</sup> suggests ESOL provision is not currently meeting levels of demand

<sup>40</sup> Department for Education (2017) '[GCSE and equivalent results: 2016 to 2017 \(provisional\)](#)'

<sup>41</sup> Impetus PEF (2017) '[Life after school: Confronting the crisis](#)'

<sup>42</sup> The West London Alliance (WLA) is a partnership between seven West London local authorities of Barnet, Brent, Ealing, Hammersmith & Fulham, Harrow, Hillingdon and Hounslow.

<sup>43</sup> Based on Sub Regional Area Evidence. West London Alliance.

<sup>44</sup> Based on Programme for International Student Assessment tests of 15-year-old students. See: Jerrim, J and Wyness, G (2016) '[Benchmarking London in the PISA ratings](#)', UCL Institute of Education.

<sup>45</sup> OECD 2012 Adult Skills Survey. Data reported in: Department for Business, Innovation & Skills (2013) '[International survey of adult skills 2012: adult literacy, numeracy and problem-solving skills in England](#)'. BIS research paper number 139'

<sup>46</sup> DEMOS (2014) '[On Speaking Terms: Making ESOL policy work better for migrants and wider society](#)'.

<sup>47</sup> 2011 census.

<sup>48</sup> Bell, R. and Plumb, N. (2017) '[Integration not demonisation: The final report of the All-Party Parliamentary Group on Social Integration's inquiry into the integration of immigrants](#)'.

<sup>49</sup> The immigration system for non-EU nationals now requires a level of English in order to get a visa.

<sup>50</sup> Stevenson, A., Kings, P. and Sterland, L. (2017). '[Mapping ESOL provision in Greater London](#)'. London: Learning and Work Institute.

<sup>51</sup> GLA (2017) '[London Adult Community Learning Review Report](#)'

<sup>52</sup> Stevenson, A., Kings, P. and Sterland, L. (2017). '[Mapping ESOL provision in Greater London](#)'. London: Learning and Work Institute.

<sup>53</sup> The South London Partnership is a sub-regional collaboration of five London boroughs: Croydon, Kingston upon Thames, Merton, Richmond upon Thames and Sutton.



locally<sup>54</sup>. Public spending on ESOL has been reduced by 60 per cent since 2009. If spending had not been cut, there would have been nearly half a billion (£490m) more funding for ESOL over the last six years<sup>55</sup>. The Government's ESOL Equality Impact Assessment in July 2011 identified those groups affected by the funding changes as those in low-paid work, those with low-level English language and literacy skills, and women with childcare responsibilities<sup>56</sup>.

### *Digital skills*

The Government's UK Digital Strategy<sup>57</sup> identified that many jobs have a digital element, and it is predicted that within 20 years, 90 per cent of all jobs will require some element of digital skills<sup>58,59</sup>. Effective digital skills training is essential to ensure the workforce is prepared for future technological changes.

The digital skills gap already presents a challenge to London. For example, 58 per cent of London start-ups say that the lack of supply of highly-skilled workers is their main challenge<sup>60</sup>. Moreover, for the last five years the most commonly cited needs for IT specialists in the Greater London area have been for developers, analysts, IT consultants and IT project managers<sup>61</sup>. At the same time, a number of more specialist roles have been increasing in demand, notably in areas such as full stack software solutions, data analytics / big data, cloud specialists and cyber security roles.

There are several anticipated areas of growth in the digital sector that require a pipeline of digitally skilled talent, if London is to maintain its position as a global centre of excellence<sup>62</sup>. Beyond these specialised areas, there is also demand for digitally-skilled employees in traditionally non-digital industries<sup>63</sup>. The Government's Digital Skills report stated that 'the shortage in digital skills represents a key bottleneck for industry and is linked to one in five of all vacancies'<sup>64</sup> and that 49 per cent of SMEs are suffering tech

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<sup>54</sup> Based on Sub Regional Area Evidence. South London Partnership.

<sup>55</sup> ESOL funding fell from £203m in 2009/10 to £90m in 2015/16. If the budget had not been cut then there would have been £490m more funding for ESOL 2010-16. Foster, D. and Bolton, P. (2017) *Briefing Paper: Adult ESOL in England*. London: House of Commons Library.

<sup>56</sup> Department for Business, Innovation & Skills (2011) '[English for speakers of other languages: equality impact scheme](#)'

<sup>57</sup> Department for Digital, Culture, Media & Sport (2017) 'UK Digital Strategy', Chapter 2: '[Digital skills and inclusion – giving everyone access to the digital skills they need](#)'

<sup>58</sup> Ibid.

<sup>59</sup> Digital skills can be identified in three broad categories. 1) Basic digital skills: skills needed by every citizen to carry out basic functions. 2) Digital skills for the general workforce: minimum requirements linked to processing information that will be applicable across most sectors. 3) High level digital skills: the skills linked to the development and maintenance of new technologies, products and services. The GLA is currently participating in an exercise creating a nationally coherent framework defining digital skills.

<sup>60</sup> Tech Nation (2017) '[Tech City/NESTA 2017](#)'

<sup>61</sup> Priorities for Entry-level Digital Skills Needs in Greater London (2016), '[The Tech Partnership](#)'

<sup>62</sup> Ibid.

<sup>63</sup> Tech Nation (2016) '[Tech City/NESTA 2016](#)'

<sup>64</sup> Department for Digital, Culture, Media & Sport (2016), '[Digital Skills for the UK Economy](#)'

skills gaps. Parliament's Select Committee on Science and Technology also noted SMEs face difficulties in accessing digital talent<sup>65</sup>.

All learners will need to reach at least a basic level of digital literacy and skills to prepare them for an ever-shifting professional landscape and ensure they can fully participate in society. This is especially important in London, as all sub-regional partnerships cite digital skills as a key skills gap.

### *Reskilling and upskilling*

There is also the challenge of an ageing population<sup>66</sup>. The West London Alliance area in particular has a significant population of older people – currently at 23 per cent in the region – and this is set to rise over the next 15 years<sup>67</sup>. People are now working for longer<sup>68</sup>, which, alongside technological changes, increases the need for adults to upskill and reskill. There is also evidence of an increase in part-time working in London<sup>69</sup>. As a result, there is a need for the skills system to evolve in a way that reflects this changing nature of work patterns.

Recent polling by City Hall<sup>70</sup> revealed that Londoners are aware of the importance of learning and upskilling to support their career progression – only 14 per cent of those polled said that they do not think this is necessary. In London's highly competitive environment, it is seen to be very difficult to move through the labour market, with 40 per cent of Londoners saying they think it would be difficult to change the sector or role they work in. In the polling, cost and time were identified as the top barriers Londoners face to taking up learning opportunities. The qualitative research revealed that while formal qualifications are seen as essential to competing in the labour market, they are not seen to offer any guarantee of success, and this increases the perceived risk of investing time or money in education or training. Awareness of government support for training is very low, with 55 per cent of Londoners saying they have heard nothing about it, and 54 per cent saying they do not think they would be eligible. The qualitative research also revealed a high degree of interest in Advanced Learner Loans, but also concerns around eligibility and debt.

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<sup>65</sup> House of Commons Science and Technology Committee (2016), '[Digital Skills Crisis](#)'

<sup>66</sup> ONS (2017) '[Population Estimates for UK, England and Wales, Scotland and Northern Ireland: mid-2016](#)'. Statistical bulletin.

<sup>67</sup> Based on Sub Regional Area Evidence. West London Alliance

<sup>68</sup> Department for Work and Pensions (2015) '[New figures show retirement is changing](#)'

<sup>69</sup> Between July 2015 - June 2016 and July 2016 - June 2017, there has been an increase of 28,000 part-time workers. See: ONS (2017) Regional labour market statistics: H107 Headline indicators for London.

<sup>70</sup> GLA Opinion Research (2017), 'Skills for Londoners Public Consultation'



*Careers, information, advice and guidance*

At the age of 16, students are faced with a complex myriad of choices in the education and skills system: what to study; where; what type of course; in what type of setting. Pathways for students pursuing academic options have, historically, been more straightforward to navigate, with A-Levels and then a degree at university. Most young people in London, however, do not pursue this route<sup>71</sup>. For those who decide upon the technical or vocational pathway, there are around 13,000 separate qualifications available, far too many of which offer limited labour market value<sup>72</sup>. In plumbing alone, a young person has the choice of 33 different qualifications<sup>73</sup>.

Many young people, particularly those from poorer backgrounds or groups under-represented in the labour market, still do not get the information, advice and guidance they need to navigate the options available, make a smooth transition to further study or the world of work and realise their aspirations. This results in imbalances in terms of the gender and background of people who pursue certain subjects and careers throughout education and work, in terms of gender and background<sup>74</sup>. Young Londoners consulted by City Hall thought that careers advice and guidance in schools and colleges was too focused on getting them onto the next stage of education, and provided little exposure to the labour market<sup>75</sup>.

This lack of information and advice continues into adulthood, meaning many individuals, including older adults, are not supported to continue to develop their skills throughout their working lives. Many Londoners taking part in opinion research carried out to support the development of this strategy, spontaneously said they would value some form of careers advice, but did not think this was something that was currently provided by any government service<sup>76</sup>. In the increasingly digital labour market, actively signposting adults, including older workers, to effective lifelong learning provision and in-work training is ever more important for helping individuals to upskill and reskill and make progress in their career. However, there is a lack of robust data and information available on skills provision and shortages. This does not just affect individuals in London, who are restricted in their ability to make informed choices about their career options, but also affects skills providers, whose efforts to provide relevant and timely training are hampered.

Too many Londoners are not getting the careers support they need and are not getting the most out of the adult education and skills system. Participation in further education in

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<sup>71</sup> In London, less than half (46 per cent) of pupils leaving education in 2013/14 had entered higher education by age 19. Department for Education (2017) SFR37-2016, part of '[Widening participation in higher education: 2017](#)'

<sup>72</sup> The Independent Panel on Technical Education (2016) '[Report of the Independent Panel on Technical Education](#)'

<sup>73</sup> Ibid.

<sup>74</sup> Social Mobility Commission (2016) '[State of the nation 2016: social mobility in Great Britain](#)' and Social Mobility Commission (2016) '[Social and ethnic inequalities in choice available and choices made at age 16](#)'

<sup>75</sup> GLA Opinion Research (2017), 'Skills for Londoners Public Consultation'

<sup>76</sup> Ibid.



London has fallen in the past five years<sup>77</sup>. Evidence suggest that the amount of employer-led training has fallen in recent decades. The proportion of employees saying they have received training in the past four weeks in London fell from 16 per cent in 1997 to 12 per cent in 2017 (compared to a fall from 14 to 12 per cent in the rest of the UK)<sup>78</sup>. The volume of training delivered appears to have changed more significantly. In London, the number of training hours per week per person employed fell from 1.36 in 1997 to 0.38 in 2017, a fall of 72 per cent (compared to a 65 per cent fall in the rest of the UK)<sup>79</sup>. Moreover, increasingly training is delivered 'on the job'. The proportion of people trained in the past four weeks in London whose training was entirely 'on the job' increased from 25 per cent in 1997 to 46 per cent in 2017 (the rest of the UK saw a similar change)<sup>80</sup>. Employee participation in continuing vocational training in the UK is among the lowest in the EU<sup>81</sup>.

### *Volunteering*

Volunteering provides individuals of all ages the opportunity to develop and enhance vital life skills that will enable them to succeed in the working world. Two thirds (67 per cent) of employers say candidates with social action experience demonstrate better employability skills<sup>82</sup>. However, participation in volunteering and other extracurricular activities is inconsistent across socio-economic backgrounds. Research shows that young people from less affluent backgrounds are significantly less likely to participate in volunteering than their wealthier peers<sup>83</sup>.

