

Skills and Employment in London:

Proposals for the London Skills &
Employment Board's Strategy

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Mayor's Foreword

London has established itself as one of the world's most exciting, dynamic and diverse cities. Its thriving economy sets it apart from other UK regions. It is the most attractive business location in Europe. Its population and its job market are growing at an unprecedented rate with significant new employment opportunities linked to major developments including Crossrail and the 2012 Olympic and Paralympic Games.

Yet we face the paradox that, while London employees are on average 20% more productive than the rest of the UK, Londoners experience some of the highest levels of economic inactivity in the country. We have a worklessness level of 30% and this figure disguises stark inequalities in the labour market where only 58% of Londoners of Black, Asian and Minority Ethnic origin are in employment; 62% of women and 45% of disabled people.

This is why it was so important that the Government asked me to form an employer-led Board to set out a pan-London strategic approach to the skills and employment challenges facing us to achieve our vision of ensuring that all our citizens share in London's success.

The London Skills & Employment Board met for the first time in December 2006 and I have been impressed by the strong determination with which it has gone about: identifying employers' views on the skills needs of the London economy; understanding the workings of the labour market; exploring how to improve the skills of Londoners; addressing the blight of unemployment and ensuring that our policies are underpinned by a commitment to social justice and inclusion.

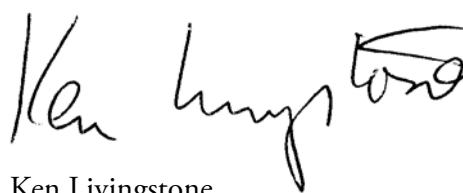
We have already published *The London Story* which sets out the background information on the London economy providing an essential evidence base for the work of the Board.

Now the Board is publishing its proposals for a Strategy for skills and employment in London for public consultation and is seeking your engagement in the debate.

The document outlines the strategic framework required to meet the skills challenges in London. It sets out ambitions for ensuring that London employers can recruit Londoners with the right skills for the job. It puts forward proposals so that, whether they are in work or not, Londoners have the right support to acquire new skills and succeed in the workforce.

These are not abstract issues. Once the final Strategy is published it will directly shape the way the Learning and Skills Council allocates its post-19 resources in London and guide the spending of other public sector agencies such as Jobcentre Plus and the London Development Agency. It will also engage employers and influence the decisions they make on training and on skills development.

This is an important debate on how we can make best use of all our resources to draw on the talents of all Londoners. I invite you to submit your views and ideas. Chapter 8 sets out how you can do this. The Board is intending to respond swiftly to your comments and we will be publishing the final Strategy in early 2008.



Ken Livingstone

Mayor of London
Chair, London Skills & Employment Board

Executive Summary

The London Context

London is a highly successful economy – and is likely to remain so. But not everyone who lives in the city is benefiting.

London has an employment rate of just under 70% that has lagged behind the national average of 75%. Accordingly, high levels of worklessness serve to perpetuate inequality of outcomes in the capital. In inner London, which has a population similar to the north-east of England, around 50% of children grow up in relative poverty.

A key contributor to these outcomes is the fact that many Londoners¹ don't have the skills to compete in London's vibrant labour market. Fewer than 50% of Londoners have the numeracy skills expected of an 11 year-old, and over 600,000 adult Londoners have no qualifications at all. Without a clear plan of action it is unlikely that the situation will improve. We also know that already over 40% of jobs require degree level qualifications and this figure is expected to increase to around 50% by 2020. So there is a danger that Londoners will find it increasingly difficult to participate in the labour market.

Furthermore, there is relentless competition for staff, skills and expertise in the London labour market, coming increasingly from other international cities vying with London for world-class status. This means standing still is not an option and more investment is needed in workforce development to maintain, let alone enhance our comparative advantage globally and ensure individual employers remain competitive.

The Board's ambition

The Board intends to tackle these challenges head on. There are huge opportunities in London and maintaining the capital's global status can only be strengthened by increasing the opportunities for Londoners to improve their skills and be better

equipped to compete successfully in the labour market.

We have a golden opportunity now to make a difference. To realise this, we believe there needs to be strong alignment amongst all the key stakeholders (employers, government at all levels and public sector agencies) to address the substantial skills and employment issues London faces.

The Board's ambition is to sustain and enhance London's successful and globally competitive labour market so that it meets current and future needs of employers and London's residents. The Board is proposing to set itself some challenging targets: to increase London's employment rate to 72% by 2013² and closing the gap for those that have low rates of participation; reduce the proportion of Londoners with no qualifications to 11% by 2013 and increase participation in training of those in work to 15% over the same period. The Board also wants to develop some measures around productivity to be able to demonstrate the impact of its proposals on employers – particularly for those that engage with this agenda.