### *Childcare*

The soaring cost of childcare in London is also a significant obstacle to parents - particularly women - accessing education and employment opportunities. Parents in London pay more for childcare than in any other region in the country. Families in inner London now spend £8,000 every year on a part-time nursery place on average. Fewer than half of London boroughs have enough childcare for parents who are in full-time work. The shortfall in childcare places in London is even bigger for parents who work atypical hours or for families with disabled children<sup>84</sup>. Local London has identified lone parents who are struggling to secure and maintain work at a reasonable wage level as a priority group<sup>85</sup>.

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<sup>77</sup> Between 2011/12 and 2015/16 combined participation of London residents in apprenticeships, Education and Training courses, and Community Learning courses, fell from 598,000 to 497,000, a 17 per cent decrease: Skills Funding Agency Localities dashboard.

<sup>78</sup> GLA Economics analysis of Labour Force Survey, April-June quarters

<sup>79</sup> Ibid.

<sup>80</sup> Ibid.

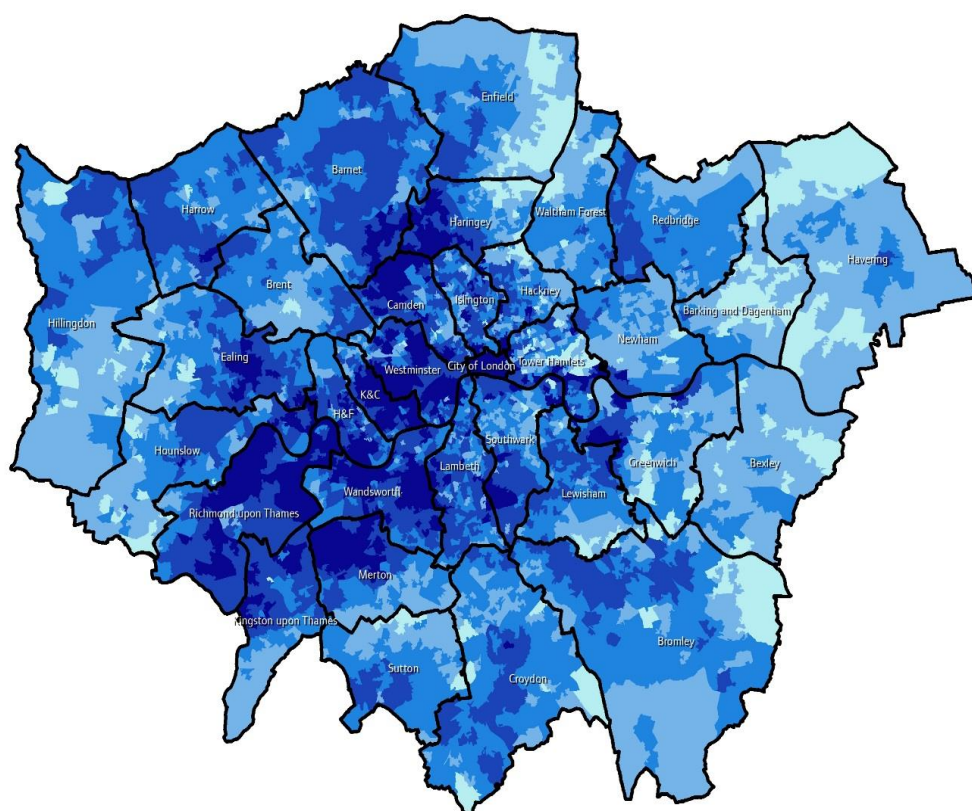
<sup>81</sup> Eurostat database – 2015 data

<sup>82</sup> Chartered Institute of Personnel and Development (2015) '[Unlock New Talent – How can you integrate social action in recruitment](#)'

<sup>83</sup> #iwill (2016) '[Social Action boosts social mobility](#)'

<sup>84</sup> Family and Childcare Trust (2017), '[Childcare Survey 2017](#)'

<sup>85</sup> Based on Sub Regional Area Evidence. Local London.



## 25 to 64 year-olds with qualifications at NVQ Level 2 or below

### *Skills challenges for Londoners conclusion*

The barriers to opportunity in London are holding the city back from being the best it can be. All Londoners from all backgrounds should feel able to access training to develop the skills they need to progress in a rewarding career that will help them to make the most of this great city. This means opening up opportunities at all levels, so that no matter what a person's background or occupation, they have a clear pathway to progression. For employers, widening the talent pool that they recruit from can increase their productivity and chances of success. For communities, equipping Londoners with essential skills makes it possible for people from all backgrounds to contribute and live interconnected lives. Not only is adult education and training fundamental to ensuring all members of society are able to secure and progress in work, but it also has an impact on social and wellbeing outcomes that can be felt across the city. There are, for example, links between engagement in learning and improved health and wellbeing<sup>86</sup>. For London to truly be a global leader, it must be a fairer and more inclusive city that meets the diverse needs of the whole population.

<sup>86</sup> See for example New Economics Foundation (2008) Five ways to wellbeing.

## Skills Challenges for Employers and Workforce Development in London

### Summary of key skills challenges for employers and workforce development in London:

- **Changing skills requirements due to technological change, including automation, and the threat to the availability of talent following Brexit.**
- **Limited progression opportunities from lower tier jobs due to a lack of ‘middle tier’ occupations.**
- **Significant requirement for higher-level skills to maintain London’s position as a high-skilled economy and labour market.**
- **A historic low level of employer investment in workforce training and apprenticeship places.**
- **Challenges in meeting employer skills requirements, with increased skills shortage vacancies.**

London’s employers and businesses rely on a pipeline of skilled workers to be competitive and productive. Many employers in London flourish due to their ability to draw on a diverse pool of skilled labour, continually improving their organisation and increasing their chances of success. This contributes to productivity levels in London that far outperform other regions in the UK.

### *Changing economic needs*

London’s openness is an important driver of its success. For its economy to continue to succeed, London needs to ensure both continuing access to talent internationally and continuing and increased investment in the skills of Londoners. The UK’s forthcoming departure from the European Union has created uncertainty over London’s future access to talent, as well as investment and trade. The Mayor is committed to achieving a flexible approach to immigration that is responsive to demand, ensuring employers have access to the range of skills and talent they need. The Mayor therefore believes it is in the nation’s and London’s interest that the UK remains in the Single Market. The Mayor also believes that reform is needed to the UK’s visa system to ensure that the nation remains open to skilled and talented people from both the European Economic Area (EEA) and non-EEA<sup>87</sup>.

Potential changes to migration policy could disproportionately affect London’s businesses compared to other parts of the country. In London, 14 per cent of jobs – approximately 748,000 – were held by people born in the EEA in 2016, compared to only six per cent of

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<sup>87</sup> The Mayor’s position on immigration is set out more fully at [www.london.gov.uk/immigration-a-future-approach](http://www.london.gov.uk/immigration-a-future-approach)

jobs in the rest of the UK. EEA-born workers therefore make a far greater contribution to the labour market in London than in the rest of the UK, with almost one in three UK jobs filled by EEA workers in the capital<sup>88</sup>. Analysis by Deloitte suggests that 64 per cent of London's young, high-skilled EU nationals are already considering leaving the UK in the next five years, compared to 42 per cent in the rest of the UK<sup>89</sup>. This is of particular concern for those sectors in London that rely on migrants from the European Union, including Accommodation and Food Services (32 per cent of all jobs, equating to 80,000 jobs), and Construction (32 per cent of all jobs, equating to 116,000 jobs). In absolute terms, migrants from the European Union also make up a large number of workers in Professional, Scientific and Technical activities (75,000 jobs), Human Health and Social Work (61,000 jobs), and Education (58,000 jobs)<sup>90</sup>.

London is at the forefront of the digital revolution. Data analysis, machine learning and artificial intelligence are all expected to have a huge influence on how we work, the demand for certain skills and the potential automation of some tasks. Transport, retail and social care have been identified as areas which are likely to undergo significant change as technology transforms these industries<sup>91</sup>.

The changes brought by data-driven technologies and automation are expected to bring about significant benefits to the UK and to London's economy – indeed the Mayor is currently undertaking research into London's position as a world-leading Artificial Intelligence (AI) Hub<sup>92</sup>. A recent independent report<sup>93</sup> commissioned by the UK Government stated that AI could add £630bn to the UK economy by 2030.

It is crucial that the opportunities and benefits of technological advancements are felt by all Londoners, and that no one is left behind as a result of any disruption caused. Potential changes to the demand for certain skills and labour market disruption in the short and medium term will require investment in responsive training provision and skills development. This is especially important for Londoners who work in sectors likely to be affected. Interventions to address these issues include: improving city-wide data on skills needs and demands; focusing on new growth areas outlined in our Economic Development Strategy and Smart London work; and skills programmes.

### *Meeting employer needs*

There are already signs that not all of London's employers are able to find the skilled labour they need to succeed. In 2015, London employers reported that 21 per cent of

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<sup>88</sup> GLA Economics analysis based on the Annual Population Survey, 2016. These statistics were produced for the GLA's response to the Migration Advisory Committee's call for evidence on Brexit, not yet published.

<sup>89</sup> Deloitte (2017) '[Power Up the UK Workplace](#)'

<sup>90</sup> GLA Economics analysis based on the Annual Population Survey, 2016. These statistics were produced for the GLA's response to the Migration Advisory Committee's call for evidence on Brexit, not yet published.

<sup>91</sup> Deloitte (2016) '[Transformers : How machines are changing every sector of the UK economy](#)'

<sup>92</sup> <http://www.cityam.com/282802/ai-research-company-making-plan-mayor-london-sadiq-khan-can>

<sup>93</sup> Hall, W., Kings, P. and Pesenti, J. (2017) '[Growing the artificial Intelligence industry in the UK](#)'

vacancies were 'hard to fill' due to a skills shortage<sup>94</sup>. The number of employers reporting Skills Shortage Vacancies (SSVs) has increased in London in recent years, from four per cent of employers in 2011 to six per cent in 2015. Whilst London is a high-skilled economy with more graduates than any other UK city, SSVs in the Central London Forward area are more likely to be in higher-skill occupations. Local London has also identified a requirement for more skilled workers (Level 3+) and for more people with higher-level qualifications (Level 4+)<sup>95</sup>.

Around two thirds of provision delivered by FE colleges in the capital is at Level 2 or below. Whilst there is a need for this provision to boost skills in London, demand for higher-level skills is growing, so must be supplemented by increased training and progression in intermediate and higher-level provision<sup>96</sup>. Some 54 per cent of employees in London are managers, professionals or associate professionals compared to 44 per cent for the UK as a whole<sup>97</sup>, and growth in high-skilled jobs is expected to be faster in London than in any other UK region<sup>98</sup>. While London's economy is successful on a number of measures, there is room for improvement. Productivity is high relative to the rest of the UK, but is substantially lower than in several international cities with which London competes, such as Singapore, New York, Paris and Tokyo<sup>99</sup>.

The highly polarised nature of London's labour market, with relatively few mid-skill jobs compared to elsewhere in the UK could hold back productivity as well as social mobility<sup>100</sup>. Many Londoners are stuck in low pay, with little chance to progress to better paid, more secure work. Between 2011 and 2015, just 3.1 per cent (per quarter) of London residents employed in low-skilled occupations progressed to a mid-skilled occupation. This was lower than on average across the UK (3.5 per cent per quarter)<sup>101</sup> and is preventing London from developing an economy that is fair and inclusive. This is a structural issue for employers to consider in their business development models, which may impact on levels of workforce development and productivity.

### *Employer investment in skills*

To help boost London's productivity, growth and opportunities, we must ensure that all of the capital's employers and businesses have access to the skills they need to be

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<sup>94</sup> UKCES (2015) '[UKCES 2015 Employer Skills Survey](#)'

<sup>95</sup> Based on Sub Regional Area Evidence. Local London

<sup>96</sup> London Enterprise Panel (2015) '[Position Paper: London Skills Inquiry](#)'

<sup>97</sup> ONS Annual Population Survey, 2015.

<sup>98</sup> UKCES (2016) '[Working Futures: UK labour market projections: 2014 to 2024](#)'

<sup>99</sup> International GLA Economics (2016) '[London in comparison with other global cities](#)'

<sup>100</sup> In the twelve months to June 2017, mid-skill jobs accounted for 24 per cent of employment in London, compared to 31 per cent in the rest of the UK. Mid-skills jobs are here defined as falling within major occupational groups four (administrative and secretarial), five (skilled trades) and six (caring and leisure) in the 2010 Standard Occupational Classification. Data source: Annual Population Survey, July 2016 to July 2017.

<sup>101</sup> IPPR (2016) '[Jobs and skills in London: Building a more responsive skills system in the capital](#)'. Note: 'Low skilled' is defined as paid below London Living Wage and not requiring a degree.



competitive. This will involve the creation of a more responsive and agile skills system, but the responsibility for this does not lie solely at the door of skills providers. There is a need for employers to increase levels of engagement with the skills system and to boost investment in workforce and work-based training.

In 2015, one third of employers had not provided any training in the previous 12 months in London (as was also the case across England), although this masks significant differences by employer size (with only 51 per cent of employers with 2-4 employees having funded or arranged training in the last 12 months, compared to over 90 per cent for employers with more than 25 employees). Where smaller employers do invest in training, this tends to be for a higher amount than larger employers<sup>102</sup>. In 2010, overall employer investment per employee in the UK was around half the EU average, and investment has declined over the last decade<sup>103</sup>. Not only is this limiting development and progression opportunities for many Londoners, it is counter to the evidence that increased training can support improved performance and growth for individual businesses and employers.

The apprenticeship levy<sup>104</sup> should go some way to addressing under-investment in skills by employers and supplementing existing lower-level skills provision by FE institutions. However, there is relatively low employer demand for apprenticeships in the capital and issues around perception of the value of apprenticeships to individuals and businesses. In 2015/16, London reported the second lowest number of apprenticeship starts out of the nine English regions<sup>105</sup>. Apprenticeships can not only bring many benefits for business, but they can also act as a vehicle for social mobility. Those completing a Level 3 apprenticeship could earn, on average, between £77,000 and £117,000 more over their lifetime than those holding a Level 2 academic or vocational qualification<sup>106</sup>.

To meet the Mayor's vision of creating a city for all Londoners, City Hall must work with partners across London to develop a strategic approach to navigating these challenges so that employers in London are able to access the skills they need, both now and in the future. This requires greater alignment between the skills requirements of London's employers and skills provision in the capital. The Mayor wants London's employers and businesses to help steer public investment in skills through engagement with providers and advising on industry skills requirements. In particular, there is a vital role for employers to play in helping to shape the commissioning of the AEB, following devolution to the Mayor in 2019/20.

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<sup>102</sup> UKCES (2015) '[UKCES Employer Skills Survey 2015](#)'

<sup>103</sup> IPPR (2016) op.cit. p21

<sup>104</sup> The Apprenticeship Levy is a UK business levy which is used to fund apprenticeship training. In the current (2018/19) tax year it is paid by employers with an annual pay bill of more than £3m.

<sup>105</sup> Department for Education (2017) '[FE Data Library: apprenticeships](#)'

<sup>106</sup> Department for Business, Innovation & Skills (2011) '[Returns to Intermediate and low level vocational qualifications: economic returns](#)'. BIS research paper number 53.

## Challenges for the Skills System in London

### Summary of key challenges for the skills system in London:

- A misalignment between supply and demand for skills in the capital.
- The need for an agile skills system that can respond effectively to the London economy and support its success to operate in competitive global markets.
- The need to increase the skills of London's workforce, particularly at higher levels.
- The need for the further education sector in London to maintain high quality provision and become 'routes ready' for the introduction of the new Technical-Level qualifications.

It will be impossible to achieve the Mayor's vision for a city for all Londoners without an education and skills system that is fit for the challenges of the evolving London labour market. London has made great progress over the past two decades in improving its school system. The city's universities number amongst the world's leading institutions and London has a number of high performing FE colleges and training providers. But when taken as a whole, London does not yet have an education and skills system that is fully responsive to London's needs. For young people who pursue a technical or vocational route post-16, their pathway to a well-paid job with opportunities for progression is often unclear or harder to navigate than it should be, which the government's response to the recent review of technical education, chaired by Lord Sainsbury, made clear<sup>107</sup>.

Moreover, London's offer for adults to continue to learn and develop throughout their working life needs to be strengthened. Overall, participation in further education in London has fallen in the past five years<sup>108</sup>. Meanwhile, not all of London's employers are getting the skills they need to succeed, with 28 per cent having had difficulty filling a vacancy due to a skills shortage<sup>109</sup>. This misalignment between the supply of and demand for skills is holding many Londoners and businesses back from fulfilling their potential.

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<sup>107</sup> Department for Business, Innovation & Skills (2016) '[Post-16 Skills Plan](#)'

<sup>108</sup> Between 2011/12 and 2015/16 combined participation of London residents in apprenticeships, Education and Training courses, and Community Learning courses, fell from 598,000 to 497,000, a 17 per cent decrease: Skills Funding Agency Localities dashboard.

<sup>109</sup> UKCES (2016) '[UKCES Employer Skills Survey 2015](#)'



*Skills demand and supply*

There are several key drivers of future demand for skills in London. Increasing competition for London's goods and services in world markets and technological innovation will require increased skills to raise productivity and incomes. There will be a need to compete in emerging sectors which will require a substantial expansion of employees (and entrepreneurs) with appropriate skills, especially in science, technology, engineering and maths (STEM). This is an issue that is felt London-wide, affecting all sub-regions. Sutton's emerging London Cancer Hub, Richmond's strong online platform and digital sector<sup>110</sup>, and the proposals for a Thames Estuary Production Corridor and creative industries hub<sup>111</sup> are all expected to contribute to London's demands for different digital skills.

More generally, there is widespread agreement that London's workforce will continue to need lifelong learning and development. Whatever route of education people choose, young people and adults must have clarity about what London's economy needs and which programmes to follow in order to access particular careers.

Many Londoners want to start their own businesses, and ambitions are only increasing<sup>112</sup>. This will require a range of enterprise and entrepreneurial skills, such as digital, managerial, financial and human resources skills, to succeed on a sustainable basis.

*An agile and responsive skills system*

The capital's economy operates in competitive global markets and requires an agile workforce. To increase the skills of London's workforce, particularly at higher levels, we need an education and skills system offering the highest levels of quality and excellence. For many years, delivery of skills has largely been left to market forces, but this alone will not deliver the best outcomes for either Londoners or London's businesses.

London's higher and further education sector is high quality and diverse, with world-leading universities, creative colleges and business schools. Universities and further education colleges have strong local connections with businesses in London, often in areas reflecting London's specialisms (for example, finance, professional services, life sciences, digital and technology). There is, however, scope to strengthen and broaden these connections.

The Mayor and London's boroughs are determined that London should be at the cutting edge of innovation in adult education and skills, particularly in enabling improved social mobility for adults from low-income backgrounds. This will start with a more strategic approach to commissioning via the AEB when it is devolved to London in 2019/20, ensuring that funding is targeted to better meet need. This will also involve a move, over time, towards outcome-based commissioning to ensure that our focus is on effective skills

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<sup>110</sup> Based on Sub Regional Area Evidence. South London Partnership

<sup>111</sup> Based on Sub Regional Area Evidence. Local London

<sup>112</sup> Based on Sub Regional Area Evidence. South London Partnership.

provision in London that supports adults to gain the relevant skills they need to enter in to and progress in employment.

City Hall will also work closely with the further education sector in London to become 'routes ready' for the introduction of the new Technical-Level qualifications for Level 3 provision. This will see a single, common framework of standards covering both apprenticeships and college-based provision developed with employer-designed standards across 15 new technical routeways, phased in between 2020-22. Through stronger collaboration with London's employers and skills providers we will ensure that technical education delivers results for all Londoners, providing them with the skills they need to succeed and progress.

London's transformed skills system will have evaluation and evidence at its heart. By improving our own understanding of what works locally in skills provision and disseminating this information, we will help providers, employers and learners to make choices that are right for them.



## Objectives and Priorities

To address the challenges outlined above, and meet the Mayor's vision of a fairer, more inclusive economy and society in London, further and adult education and skills provision must:

- 1. Empower all Londoners to access the education and skills to participate in society and progress in education and work;**
- 2. Meet the needs of London's economy and employers, now and in the future; and**
- 3. Deliver a strategic city-wide technical skills and adult education offer.**

These priorities are expanded upon below, with objectives and actions detailed in the sections that follow. A SfL Framework will also be published. It will be informed by the SfL Strategy and set out further detail on the Mayor's funding priorities, desired outcomes and delivery approach for the devolved Adult Education Budget, European Social Fund, Skills for Londoners Capital Fund and other City Hall skills and employment programmes.

## Empower all Londoners to access the education and skills to participate in society and progress in education and work

### Objective 1:

**Reduce barriers to participation in lifelong learning and progression in work, through the creation of an all-age careers offer**

London has already set out its expectation of what a good careers offer should look like for children and young people in London through ‘London Ambitions’<sup>113</sup>. This is a step in the right direction, but excellent careers advice and guidance should not stop as young people enter adulthood. All Londoners should have access to high-quality, impartial information, advice and guidance, allowing them to make the most of the opportunities that the capital’s dynamic and evolving economy has to offer, throughout their working life.

So, London must now go further, addressing the barriers to accessing good quality information and opportunities that disadvantaged and underrepresented groups of young and adult Londoners face. The Mayor will work with London schools, colleges, providers, employers, universities and London boroughs to review progress against ‘London Ambitions’ and, building on this, **develop a coherent and accessible all-age careers information, advice and guidance offer**. In developing the all-age careers offer, City Hall will draw on findings from the qualitative research conducted as part of the strategy’s consultation, to ensure that it is informed by the experience of Londoners and meets their needs.

City Hall will publish an action plan for the all-age careers offer setting out how the Mayor will help to:

- Ensure all young people, but particularly those from disadvantaged backgrounds, have the information they need early on to help them to make informed choices about future study and career options, and to demonstrate their developing skills sets, so that they feel supported to fulfil their aspirations and potential. This will focus on ensuring that young people have the information, advice and guidance they need to make informed, appropriate choices at age 16, improving transitions between schools and colleges.
- Promote lifelong learning, providing adults, particularly older workers, those with low levels of skills and those cycling in and out of low-paid work, with timely advice and guidance to help them to identify clear routes to progress into or within work, self-employment and enterprise, and ensure they are actively signposted to any education

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<sup>113</sup> [London Ambitions](#) is a joint report between the GLA, London Councils and previous London LEP on shaping a successful career offer for young Londoners.

entitlements. Through the offer, we will work to raise awareness of the benefits of education and learning.

As part of the all-age careers offer, the Mayor and London boroughs will **work collaboratively with the National Careers Service (NCS) to ensure that the service offer in London better responds to local economic and social needs**, and seeks to provide Londoners, particularly those from disadvantaged backgrounds, with better and more accessible information on skills, employment (including careers portfolio options) and enterprise. The NCS offer in London should focus on supporting unemployed people and those people in insecure, low-paid, and/or low-skilled jobs, who are in need of re-skilling (particularly older age groups), promoting progression and lifelong learning as part of the service offer. Team London, the Mayor's volunteering and social action programme, will also work with partners to ensure that opportunities in volunteering and social action are available to all Londoners, helping develop potential by building skills and confidence.