The Board's call for action

The Board is not interested in promoting incremental change; this draft Strategy identifies five challenges for action which, taken together, form a co-ordinated approach to helping get individuals into work, and to progress in employment.

They are:

Challenge 1: A fundamental change to the employment and skills support available for Londoners making it easier for individuals to access the help they need to move into work, and to help existing employees progress and/or develop new skills (chapter 3).

This will require:

- a powerful campaign to encourage all Londoners to value and develop the skills they need for future success;
- an effective careers and advice service tailored to the distinctive features of the London labour market;
- personalised pre-employment support focused on priority groups to build their employability skills; and
- effective arrangements to enable adults – in work and out of work – to improve their skills.

Challenge 2 : An ambitious new Employer Programme for London employers (private and public) that is business focused and demonstrates the clear business benefits of workforce development, of recruiting locally, and helping out-of-work Londoners back into work (chapter 4).

This will require:

- a very much more simplified and integrated service from the public sector to meet employers' recruitment and skills development needs including a new top notch brokerage system for the largest 1,200 employers and support for small and medium sized employers;
- encouraging more employers to see the value of action on recruitment and skills to support the aims of this draft Strategy and sign up to this new Employer Programme;
- employers leading the way in developing their workforces at all levels from basic skills through to higher levels, working closely with their Sector Skills Council to ensure qualifications meet employers' needs; and
- working with London universities, colleges and other providers to develop the skills of local people with curricula that prepare people more adequately for today's and future employment needs.

Challenge 3: A new level of responsiveness from London's learning and skills providers to ensure that skills provision is focused on meeting genuine needs (chapter 5).

This will require:

- better links between pre and post-16 education systems in London;
- continuing to ensure the further education sector is focused on employability and progression with closer links between further and higher education and employers so that curricula and skills provision in London meets London's future needs; and
- opening up the market for publicly-funded provision to increase innovation and enable the private, public and voluntary sectors do what they are best at.

Challenge 4: An integrated skills and employment infrastructure (chapter 6).

This will require:

- radically new approaches from the funding and delivery agencies so employment and skills services are seamless for employers and individuals;
- the agencies and authorities (including local authorities) clarifying their roles and responsibilities, joint investment planning, and shared targets, in order to take people from welfare into work and then help them progress or develop new skills; and
- shared data and labour market intelligence to inform this including the establishment of a London skills observatory.

Challenge 5: Public funding for skills and employment in London aligned to the challenges and priorities identified in the draft Strategy (chapter 7).

This will require:

- ensuring that London is given a fair and appropriate share of the public investment cake;
- targets and incentives set by Government that support the delivery of the Strategy; and
- public funding which has the necessary flexibilities to meet London's specific challenges.

QUESTION:

Are these the right challenges for action by the Board?

If not, what key things are the most important for action by the Board to improve the employment and skills of Londoners?

Next steps and consultation

This draft Strategy is being issued for public consultation with employers, Londoners and partners. We want to make sure we get views on our proposals from as broad a range of people as possible. Chapter 8 sets out how you can tell us what you think. The Board plans to publish the final Strategy in early 2008.

Notes

¹ *By Londoners we mean people who are residents in Greater London.*

² *The employment rate is affected by a large number of UK macro-economic variables which are outside London's control. This proposed target is on the basis of current national trends.*

01 Introduction

Purpose and status of the Strategy

This draft Strategy is being issued by the London Skills & Employment Board for public consultation.

Following the consultation, a final Strategy will be published that will set the priorities and framework to co-ordinate partner agencies, delivery organisations (public and private), employers and Londoners, around the actions we need to take to address the specific skills and employment challenges facing London.

The draft Strategy is about grasping the huge opportunities that London has within its reach, and preparing London to develop its position as a leading world city.

Arriving at this point has not been a straightforward process for the Board. The skills and employment landscape in London is complex, crowded and difficult to find your way around. So the Board has been cautious about 'change for change sake' and is well aware of the difficulties of introducing system-wide reforms. The Board has been careful to look at all the evidence and to add to it with some of its own research to ensure that the Strategy is anchored in a strong and credible evidence base.

Based on that evidence, this document describes an ambition and a set of priorities which will set the high level policy and delivery framework needed to respond to London's skills and employment challenges.