The Mayor will **extend and further diversify the London Enterprise Adviser Network (LEAN)**. Delivered by Team London, the LEAN currently supports the development of effective careers, enterprise and business engagement strategies in 125 schools, helping to unlock relationships with local and national employers<sup>114</sup>. The commitment to expand the LEAN will triple the size of the network, so that it is available to every state secondary school, sixth form and college in the LEAP area<sup>115</sup>. City Hall and LEAP will also explore and pilot how the network could help to enhance the careers support provided to young disabled people and those with special educational needs, as well as promoting the apprenticeship route as an option as part of the overall careers offer.

In addition, the Mayor will challenge and support employers through the launch of the Good Work Standard. The Standard will ensure best practice on promoting diversity, inclusion and social mobility in recruitment approaches; and on re-skilling and in-work progression, is shared across London.

City Hall will continue to work with schools and teachers in London to break down gender stereotypes that exist in some careers, especially STEM careers. The Mayor will work with a range of partners to **ensure more young Londoners from diverse backgrounds have access to STEM opportunities** throughout their education. For example, the Mayor's London Scientist programme will fund 5,000 primary and secondary students underrepresented in STEM to undertake science projects and achieve the national CREST Award. The Mayor will also seek to address the under-representation of women and BAME Londoners in the construction sector and tech workforce, through programmes such as the Mayor's Construction Academy and Digital Talent programme.

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<sup>114</sup> The London Enterprise Adviser network is part of a national network match funded by the Careers & Enterprise Company (CEC).

<sup>115</sup> This excludes schools and colleges in the London Borough of Croydon, which currently has access to Enterprise Advisers provided by the Coast to Capital Local Enterprise Partnership.

**Objective 2:**

**Increase targeted support to the most disadvantaged groups, so they are better equipped to access education and work**

*European Social Fund*

Alongside skills development as a route to work, the Mayor recognises just how transformative learning can be for individuals and our society. It can support improved quality of life, better social networks, greater motivation, a positive mental outlook and healthy communities. The Mayor, working with LEAP, has committed around £295m from the European Social Fund (ESF) towards skills, employment, enterprise and youth programmes in London. This funding is targeted towards the most disadvantaged groups – often those individuals who face multiple barriers to participating in adult learning, work and enterprise. These groups include individuals, both young and older Londoners, who are long-term unemployed, economically inactive, homeless, ex-offenders, lone parents, care leavers, disabled, or have poor mental health.

Programmes funded through ESF reach out into communities in a way that other funding streams struggle to do, motivating and supporting people to develop the skills they need to re-engage in education and develop their readiness for work. They include: programmes that provide targeted employability support for women and parents, BAME and disabled Londoners, veterans of the armed services; in-work progression programmes that support low-paid workers, particularly parents, to move out of poverty; programmes to support self-employment and local enterprise; and targeted programmes that provide support to young people who are, or are at risk of being, not in education, employment or training (NEET) to secure work or education opportunities.

Overall, London received around £422m in ESF funds for 2014-20. Brexit means that such funding from the EU will not be available beyond this allocation. ESF programmes are hugely valuable to London and London government is committed to protecting the funding that delivers them. The Mayor and London's boroughs will **continue to lobby and negotiate with government to ensure that London gets a fair funding settlement in the UK Shared Prosperity Fund**<sup>116</sup>. This funding should be at least the same level as the current European Structural and Investment Fund (ESIF) and be fully devolved to London. The Mayor will also seek to **expand the range of programmes on offer that target the most disadvantaged groups, by ensuring that London utilises its remaining uncommitted ESF funds by match funding a proportion of the devolved AEB budget**.

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<sup>116</sup> The future growth funding that the Government has said will replace European funds. See: [www.parliament.uk](http://www.parliament.uk) (2017) '[Prosperity Fund: Written question – 2384](#)'





The ESF programme will support the delivery of the priorities set out in this strategy, addressing gaps and adding value to mainstream skills and employment provision for young people and adults. More information on the funding priorities for the ESF programme can be found in the Skills for Londoners Framework, which is published alongside this strategy.

#### *Addressing complex barriers*

Some disadvantaged groups are characterised by complex and multiple needs, for example, homeless Londoners. **The priorities in this strategy will help to deliver the Mayor's vision for tackling London's homelessness as set out in his Housing Strategy**, by ensuring that homeless people in London have access to skills and employability support through the devolved AEB and ESF.

City Hall will **work with the Mayor's Office for Policing and Crime (MOPAC) and other partners to support employment and training commitments set out in the Mayor's Police and Crime plan**. This includes expanding access to services that work with offenders and their families, including work to develop offenders' skills to improve their employability, and encouraging employers to work with criminal justice services and other partners. There needs to be a particular focus on pathways for young offenders into apprenticeships and jobs, to improve their life chances. Through the Skills for Londoners Capital Fund, the Mayor is making capital funding available to providers delivering in prisons to enhance their skills provision and facilities. This work will help to reduce the likelihood of offenders in London reoffending, cutting crime, reducing the number of victims, and increasing social mobility. City Hall will also work with the Ministry of Justice, London Councils and MOPAC on a refreshed memorandum of understanding, including exploring the potential for devolution of offender education and skills services that are currently the responsibility of a range of government departments.

As part of creating a holistic skills system that supports all Londoners, **City Hall is working with London's special educational need and disability (SEND) experts to undertake a strategic, pan-London review of SEND** education need and provision. This will provide an up-to-date picture of demand and supply, and support the development of a more ambitious approach to delivering services to young people and adults with SEND. This review is focused on learners with SEND aged 16 to 25 and findings will be published in 2018. The Mayor will use the findings of the SEND Review to promote and support training provision that meets the needs of disabled people.

#### *Employment support*

Whilst employment rates have improved in recent years, London still has a slightly lower rate of employment than the national average. There is also significant variation in the employment rates amongst different groups of Londoners, particularly women and disabled people. Despite the serious problems caused by the Government's introduction of Universal Credit, the Mayor has asked his officers to work collaboratively with Jobcentre Plus in London to smooth the transition as much as possible and to ensure that Londoners

get the support they need to enter and progress into good quality jobs. **As part of this, the Mayor will call on Jobcentre Plus to better promote the support available through London's Flexible Support Fund and to ensure that it complements and adds value to London's devolved AEB and ESF programmes.**

In addition, the Mayor, working in collaboration with London's borough sub-regional partnerships, will **continue to support the devolved Work and Health Programme**, assisting very long-term unemployed people - particularly those with health conditions – to enter, or re-enter, work. As part of this, the Mayor will explore how devolved skills funding could be better aligned with the Work and Health Programme, to support the join-up of different funding streams and deliver stronger coherence across the skills system, achieve better outcomes and drive up employment for the most disadvantaged Londoners, particularly disabled groups.

Devolution of the Work and Health Programme to London is a welcome move. This should be built on, and government should take a 'local-first' approach to new services and funding streams aimed at supporting people to enter and stay in work. **The Mayor supports London Councils' recommendations for a 'local first' approach.** Proposals for this include the creation of a new Work and Health Innovation Fund - focused on preventing unemployment through ill-health, potentially funded through the successor to the UK Shared Prosperity Fund. To support greater integration, the Mayor also supports the boroughs' calls to align Jobcentre delivery areas with the sub-regional partnership employment and skills delivery areas.

### Objective 3:

**Increase the number and diversity of adult learners in London gaining the skills they need to participate in society and progress into further / higher-level learning, work or an apprenticeship**

Londoners deserve the opportunity to access high quality adult education to develop the skills they need to fulfil their potential in work – not just at the start, but throughout their working lives. For Londoners to have this opportunity, there needs to be a comprehensive, localised skills system that is responsive to the diverse needs of the capital's population.

Devolution of the AEB to London from 2019/20 presents the opportunity to start creating such a system. The Mayor will ensure that AEB devolution delivers for all Londoners. Working with London's boroughs, the Mayor will tailor the capital's adult education system to put the needs of individual Londoners at its heart. For example, groups with lower proficiency in basic skills tend to include disabled people, unemployed people, people born outside the UK and people from ethnic minority backgrounds<sup>117</sup>. Failing to tackle London's

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<sup>117</sup> OECD 2012 Adult Skills Survey. Data reported in: Department for Business, Innovation & Skills (2013) 'International survey of adult skills 2012: adult literacy, numeracy and problem-solving skills in England'. BIS research paper number 139

low levels in these key basic skills will ultimately cap efforts to improve social mobility and diversity in London's workforce. Improving provision of these crucial core skills is therefore central to London government's vision for AEB devolution.

### *Skills for Londoners Framework*

#### **Raising Aspirations**

Lorraine appeared to be very confident and outgoing, but after a challenging few years she felt she had few options. She was in her fifties, had struggled with alcohol misuse in the past, and was living in temporary hostel accommodation. Lorraine was supported to sign up for an accredited Digital Skills course being run at Thames Reach Employment Academy in partnership with City Lit. Lorraine has since gone on to study Health and Social Care at City Lit and hopes to work in the sector, supporting other people the way that she felt she has been supported. In January 2018, she moved into her own flat. She is volunteering with Thames Reach – and has applied for the Thames Reach paid traineeship. Lorraine says: **“I have had to work hard and it hasn't always been easy. The difference is that I felt people believed in me.”**

#### **Lorraine undertook a skills course at Thames Reach Employment Academy**

Alongside this strategy, the Mayor is publishing the Skills for Londoners Framework, which sets out funding priorities for the AEB in London as well as more detailed proposals for overcoming barriers to participation and achievement in adult education, including flexible and accessible provision. The **Mayor and borough sub-regional partnerships will ensure that the devolved AEB prioritises support to meet need**, including for the most disadvantaged groups.

### *Adult and Community Learning*

Adult and Community Learning (ACL) forms one part of the devolved AEB. The provision is designed to help people to reconnect with learning, build confidence, develop a new skill and prepare to progress to formal courses. It typically includes a range of community-based and outreach learning opportunities, including creative and cultural opportunities, and enables the delivery of non-accredited learning. Alongside economic outcomes, ACL promotes better social integration and cohesion, health (both physical and mental) and well-being. For example, a portfolio of ACL provision may include programmes to help people acquire positive behaviours and the interpersonal skills appropriate to both work and social situations, alongside training in digital skills, and basic literacy, numeracy and ESOL.

In preparation for AEB devolution, the Mayor has undertaken joint work with London Councils and the borough sub-regional partnerships to explore priorities and outcome measures for ACL activity to ensure it prioritises support for the most disadvantaged and socially excluded Londoners. In recognition of the wider benefits that ACL provision can

bring for individuals and society, the Framework sets out the intention to develop a suite of social metrics to support the delivery of ACL and provides greater detail on City Hall's plans for outcome measures.

### *Basic skills*

The devolved AEB will also continue to support levels of key basic skills such as literacy, numeracy, digital and core employability skills. The focus of support will be for disadvantaged and under-represented groups, be it within a classroom or community setting, so that many more Londoners can participate in, and benefit from, employment opportunities in London. This includes providing employability and skills support for those who are disadvantaged in London's skills, enterprise and jobs market. The Mayor will:

- Work to **drive up participation and progression outcomes in the provision of English and maths**;
- Work with employers, providers and local authorities through AEB devolution to **identify new and more diverse sources of investment in ESOL, support the development of innovative approaches to strategic planning and commissioning of ESOL including the use of community-based and volunteer support, improve local coordination of ESOL provision, and address practical barriers to ESOL learning**; and
- **Work towards providing a digital skills entitlement for Londoners through the devolved AEB**, to ensure that all Londoners gain a basic level of digital skills to ensure they can fully participate in society. City Hall will introduce the new digital skills entitlement in line with the national timeframe (due for introduction in 2020/21). City Hall will also support digital skills training through ESF funding.
- Work with AEB providers to ensure the **delivery of core employability and enterprise skills**.