The Board is not interested in promoting gradual change. London needs to be ready to react to the dynamic nature of global competition. This draft Strategy signals some of the major reforms and shifts required to meet those demands now and into the future. Even some of the relatively

straightforward proposals to speed up cross-agency working will require fundamental reform of current structures, funding and governance arrangements. And some of these reforms will sit uncomfortably with national policies that are insufficiently sensitive to the needs and challenges that face London and its economy.

How the Board developed the draft Strategy

The Board's draft Strategy has been developed by assessing a broad evidence base on skills and employment in London. Work specifically commissioned included:

- a comprehensive economic analysis of London's labour market;
- an analysis of employer views on skills and employment issues in London based on a survey of 2,000 London-based employers;
- an analysis of the impact of globalisation on the demand for skills in the London economy;
- a summary of 'what works' in the field of improving the skills of the low skilled, based on a review of the academic literature; and
- a distillation of lessons learned from selected skills and employment projects and programmes in London, UK and overseas.

In addition, the draft Strategy has drawn extensively on research and policy documents produced amongst others by Government departments such as HM Treasury, the Department for Innovation, Universities and Skills and the Department for Work and Pensions as well as material produced and commissioned by bodies such as the Confederation of British Industry, London First, the Learning and Skills Council, Jobcentre Plus, the London Development Agency, the Sector Skills Development Agency and Skills for Business Network, London Councils, and many others.

The main elements of the evidence base are set out in a companion document that the Board has published called *The London Story*³.

We have also involved key stakeholders in challenging the proposals set out in this document.

The publication of this consultation document represents a critical phase in the Strategy's development and the responses and feedback received through the consultation process will be key to the formulation of the final Strategy which will be published in early 2008.

Why the Board was created

The London Skills & Employment Board was created to provide a voice for London's specific needs, and to increase flexibility over funding in London, while still working within national targets and the national Skills Strategy.

The Board's primary statutory responsibility is for the strategic direction of the Learning and Skills Council's adult skills budget in London (approximately £560 million per annum). The Learning and Skills Council is required to carry out its functions in accordance with the Strategy. Appendix 1 sets out the Board's current membership.

The status of the Board

The Board was established by the Secretary of State for what was then the Department for Education and Skills. Sponsorship is now with the Department for Innovation, Universities and Skills. The Board was given a statutory basis by the Further Education and Training Act 2007.

The broader London context for the Strategy

The Mayor's vision for London sets an important context for the work of the Board. The Mayor's vision is to develop London as an exemplary sustainable city based on three balanced and

interlocking elements:

- strong and diverse economic growth;
- social inclusivity to allow all Londoners to share in London's future success; and
- fundamental improvements in environmental management and use of resources.

These three elements have driven the development of this draft Strategy. The draft Strategy has also been informed by other strategies of the Mayor and independent reports commissioned on his behalf.

These include the Mayor's Economic Development Strategy, prepared by the London Development Agency⁴. The London Development Agency is a key delivery partner of the Board, which supports and enables London's sustainable economic growth and development.

Tackling child poverty is an important and related priority for the Mayor. London has the highest rate of child poverty in the UK. Four out of ten children in London live in income poverty, and in inner London (which has a population similar to the north-east of England) every other child is likely to be living in poverty. Measures to reduce child poverty have not had the impact here that they have had elsewhere in the UK. Child poverty in the wealthiest region in the UK is totally unacceptable, but not inevitable as capital cities such as Copenhagen and Oslo have shown. The London Child Poverty Commission was set up by the Greater London Authority and London Councils in February 2006 to address the challenge in the capital. Its interim report issued in September 2007⁵ looks at options for tackling child poverty in London and identifies that the main measures needed relate to income and employment barriers.

The Board has also considered the recent Refugee Integration Strategy⁶. London is the city of sanctuary for significant numbers of refugees, and many are at the far end of social disadvantage. London needs to unlock the economic potential of all refugees, and through this draft Strategy the Board identifies the skills and employment levers needed to make that happen.

There is also a range of other Mayoral strategies that have implications for this draft Strategy. Some have been taken into account in this document, for others it will be important to ensure that the Strategy influences their development where they have direct implications for skills and employment in London.

The national policy context

This draft Strategy is informed by a wider national drive to tackle long standing failings in the country's skills and employment systems.

The Government has set out its ambitions for skills in its Skills Strategy⁷, and followed this up with a further White Paper *'Skills: Getting on in business, getting on at work'*⁸ in 2005. These White Papers introduced major changes to the framework and public funding arrangements for skills. They give employers a stronger voice, ensure they have the right skills, and help individuals to gain the skills they need to be employable and personally fulfilled.