### *Inclusivity and accessibility*

The Mayor recognises the importance of ensuring that learning is physically accessible and delivered at convenient times, to meet the needs of different groups, and will take this into account when commissioning provision through the devolved AEB as well as Skills for Londoners Capital Fund. The AEB will support the needs of Londoners, including unemployed and economically inactive people, care leavers, people with caring responsibilities and people with specific learning requirements. Joint working with sub-regional partnerships, drawing in local borough-based networks, will be crucial to ensure the needs of local communities are met. Through the devolved AEB, the Mayor will develop flexible, inclusive and integrated skills and training provision that prioritises improving progression outcomes and enterprise skills<sup>118</sup>. Through the Skills for Londoners

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<sup>118</sup> See the Skills for Londoners Framework for more information about the steps that the Mayor will take to ensure that London's adult education offer reflects the needs of different groups.

Capital Fund City Hall will ensure that places of learning apply accessible and inclusive design to newly developed buildings.

To help address the barrier that access to high-quality early education and childcare can pose to participation in adult education and training, **City Hall has funded Early Years Hubs from early 2018**. These hubs will bring early years providers together to collaborate over a three-year period to improve the access to and quality of early years provision for the most disadvantaged families. Key aims include improved uptake of the Government's free early education entitlement for two year olds and increased parental employment. In addition, we will set out London's needs on childcare and early years to central government, to make sure that early years provision in London is properly reflected in government policy and funding<sup>119</sup>. As part of the devolved AEB, the Mayor will call on employers and learning providers to improve skills in the early years sector, principally to improve the quality of early years education in London.

Providers of adult education have a key role to play in raising awareness of the benefits of learning. City Hall will encourage providers to promote funding entitlements and the range of support available to learners such as the travel discounts that are available to apprentices through Transport for London<sup>120</sup>.

Greater clarity is needed around the eligibility of residents with different types of immigration status in the UK and of European Economic Area (EEA) citizens resident in the UK to access adult education. Given the uncertainty around Brexit, there may be further eligibility questions for many more London residents in the future. This causes confusion for providers and can prevent Londoners from accessing the education and training they need, even affecting Londoners who have lived all or most of their lives in London. **The Mayor will ensure that the devolved AEB continues to be made available to those Londoners that need it most**<sup>121</sup>.

#### *Key stages 4 and 5*

While devolution of the AEB concerns the funding and accountability for post-19 further education, the Mayor is committed to a holistic and strategic approach to skills in London. London's schools have seen a transformation over the past 15 years, however this progress is not sustained post-16. **City Hall, in collaboration with London Councils, will publish new research that analyses the pathways young people from different backgrounds in London pursue post-16**, including which subjects they study and which institutions they attend, their progress and outcomes, and their education or employment destinations. This research, which will be published in autumn 2018, will build on the findings of the Opinion Research conducted as part of the consultation for this strategy. It

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<sup>119</sup> <https://www.london.gov.uk/what-we-do/education-and-youth/support-families-and-early-years/early-years-and-childcare>

<sup>120</sup> For more information on the Mayor's plans to improve careers information, advice and guidance to Londoners, raise awareness of the benefits of learning, and promote access to available sources of financial support, see objective one and objective eight in this strategy.

<sup>121</sup> Further details on eligibility will be set out in the Skills for Londoners Framework.



will help to identify the drivers of post-16 education performance in London, including the patterns and trends among young people with a special educational need or disability as well as by socioeconomic status, gender and ethnicity. It will also consider what works well in delivering support for English and maths resits. The findings will inform preparations for devolution and the Mayor's wider plans for skills in London.

### *Higher education*

London has more young people from a diverse range of backgrounds progressing onto university than other areas of the UK<sup>122</sup>. However, recent research by the Social Market Foundation has shown that London has higher rates of young people who start, but do not complete, their undergraduate degrees<sup>123</sup>. The research also identified that certain learners are more at risk of not continuing in their studies<sup>124</sup>. City Hall will **commission further research to better understand the higher drop-out rates from universities in London** and how this affects students from different backgrounds or with certain characteristics. The findings from this research will be used to help inform the development of the all age careers offer, as set out in objective one. City Hall will also work with some of London's leading universities to better understand the value of 'social capital' in improving destination outcomes for students graduating from London's higher education institutions and how their learning on this issue could be more widely disseminated to other universities.

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<sup>122</sup> Social Market Foundation, (2017), '[London universities have the worst drop-out rate in England](#)'

<sup>123</sup> Ibid.

<sup>124</sup> Ibid.

## Summary of actions

### The Mayor will:

1. Develop an all-age careers information, advice and guidance offer for London.
2. Continue to lobby government to ensure that London gets a fair funding settlement in the UK Shared Prosperity Fund – fully devolved to London.
3. Expand the range of programmes on offer that target the most disadvantaged groups.
4. Undertake a strategic, pan-London review of post-16 SEND education provision.
5. Support the Work and Health Programme ensuring better integration with skills provision in London, call on government to make better use of Flexible Support Funds, and support London Councils' calls for a 'local first' approach.
6. Ensure that the devolved Adult Education Budget prioritises support to meet need, with flexible, inclusive and integrated skills and training provision that prioritises improving progression outcomes, employability and enterprise skills.
7. Drive up participation and progression outcomes in the provision of English and maths, identify new and more diverse sources of investment and innovative approaches in ESOL, work towards providing a digital skills entitlement for Londoners, and seek to make adult learning provision more accessible and flexible, through the devolved AEB.
8. Continue to fund Early Years Hubs to bring childcare settings together in London to improve the access, affordability and quality of early years provision for the most disadvantaged families.
9. Ensure that the devolved AEB continues to be made available to those Londoners that need it most.
10. Publish new research that analyses the pathways young people from different backgrounds in London pursue post-16, which will inform a holistic and strategic approach to skills in London.
11. Commission further research to better understand the higher drop-out rates from universities in London.

## Meet the needs of London's economy and employers now and in the future

### Objective 4:

**Promote productivity by supporting employers to develop and make the best use of the skills of their current and future workforce**

#### *Apprenticeships*

In 2017, one of the most substantial reforms to vocational funding in a generation began with the introduction of the apprenticeship levy on large employers with a pay bill of over £3m a year. London will generate the largest levy contributions nationally, but with historically low levels of apprenticeships delivered in London, we must ensure that London's employers are able to maximise the use of their levy contributions and deliver the skills London's economy needs.

The Mayor will **continue to lobby for devolution of the levy and shape this into a Skills Levy**. Given London's complex skills requirements, the Mayor believes that London's proportion of the apprenticeship levy should be ring-fenced and devolved to London government allowing partnerships with business to support a wider range of skills and employment interventions in the capital. Apprenticeships provide an opportunity for people to train on the job and achieve a nationally recognised qualification at intermediate, advanced, higher or degree level. However, other needs, such as the development of entrepreneurial skills and transferable, core skills and behaviours raised by employers (for example, through London First's Employment and Skills Commission's Action Plan for London)<sup>125</sup> need to be considered alongside formal qualifications. Employers are also calling for more flexible, shorter training programmes tailored to meet their needs. Employers and London government should have greater control and flexibility to use the levy on a wider range of skills development areas to meet local economic needs.

This is increasingly important as the world of work changes. Training opportunities need to be flexible enough to meet the ever-evolving needs of both employers and individuals. The apprenticeship levy has the potential to be used as a means to upskill or reskill individuals who are seeking a career change, or entering the workforce after a break (such as women returners and army veterans). This is especially relevant to the digital and STEM sectors in London, which face significant skills and apprenticeship qualifications gaps. By re-shaping the apprenticeship levy into a Skills Levy, as called for by the Mayor, employers would have the opportunity to provide individuals with training geared towards the high-growth sectors of the economy.

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<sup>125</sup> London First's Skills and Employment and Skills Commission involves business representatives from a range of sectors. It will consider how to create a system where London's employers can access the talent they need from the local workforce.

In advance of any devolution of apprenticeship funding, the Mayor will **work with industry in London to develop and promote high-quality apprenticeships and to maximise the use of levy contributions**. This will involve exploring ways to maximise the impact as well as use of levy contributions in London by helping both large, levy-paying and small, non-levy paying employers to create high quality apprenticeships which offer opportunities to all Londoners. The focus will include: increasing the take up of apprenticeships by diverse groups, including involvement in the Government's Diversity Hub initiative; promoting the value of apprenticeships; and supporting apprenticeships in occupations required by London's economy, particularly at higher levels, where equivalent training does not already exist. The **Mayor will also call on government to provide flexibility on the 10 per cent limit that levy-paying employers can direct from their levy account to non-levy paying employers** to enable more SMEs to provide apprenticeships.

### Workforce Development

Outsource has worked with British Airways' Global Learning Academy and Programme Managers to embed a Customer Service Apprenticeship programme into the business and develop standardisation for the recruitment and induction of apprentices, as well as manager awareness sessions and progression planning. This has delivered significant benefits and efficiencies to provide the organisation with a pipeline of talent, supporting succession planning and delivering a multi-skilled and diverse workforce.

**“Delivering excellent customer service is at the heart of our business. We have invested in the Customer Service Apprenticeship Programme as a way of developing strong service skills, which include a passion for delivering excellence to our customers. The benefits of this scheme are that it enables apprentices to work across our Heathrow ground and air teams and encourages the sharing of knowledge and skills.”**

### British Airways

City Hall will scope and **establish new pilot programmes to promote and facilitate the use of levy funds to improve progression, increase social mobility and raise the productivity of businesses in key sectors**, such as tech and digital. These programmes will test innovative ways of working with industry to use unspent levy funds to promote new quality apprenticeship opportunities, with a focus on utilising the 10 per cent transferable allocation<sup>126</sup>. The Mayor welcomes the work of others in this area, such as the Universities UK pilot, which aims to increase the number of higher level and degree apprenticeships in London through collaboration between higher education institutions and other employers.

<sup>126</sup> Further detail about delivery programmes will be included in the Skills for Londoners Framework.





*Mayor's Good Work Standard*

City Hall will **look to promote increased investment in skills development and effective use of skills by employers as part of the forthcoming Mayor's Good Work Standard and the London Growth Hub<sup>127</sup>** - focusing on progression and workforce development, including apprenticeships. HR guidance tools, masterclasses and signposting will be offered to support small / micro-businesses and the self-employed via the Growth Hub to encourage a focus on skills development as part of their business growth strategies. For larger employers, actions will include identifying and promoting where employers are taking steps to develop the skills of their current and future workforce and making more effective use of skills. Furthermore, larger employers, which have the management capacity and HR capability to identify and address skills development requirements, will be encouraged to support smaller employers through people management advice and help to navigate the skills system to better match skills to their business and growth needs, thereby promoting productivity.

The Mayor will also encourage and **support employers to adopt inclusive employment and workforce development practices through the Good Work Standard**, promoting social mobility through accessing and progressing talent from all backgrounds. This will include family-friendly policies, such as increasing the availability of part-time and flexible working options and offering interest-free loans for childcare deposits, as are available to staff across City Hall. It will also include open recruitment arrangements, such as asking about criminal records later in the recruitment process to encourage fair access to employment opportunities. The Mayor wants employers to benefit from a diverse workforce and ultimately seeks to make London the best place in the world to work.

**“The success of the business requires high levels of staff retention across all business areas. This can only be achieved by having clear supported pathways into the organisation at all levels, including via apprenticeships and graduate programmes. There needs to be planned and accessible careers progression routes for staff to enable them to grow and progress their careers whilst being retained in the business.”**

**London and Quadrant**

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<sup>127</sup> The LEAP business support platform

*London Enterprise Adviser Network*

The Mayor will **extend the London Enterprise Adviser Network**, delivered by Team London, which aims to improve the life chances of young people through supporting schools to engage with employers. Businesses play an important role in helping to shape the future workforce through informing the curriculum and careers offer. Much greater coordination of business engagement is needed with London's schools and further education providers. Strengthening collaboration between businesses through this network will help to unlock relationships with other local and national employers, both large and small, and facilitate an effective careers and business engagement strategy for schools and colleges. The network is currently active in 125 primary and secondary schools, across 19 boroughs (this represents 20 per cent of mainstream secondary schools across these boroughs). The ambition is to support all London boroughs and to be working with up to 80 per cent of state schools and 100 per cent of colleges by 2020.

**Objective 5:**

**Work with employers to ensure the devolved AEB and wider technical and vocational education system delivers for the London economy**

Clearer information on employer demand for skills is needed to help address some of the information and co-ordination failures of the skills system in London. Usable and timely data on technical and, where possible, core skills requirements is needed to shape London's technical and vocational skills offer and inform progression routes. These needs will vary by employer size and sector.

As part of this, the Mayor recognises that particular sectors have a key role to play in London's future economy. The Mayor's draft Economic Development Strategy highlights sectors with significant growth potential, particularly when supported by strategic intervention, where London has a global competitive advantage. They include:

- the **tech and digital sector**, which is helping to drive innovation across the economy and provides platforms for entire new industries, business models and services. Generally, these jobs are concentrated in central London areas, such as Soho and Old Street;
- the **life sciences** sector, which is helping to address major healthcare challenges facing society, with existing and proposed medical and life sciences research districts such as those around the Euston Road, Imperial College London's White City Campus and around Whitechapel, associated with Queen Mary University of London;
- the **low carbon and environmental goods and services** sector, which is supporting the transition to a low carbon economy as outlined in the Mayor's London Environment Strategy;

- the **creative and cultural industries**, which contribute to the quality of life and well-being of Londoners, with concentrations of growth in areas such as Poplar – the starting point of the East London fashion cluster;
- the **advanced urban services** or ‘smart cities’ sector, which is helping London to work more efficiently as a city, and providing Londoners with better access to public services;
- the **financial and business services** sector, which helps to underpin the workings of London’s economy as well as the national and global economy and is concentrated in the City of London and Canary Wharf; and
- **tourism**, which gives London an international profile, attracting people from across the world and showcasing London as a diverse and open city through both traditional central London destinations and more recent offerings along the South Bank and other local destinations.

#### *Addressing London’s skills needs*

The Mayor will **improve information and data on occupational skills needs from employers in London, working with employers, employer representatives and borough sub-regional partnerships**. The ambition is to create an accessible data resource at regional and sub-regional levels that will provide robust regular information on current needs, along with medium-term forecast employer skills data. As part of this, City Hall will explore the potential of creating a Skills Index for London. This will build on existing business surveys, networks and activities, such as London First’s Employment and Skills Commission. It will include technical as well as core employability skills needs by employer size and occupational area, where possible, to help inform current and future planning of skills provision in London and to promote London’s specialisms<sup>128</sup>.

The Mayor will also look to **create an occupational skills board** with business / employer representatives to advise on how to improve and align skills provision, including specialist and higher-level skills provision (considering progression routes to higher education), to meet skills needs in London. This would support London-based industry to deal with workplace change and adapt to the changing demands of the global economy. Some of the likely responsibilities of the board will include:

- advising the Mayor on the use of funding (including Adult Education Budget / European Social Fund) to meet occupational skills requirements;
- reviewing, contextualising and endorsing skills data prior to publication to inform skills provision and learner decisions, including considering changing employer demand due to new technology/automation and Brexit;

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<sup>128</sup> See London Skills and Employment Knowledge Hub, Objective 7.

- reviewing the success of sector or occupation-specific skills projects in meeting identified needs and considering new priority sectors and occupations that would benefit from direct interventions to address skills challenges, such as those listed above;
- defining and promoting the development of core employability skills with providers, including reviewing evidence of what works to develop these much-needed skills through embedded or stand-alone approaches;
- encouraging innovation and transfer of learning in the skills system;
- providing advice to the Mayor on the implementation of the Apprenticeship Levy and standards as well as new 'Technical Levels' in London; and
- helping to identify and promote business benefits arising from skills development and investment.

The board will form part of the Skills for Londoners governance structure. It will link to the Mayor's Business Advisory Board and LEAP and will allow City Hall to engage businesses and employers more directly to help inform London's skills and adult education offer.

#### **Objective 6:**

#### **Increase employer engagement to improve the relevance and quality of training in some of London's key sectors and occupations**

The Mayor has pledged to deliver - and support others to deliver - programmes that promote partnership and collaboration in the digital, construction and creative sectors, to increase industry-relevant training as well as supporting diversity and inclusion objectives. These initiatives aim to address specific, identified skills needs in these industries and will complement and inform provision under the devolved AEB and ESF.

#### *Digital*

London's economy is becoming increasingly digital and requires a workforce with a new set of skills. From 2006-2016, London's digital sector recorded a 90 per cent growth in the number of digital businesses to over 46,000, contributing 240,000 jobs across the city. Employment in London's digital technology sector is predicted to grow by almost a fifth (18.5 per cent) over the next ten years and there is huge demand for digitally-skilled talent that is ready for the workplace<sup>129</sup>.

Increasing the number of women, BAME and other under-represented groups working in digital occupations could significantly address this demand. Currently, only 17 per cent of

<sup>129</sup> Oxford Economics: Digital Technology In London, October 2016 (commissioned by London & Partners)

the digital workforce is made up of women<sup>130</sup>. The Mayor's £7m Digital Talent programme will inspire and prepare more young Londoners to join London's booming digital, tech and creative industries and ensure they have the digital skills needed by all sectors of the economy. It includes a focus on attracting more young women and Londoners from a range of backgrounds to work in the sector. The programme aims to increase the volume and quality of training in digital technology by funding new industry-approved courses for 16 to 24 year olds, ensuring that young people have the skills that employers are looking for. It supports collaboration between training providers, schools, further education colleges, higher education institutions and employers to ensure the curriculum is responsive to labour market needs<sup>131</sup>.

### *Construction*

The Mayor pledged to establish a **construction academy** scheme with the **homebuilding industry** to address the construction skills shortage in the capital and increase London's capacity to build new homes in order to help tackle London's housing crisis. London's total construction output is forecast to rise by an annual average of 1.5 per cent between 2018 and 2022, with housing accounting for 50 per cent of this growth. Public housing construction is set to grow strongly over this period, averaging 3.6 per cent each year, with private housing construction work seeing an average annual growth of 3.0 per cent<sup>132</sup>. At the same time, Brexit poses a particular risk to London's future supply of construction skills, since more than a quarter of the capital's construction workforce comes from the EU<sup>133</sup>, and the proportion employed in residential construction could be almost half<sup>134</sup>.

The Mayor's Construction Academy (MCA) will help to address London's growing need for construction skills by recognising high quality construction skills provision, facilitating better collaboration between industry and skills providers, and delivering major capital investment into construction skills training facilities. The Mayor will recognise high quality construction skills provision in London through a new MCA Quality Mark, which will only be awarded to those providers of construction skills that are able to demonstrate they have a track record of delivering training that meets industry's needs. City Hall also aims to strengthen collaboration and coordination between London's homebuilders and further education providers by establishing a new MCA network made up of local hubs across London and a central team at City Hall. This network will co-ordinate the activities of its members to improve the quality, accessibility and industry relevance of training across the capital.

Finally, the Mayor will make significant new investment in equipment and facilities to help construction skills providers keep pace with changing technology. Training providers with an MCA Quality Mark will be able to bid for this funding to further enhance their status as centres of excellence. Together with skills providers and housebuilders, the MCA will help

<sup>130</sup> Department for Digital, Culture, Media & Sport (2017), op.cit.

<sup>131</sup> For more information see the [Mayor's Digital Talent Programme](#).

<sup>132</sup> CITB, Construction Skills Network Forecasts 2018-2022

<sup>133</sup> GLA, Housing in London 2017

<sup>134</sup> HBF, Home Building Workforce Census. 2017



to make the most of the opportunities that London's construction industry has to offer so that many more Londoners, particularly those from diverse backgrounds, are able to find work and progress in the sector.



*Creative industries*

The Mayor will **work with creative industry leaders to develop skills plans for the creative industries, initially by scoping a London Screen Industries Skills Plan**, exploring how existing and future skills policy and programmes can better support creative skills development in the capital. This may include programmes and projects funded via the devolved AEB, ESF and the Skills for Londoners Capital Fund, as well as aligning with the planned expansion to the London Enterprise Adviser Network and apprenticeships pilot activity.

The creative industries are one of the fastest growing sectors of London's economy<sup>135</sup> and across the UK the number of people working in these industries is growing at almost three times the national average<sup>136</sup>. In London, the creative industries generate £47bn per annum and the creative economy accounts for one in six jobs<sup>137</sup>. These jobs often use skills that can be transferred from other industries, like carpentry, coding or crafts. Many of these jobs are 'future proof' because 87 per cent of creative occupations are at low risk of automation<sup>138</sup>. These creative industries skills plans will relate to specific sub-sectors to meet different occupational needs. They will set out the approach to addressing skills shortages and gaps (including digital skills), widening access routes into the sector, especially for BAME, women and disadvantaged Londoners, and improving information and opportunities for career progression in the creative industries.

The Mayor stands ready to **work with further strategic sectors to help address their skills needs** and promote employer-provider collaboration. Those sectors with acute skills shortages or gaps would be prioritised, such as health and social care, as raised by the London Workforce Board reporting to the London Health Board. This prioritisation would be informed by analysis undertaken by the occupational skills board (Objective 5 above). Additionally, there would be a focus on areas where a coordinated intervention by the Mayor could make a difference.

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<sup>135</sup> Between 2009 and 2016 the GVA of the creative industries in London increased by 38.2 per cent in nominal terms, compared to 30.6 per cent for all industries in London. See: GLA Economics (2017) '[The Creative Industries in London – 2017 update](#)'. Working Paper 89

<sup>136</sup> Department for Digital, Culture, Media & Sport (2015) '[Creative Industries: 2015 Focus on](#)'

<sup>137</sup> GLA Economics

<sup>138</sup> Bakhshi, H., Frey, C.B. and Osborne, M. (2015) '[Creativity vs Robots](#).' London: Nesta'

## **Summary of actions**

### **The Mayor will:**

- 1. Lobby government to devolve the apprenticeship levy to create a Skills Levy for London.**
- 2. Call on government to provide flexibility on the 10 per cent limit that levy-paying employers can direct from their levy account to non-levy paying employers.**
- 3. Work with industry in London to develop and promote high-quality apprenticeships and to maximise the use of levy contributions, including establishing new pilot programmes to improve progression, increase social mobility and raise the productivity of businesses in key sectors.**
- 4. Promote increased investment in skills development and effective use of skills by employers as part of the Mayor's Good Work Standard and the London Growth Hub.**
- 5. Support employers to adopt inclusive employment and workforce development practices through the Good Work Standard.**
- 6. Extend the London Enterprise Adviser Network to increase employer engagement with schools and colleges.**
- 7. Seek to improve information and data on occupational skills needs from employers in London, working with employer representatives and sub-regional partnerships.**
- 8. Look to create an occupational skills board with business/employers to advise on aligning skills provision with industry requirements for London industries.**
- 9. Deliver the Mayor's Digital Talent programme and help to establish a digital skills pipeline.**
- 10. Establish the Mayor's Construction Academy with the housebuilding industry.**
- 11. Work with creative industry leaders to develop skills plans.**
- 12. Work with further strategic sectors in London to improve the relevance and quality of training and meet skills needs.**

## Deliver a strategic city-wide technical skills and adult education offer

### Objective 7:

**Help improve access to information to support learners and employers to make informed decisions and to enable a more strategic approach to commissioning skills provision**

#### *London Skills and Employment Knowledge Hub*

A strategic approach to commissioning and delivery of skills will require access to robust and timely data on the skills employers need now and in the future as well as information on the quality of further education in providing learners with the skills they need to succeed. Better information will allow prospective learners to make more informed decisions about learning and career pathways, to help them to progress towards achieving their ambitions. Similarly, businesses will be able to make informed choices about the quality and availability of skills provision in the capital.

City Hall will work collaboratively with providers to use improved data on employer skills needs to better align provision and commission programmes that will help to create a pipeline of skilled Londoners to make the most of the opportunities in London's growth sectors and industries. The Mayor and sub-regional partnerships will **create a London Skills and Employment Knowledge Hub**, an online platform, which will gather, publish and present relevant data at regional and sub-regional level. The Hub will present employer occupational demand data (current and future), along with wider labour market information and data on skills and employment provision in London.

This will be in an accessible form to help policymakers and providers, and where appropriate, employers and learners to make informed decisions about how skills provision in London relates to the economy and growth sectors, including as part of the all-age careers offer. This would improve and build on existing information and surveys and use data platforms such as the London Data Store and local networks at sub-regional level to better effect. The Hub will include a focus on skills provision and economic demand in each of the new technical pathways and associated occupational standards. This will also build on the work of JP Morgan with the OECD on skills mismatches by country and we welcome the intention of these parties to undertake work on the regional picture in future<sup>139</sup>.

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<sup>139</sup> OECD (2017) 'Getting Skills Right: Good Practice in Adapting to Changing Skill Needs: A Perspective on France, Italy, Spain, South Africa and the United Kingdom', OECD Publishing, Paris.

### *Smart London*

The intention to use data to better understand how skills provision aligns with the Mayor's wider plan for London to become smarter and more digitally enabled. At London Tech Week in June 2017, the Mayor set out an ambition for London to [become the smartest city in the world](#). To help deliver this ambition, the Mayor has appointed a Chief Digital Officer and a Smart London Board<sup>140</sup>. The Smart London Board has identified five priority "missions" to enable London to become a smarter city, with one focused specifically on digital skills and capability<sup>141</sup>.

The Smart London Board and the Mayor's Chief Digital Officer's ambition to make London the world's smartest city includes upskilling the public sector workforce with critical skills including, but not limited to, data analysis, cyber security and digital leadership. To achieve these goals, work will be done to make the most of the opportunities afforded through the Apprenticeship Levy alongside collaboration with Government Digital Service<sup>142</sup> and central government departments and agencies.

In conjunction with the work to build a London Skills and Employment Knowledge Hub, City Hall and the sub-regional partnerships will explore and develop proposals to **create a more collaborative and strategic skills system in London which considers London's specialisms, particularly in key sectors of growth**. This will be undertaken in close partnership with providers in preparation for implementation of the new Technical-Level qualifications to ensure that the reforms to technical education in the capital mean that employers and learners are benefitting from the new system with the skills that London needs. Given the scale of London and the diversity of skills challenges and opportunities across London, London government will engage a broad range of employers to inform provision. Such local leadership will help develop the necessary partnerships to achieve the identified changes and flexibilities needed in the skills system.

### *Skills for Londoners Framework*

The Mayor will set out his **funding priorities, outcomes and delivery arrangements for the devolved AEB and other City Hall-funded skills and employment programmes in London in his Skills for Londoners Framework**. Devolution of the AEB from 2019/20 will provide London with the opportunity to develop a more strategic commissioning approach to skills provision for the first time. Activities will be focused on delivering quality learning and employability skills for post-19 learners, and ensuring that provision aligns with the needs of the economy. Outcomes will be focused on progression and helping Londoners into work (through apprenticeships, further and higher-level learning). In

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<sup>140</sup> The Smart London Board is charged with helping the Mayor shape his vision and strategy for London's smart city agenda and investment in data infrastructure. Composed of leading figures from the tech sector, entrepreneurs and academics, the Board advises on how London can put digital technology and data at the heart of making the capital an even better place to live, work and visit

<sup>141</sup> The other priority work-streams are: city-wide collaboration and innovation, a new deal for city data, world-class connectivity, and openness and responsible tech

<sup>142</sup> Government Digital Service is responsible for helping central Government departments work together to transform government and meet user needs.



recognition of the wider benefits of learning, **a suite of social metrics will be developed to support the delivery of adult skills and employment provision.** The Mayor is also committed to exploring and developing mechanisms to track individual progression from AEB provision to further learning or higher levels of education and training and / or employment.

#### **Objective 8:**

#### **Improve progression pathways into intermediate and higher-level skills**

##### *Awareness of entitlements*

The Mayor will work collaboratively with careers services, Jobcentre Plus, FE providers, HE institutions, employers and other key networks in London to promote participation in learning, support progression and **raise awareness of the benefits and need for regular re-skilling and up-skilling** particularly for older, low-paid and low-skilled Londoners. The Mayor will seek to do this as part of his ambition to create an all-age careers offer for London. As part of this, City Hall will work collaboratively with FE providers and other key stakeholders to **promote access to and raise awareness of entitlements and available sources of financial support for learning. This includes the 19+ Advanced Learner Loans for approved qualifications at Levels 3 to 6 and associated bursary funds as well as maintenance loans as these come on stream,** to support the increase in take up of learning at intermediate and higher-levels.

**“I’ve been looking for something like this [Advanced Learner Loan] because I want to do a course in plumbing. I’ve been looking on forums but everyone on there says they got it paid for because they were on benefits. I didn’t know you could get a loan.”**

**Focus Group participant, male, 25-40, C1C2**

##### *Attainment and progression*

The Mayor will also support London’s schools and help **spread best practice to improve attainment at 16**, so that more young people are equipped with the skills needed to achieve a Level 3 equivalent qualification by age 19. To increase progression into intermediate and higher-level skills, we need to ensure that attainment levels continue to improve at Key Stage 4 and / or at Level 2, particularly among underachieving groups. The Mayor has launched his Schools for Success programme to showcase London schools that are tackling low student achievement. He has also launched 17 ‘Subject Knowledge Hubs’ to bring together teachers, subject and business experts to improve subject knowledge in the profession and support excellent teaching in London schools. In addition to the arts, humanities and STEM subjects, there are hubs that focus on improving

teaching for specific cohorts of pupils, such as those attending alternative provision or looked after children.

To successfully increase the number of Londoners gaining skills at intermediate and higher levels, Londoners and London's businesses also need access to high quality institutions providing industry-relevant skills. The Government has launched a national programme to establish **Institutes of Technology (IoTs) to deliver higher and degree-level apprenticeships and technical skills**, and the Mayor, working with LEAP, will look to support this programme in London. IoTs would comprise strong partnership arrangements between further and higher education institutions. **'Anchor employers'** will be at the heart of their leadership and governance, and closely involved in the design and delivery of the curriculum. The Mayor and LEAP would particularly welcome specialist IoT proposals in technology and digital skills, the life sciences sectors and higher-level construction skills (under the banner of the Mayor's Construction Academy), as well as broader STEM provision. The Mayor and LEAP will support those proposals which demonstrate the strongest partnerships and greatest reach for their provision in London.

The focus on collaboration between employers, further and higher education is an important and welcome policy in the establishment of IoTs. However, this must go further. **The Mayor will help to convene and further strengthen collaboration between schools, FE and HE institutions** to maintain London's position as a highly skilled economy. Stronger collaboration between education providers will ensure that greater strategic links can be forged to promote the opportunities that London has to offer. This could include working together to raise aspirations in learners to go on to do higher-level skills including through degree and higher-level apprenticeships.

#### **Objective 9:**

**Raise the quality of facilities, teaching and leadership in London's further and adult education sector, promote its specialisms and ensure its sustainability**

#### *Provider infrastructure*

The Mayor will **champion high quality further and adult education in London**, by supporting its infrastructure through capital investment and recognising the best quality institutions. This will include accreditation for high quality construction skills providers via the Mayor's Construction Academy and supporting upskilling of the teaching workforce as part of the Mayor's Digital Talent Programme. High quality technical and adult education requires expert teachers, lecturers, and leaders. It also requires industry-standard fit for purpose facilities to ensure learning is relevant to current and future employer and economic needs.

The Mayor and LEAP will **continue to support investment in infrastructure and facilities in further education** through the Skills for Londoners Capital Fund, with greater strategic focus on in-demand skills at regional and sub-regional level. Funding will support high-quality, financially-stable institutions that are underpinned by strong employer links. The Skills for Londoners Capital Fund will allow London's skills provider base to respond to the current and future skills requirements of employers and learners, and improve quality of provision and learner satisfaction, as well as progression and success rates. It will support increased levels of apprenticeship delivery and / or progression to the highest levels of technical and professional study.

The Mayor and sub-regional partnerships will work collaboratively to continue to support further and adult education providers to create a more sustainable and stable provider-base in London that responds to local, sub-regional or regional economic needs under a newly devolved skills system.



**“Whatever their age or stage in life, Londoners should be encouraged, supported and enabled to develop the skills that will contribute to our economy and collective wellbeing. Adult education has an essential role to play in delivering the Skills for Londoners Strategy.”**

### **London’s Institutes for Adult Learning**

The Mayor recognises the importance of adult education in equipping Londoners with the relevant life, education and employment skills needed to support critical ‘life transitions’. London’s Institutes for Adult Learning (IAL)<sup>143</sup> are historic landmarks in the learning landscape of London. Serving 60,000 Londoners a year, the institutes deliver thousands of courses providing flexible study opportunities for all ages and stages of life, helping Londoners to achieve their ambitions. They also deliver a range of specialist provision for adults. For instance, one central London institute is nationally recognised for its work with the deaf and those with acquired hearing loss. As well as developing skills to lip read, learners also gain wider benefits such as regaining their confidence and reconnecting socially.

### **Removing barriers to learning**

**“I’ve recently started a new job, a job that I really don’t believe I would’ve gotten had I not started this course, just because of the increase in my confidence in communication and the various techniques I’ve learned regarding my stammering on my course.**

**The fact that it was in the evening for six days, I thought that was really good. I’m able to come to the courses without missing work or without having to leave work early.”**

**David, completed stammering classes at one of London’s IALs**

To help maintain London’s specialisms in education, and to support continued high-quality teaching and leadership, the Mayor will **promote Continuing Professional Development (CPD)** and succession planning for London’s further education leaders and governing bodies. This will include helping to overcome risks introduced by a changing policy context and economic environment.

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<sup>143</sup> City Lit, Mary Ward Centre, Morley College London, Richmond and Hillcroft Adult and Community College, Worker’s Educational Association and Working Men’s College.



## **Summary of actions**

### **The Mayor will:**

- 1. Create a London Skills and Employment Knowledge Hub, an online platform, which will present employer occupational demand data (current and future), along with wider labour market information and data on skills and employment provision in London.**
- 2. Publish a Skills for Londoners Framework providing more detail on delivery arrangements relating to how City Hall will fund and measure its various skills programmes.**
- 3. Develop a digital skills pipeline and support digital leadership at all levels of public services in line with the ambition to make London the smartest city in the world.**
- 4. Create a more collaborative and strategic skills system in London, which considers London's specialisms, particularly in key growth sectors, in preparation for implementation of the new Technical-Level qualifications.**
- 5. Raise awareness of the benefits and need for regular re-skilling and up-skilling, and promote access to available sources of financial support for learning, such as Advanced Learner Loans, to increase the take up of intermediate and higher-level skills.**
- 6. Help spread best practice across London's schools to improve attainment at 16, so that more young people are equipped with the skills needed to achieve a Level 3 equivalent qualification by age 19.**
- 7. Align with the Government's establishment of Institutes of Technology (IoTs) to deliver higher and degree-level apprenticeships and technical skills**
- 8. Convene and further strengthen collaboration between schools, FE and HE institutions in London.**
- 9. Champion high quality further and adult education in London, by supporting its infrastructure through capital funds, creating a more sustainable and stable provider-base in London and recognising the best quality institutions.**
- 10. Promote Continuing Professional Development (CPD) and teacher / workforce development programmes.**

## Strategy Indicators

The indicators in table 1 will be used to measure the impact of the Mayor's Skills for Londoners Strategy. These headline indicators relate to the priorities and objectives set out in the strategy. There is a downward trend in some of these indicators at a macro-level over the past few years, such as Participation in Learning since 2016<sup>144</sup> and Skills at Level 3 since 2015<sup>145</sup>. Data will therefore be gathered for direct interventions to measure the impact of the SfL Strategy, where possible.

**Table 1: Skills for Londoners Skills and Adult Education Strategy Indicators**

Ref	Headline Indicator
SS1	<b>Participation in learning</b> Percentage of the working age population in London (aged 16+) participating in education and learning: total, broken down by target groups (sex, BAME, disability, social group and age).
SS2	<b>Employer investment in workforce skills</b> Proportion of employers that had arranged or funded any type of training (whether off or on-the-job) for any of their staff in the previous 12 months as a percentage of all employers: total, broken down by occupation, sector and size.
SS3	<b>Coordination of skills provision - skills shortage vacancies</b> Proportion of employers reporting a skills shortage vacancy as a percentage of all employers in London: total, broken down by occupation and sector.
SS4	<b>Coordination of skills provision - Working age population intermediate-level skills</b> Percentage of London working age population with intermediate skills (qualification at Levels 2,3 and 4 as well as Level 3 and above): total, broken down by target groups (sex, BAME, disability, social group and age).

The impact on these indicators will be sought across the overall strategy duration of a decade. Shorter-term, more detailed outputs and outcomes will be measured for projects and programmes directly funded by City Hall budgets. These will be defined and set out in more detail in the Skills for Londoners Framework. They will cover the devolved Adult

<sup>144</sup> Quarterly Labour Force Survey 2016, 2017 – UK Data Archive

<sup>145</sup> Extracted from NOMIS - Annual Population Survey

Education budget (AEB), European Social Fund (ESF) and Skills for Londoners Capital Fund. The Framework indicators, which contribute to the strategy indicators, will be updated a number of times during the strategy timeframe.

As far as possible, performance against the Skills for Londoners Strategy and Framework indicators will be broken down by target groups to ensure that improvement in social mobility within London's harder to reach communities can be monitored.

These Skills for Londoners Strategy indicators contribute to some of the wider indicators that appear in the Mayor's draft Economic Development Strategy, which runs to 2041. The indicators of most relevance are included in table 2 below. These indicators would be influenced by wider economic and social factors as well as policy interventions outlined in the Sfl strategy.

**Table 2: Indicators within the draft Economic Development Strategy to which the Skills for Londoners Strategy contributes**

Ref	Headline Indicator
EDS1	<b>Employment rate</b> Percentage of adults in London of working age (aged 16+) in employment in London vs UK: total, broken-down by target groups; (sex, BAME, disability, social group and age).
EDS2	<b>Productivity performance</b> Total Gross Value Added (GVA) divided by total workforce jobs in London: total, broken down by sector.
EDS3	<b>Wellbeing</b> Percentage of adults in London (aged 16+) with a very high rating for life satisfaction, worthwhile, happiness, and a very low rating for anxiety in their daily lives: total, broken down by target group (sex, BAME, disability, social group and age).

## An Ambitious Future

This strategy sets out the Mayor's immediate ambitions and priorities for skills and education over the coming years. In the longer term, working with the London boroughs, the Mayor aspires to create a single, integrated skills and adult education offer for London to deliver a more strategic, whole-system approach to post-16 skills. While devolution of the Adult Education Budget is an important and welcome first step, London needs the Government to go further. It needs a bespoke devolution deal that is responsive to London's economy, particularly considering London's scale, the potential impact that the UK's departure from the European Union will have on the supply of labour, and other skills challenges. As outlined in this strategy, these challenges include a growing population, increasing need for ESOL, basic, intermediate and higher-levels skills; employment levels consistently below the national average; underachievement in skills among certain groups throughout the education system, such as those from disadvantaged backgrounds; and increasing in-work poverty.

Addressing these challenges requires devolving funding, powers and responsibilities from central government, including 16-18 technical provision, careers services, apprenticeship levy funds and the UK Shared Prosperity Fund – the domestic successor to European Structural and Investment Funds – to London. London government will also be calling on government to further devolve employment support to enable greater join-up and integration with skills. The existing heavily centralised system has offered limited scope to tailor provision to London's needs, and with no current guarantees that any domestic successor to EU funds will be devolved, the UK's exit from the EU could even lead to a re-centralisation of some crucial elements of skills funding.

National control of the skills system, combined with funding reductions by successive governments, has created a skills system that is under-funded, under-utilised, fragmented, and too heavily focused on delivery of qualifications, rather than quality and outcomes. The Skills for Londoners Strategy will go some way to creating a more dynamic, responsive system for the capital. But there are long-term structural issues that directly affect London and other city-regions that need radical overhaul. We cannot make this transformative change alone. It will require greater commitment from government to relinquish its powers to enable local control to direct provision to better meet need. The Mayor is committed to working in partnership with other areas to deliver this change.

The Mayor will also work with London's boroughs and sub-regional partnerships, businesses and employers, skills providers, community and voluntary groups and other local stakeholders to further develop proposals for a devolved employment, skills and adult education offer. The aim is to create a skills and employment offer for London that pulls together all relevant investment to provide a more coherent and simplified system. This will help more Londoners to gain skills that are relevant for work and to progress within their chosen career, while supporting local economic growth by forging stronger links between skills providers and employers. This will be a system where every Londoner is empowered to participate and progress in an increasingly digital society, to learn and succeed in work, thereby helping to reduce inequality and disadvantage. This will be a city for all Londoners.



# Annex 1

## Key bodies that contributed to the development of the strategy

### The Mayor's Skills for Londoners Taskforce

Jules Pipe (Chair)	Deputy Mayor, Planning, Regeneration and Skills
Ian Ashman	Former President of the Association of Colleges (AoC)
Stephen Evans	Chief Executive of the Learning and Work Institute
Marilyn Hawkins	Associate FE Commissioner
Hang Ho	Head of Europe, Middle East and Africa, JP Morgan Chase
Lubna Hussain Kazmi	Advisor on the Prevent programme for the DfE
Anthony Impey	CEO of Optimity
Peter John OBE	London Councils Executive Lead for Business, Skills and Brexit
Seetha Kumar	CEO of Creative Skillset
Asi Panditharatna	Self-employed consultant and former Director of Apprenticeships and Employability at Catch22

### LEAP

Co-Deputy Chairs:	
Rajesh Agrawal	Deputy Mayor, Business
Angus Knowles-Cutler	Vice Chairman of Deloitte
Cllr Claire Kober OBE	Chair of London Councils
Natalie Campbell	Social entrepreneur and Founder of A Very Good Company
Dr Celia Caulcott	Vice-Provost (Enterprise) at UCL
Professor Greg Clark CBE	Economic strategy expert specialising in global cities
Alexandra Depledge MBE	Entrepreneur in residence at Index Ventures.
Megan Dobney	Regional Secretary for South East Region TUC
Cllr Peter John OBE	Leader of Southwark Council
John Newbigin OBE	Co-founder and Chair of Creative England.
Cllr Teresa O'Neill OBE	Vice-Chair of London Councils and Leader of LB Bexley
Colette O'Shea	Managing Director for Land Securities London Officer
Simon Pitkeathley	LEAP Champion for Small Business
Sir Robin Wales	Mayor of Newham

**Skills Strategy Task and Finish Group**

Seetha Kumar (Chair)	Creative Skillset
Yolande Burgess	London Councils
Elizabeth Crowley	CIPD
Joe Dromey	IPPR
Dan Gascoyne	West London Alliance
Dr Andrew Gower	Morley College London
Marilyn Hawkins	DfE / Skills for Londoners Taskforce Member
Mark Hilton	London First
Garry Hunnisett	London Work Based Learning Alliance
Ewart Keep	Oxford University
Angus Knowles-Cutler	Deloitte /LEAP Board Member
Shakira Martin	National Union of Students
Dianna Neal	London Councils
Ian Nichol	Local London
Dr Sue Pember OBE	HOLEX
Daniel Sandford Smith	Gatsby Charitable Foundation
Sarah Sturrock	South London Partnership
Diarmid Swainson	Central London Forward
Sue Terpilowski OBE	Federation of Small Businesses
Mary Vine-Morris	Association of Colleges
Andy Wilson	Capital City Colleges Group

**Sub-Regional Skills Leads**

Cllr Steve Curran	Leader of London Borough of Hounslow
Cllr Ruth Dombey	Leader of Sutton Council
Cllr Peter John OBE	Leader of Southwark Council
Cllr Darren Rodwell	Leader of Barking and Dagenham Council
Tim Shields	Chief Executive at London Borough of Hackney

**The Mayor's Business Advisory Board**

Sadiq Khan (Chair)	Mayor of London
Omid Ashtari	General Manager, Citymapper
Inga Beale DBE	CEO, Lloyd's of London
Constantin Cotzias	Director, Bloomberg Europe
Kym Denn	CEO hVIVO
Lloyd Dorfman CBE	Founder and President, Travelex Group
Jayne-Anne Gadhia CBE	CEO, Virgin Money
Vivian Hunt	Managing Partner, McKinsey and Company
Shalini Khemka	Founder, CEO and Board Director, E2E
Paul May	CEO of Patisserie Holdings
Nicola Mendelsohn CBE	Vice President EMEA, Facebook
Kathryn Parsons MBE	Co-Founder and CEO DeCoded
Nikhil Rathi	CEO, London Stock Exchange PLC
William Sargent	Co-founder, Framestore
Laura Tenison MBE	Founder/Managing Director, Jojo Maman Bébé
Sarah Wood	Co-founder and CEO, Unruly
Debbie Woskow OBE	Founder and CEO, Love Home Swap

**Stakeholder Respondents**

AELP	LONDON HOLEX
Association of Colleges	London Learning Consortium
Barnet and Southgate College	London South Bank University
BWTUC	Mayor's Business Advisory Board
Camden STEAM	Middlesex University
Camden Town Unlimited	Morley College London
Capital City College Group	NATECLA London
Central London Forward	Natural History Museum
CITB	New City College
City Year	Newham College of Further Education
Collab Group: London Capital Colleges	Orchard Hill College Academy Trust
Community Links	Partnership for Young London
Cross River Partnership	Prospects
DWP	QED
FSB	Redbridge Institute of Adult Education
Greener Jobs Alliance	Redrow Homes Ltd
Hackney Council	Refugee Action
Hackney Learning Trust	Remploy Limited
Hammersmith and Fulham Adult Learning and Skills	Richmond and Hillcroft Adult and Community College
Harrow Council	Royal Borough of Greenwich
HCUC Colleges Group	Self-employed teacher
Heart of London Business Alliance	South London Partnership
Heathrow Airport	South Thames Colleges Group
Ideas Foundation	Step Up To Serve
London's Institutes for Adult Learning	Sutton College
Kingston Adult Education	The London Borough of Hillingdon Adult and Community Learning
LB Southwark	The Open University
Lewisham Council adult education service	The Prince's Trust
Linking London	TUC
Local London	Twin Employment and Training
London and Quadrant	UCL
London Assembly Economy Committee	West London Alliance
London Assembly Labour Group	Westminster Adult Education Service
London Borough of Barking and Dagenham	Women on The Tools
London Borough of Croydon	Workers' Educational Association
London Borough of Havering	Working Men's College
London Borough of Tower Hamlets	Young Women's Trust
London Chamber of Commerce	
London Councils	

## Annex 2

### Map of London Sub-regions



#### London's Sub-regional Partnerships

- Boroughs
- West London Alliance
- South London Partnership
- Local London
- Central London Forward

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**Public Liaison Unit**

Greater London Authority  
City Hall  
The Queen's Walk  
More London  
London SE1 2AA

Telephone **020 7983 4000**

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