In parallel, the Government introduced a range of welfare reforms designed to deliver full employment in a generation. The Government's aspiration is to raise the employment rate to 80%, and close the employment gaps between different groups and in different parts of the country. Its reforms included employment programmes such as the New Deals, and improved incentives to move into work.

To inform its longer term strategy for skills and employment the Government commissioned a range of independent reviews including Lord Leitch's Review of Skills⁹, David Freud's report on Welfare to Work¹⁰, and Lisa Harker's report on Child Poverty¹¹. All three reviews contain recommendations which are highly relevant to the work of the London Skills & Employment Board. Indeed a common theme in all three was the need to integrate skills and employment so that they are responsive to the needs of employers, and help those at a disadvantage to enter the world of work and progress on to better jobs.

The Government responded to proposals in these reviews in two major strategic documents published in July 2007. The Department for Innovation, Universities and Skills issued its plan for implementing the Leitch review in England¹². The plan sets out the actions the Government will take to raise the nation's skills base, build productivity, increase social inclusion and improve economic competitiveness. It confirmed the crucial role of the London Skills & Employment Board in championing skills in London and setting the strategy for tackling the capital's adult skills challenges.

Alongside this, the Department for Work and Pensions published a Welfare Reform Green Paper responding to the Harker and Freud reviews. This paper forms a consultation on major changes to the welfare to work system. It recognises the need for significant progress in London in order to meet the national 80% employment rate aspiration and child poverty targets. To do this, it argues for more personalised and flexible welfare support, integrated with the provision of better skills. It provides strong support for devolved and locally empowered approaches especially around the City Strategy Pilots.

The Board is well placed to provide a strategic overview of funding for welfare to work as well as adult skills. When its powers are enacted, the Board will have a statutory remit to set the framework for the spending of the London Learning and Skills Council's adult skills budget. Bringing London's Department for Work and Pensions's welfare to work budget for London within the Board's statutory remit on similar terms would provide further leverage to achieving our integration ambitions. The Board will discuss this further with the Government.

The outcome of the Government's Comprehensive Spending Review and its implications for the public services funded by the Learning and Skills Council, Jobcentre Plus, the London Development Agency and the Higher Education Funding Agency for England, will play a significant role in the ability of partners to deliver the reforms set out in this draft Strategy. The Board will continue to monitor and comment on the settlement for London to ensure the needs of Londoners are adequately addressed.

The Board expects the Learning and Skills Council, Jobcentre Plus and the London Development Agency each to prepare an implementation plan setting out how they will ensure the proposals in the Strategy are delivered. These plans must be produced in time to influence their next business planning cycle, but should also include immediate actions in response to the Strategy proposals. The Board recognises that some changes have major expenditure or resource allocation implications and may not be deliverable until 2009/2010.

Notes

- ³ *London Skills & Employment Board and GLA Economics (October 2007)*. Globalisation, Skills and Employment: The London Story.
- ⁴ *London Development Agency (January 2005)*. Sustaining Success: Developing London's Economy.
- ⁵ *London Child Poverty Commission (September 2007)*. Interim Report.
- ⁶ *Greater London Authority (July 2007)*. London Enriched: The Mayor's Draft Strategy for Refugee Integration in London.
- ⁷ *Department for Education and Skills (July 2003)*. 21st Century Skills: realising our potential.
- ⁸ *Department for Education and Skills (March 2005)* Skills: Getting on in business, getting on at work.
- ⁹ *Lord Leitch*. Prosperity for all in the global economy – world class skills, HM Treasury (December 2006).
- ¹⁰ *Freud, D*. Reducing Dependency, increasing opportunity: options for the future of welfare to work. *An independent report to the Department for Work and Pensions (March 2007)*.
- ¹¹ *Harker, L*. Delivering on Child poverty: what would it take? *A report to the Department for Work and Pensions (November 2006)*.
- ¹² *Department for Innovation, Universities and Skills (July 2007)*. World Class Skills: implementing the Leitch Review of Skills in England.

02 The Board's ambition

London is a great place, full of opportunities for the people who live and work here. But it will be even greater when all Londoners can make use of these opportunities to build successful careers. Continuing to strengthen the city's global competitiveness is vital to creating a prosperous future. How we set about doing that must address the fact that some Londoners are being left behind.

This draft Strategy sets out our ambitions for London and how the Board will use its influence to help everyone in London share in the city's success.

The current London context

As we set out in *The London Story* there is a complex interplay of factors affecting skills and employment in London. For example:

London is a highly successful economy and likely to remain so.

- It is one of the world's leading centres for international business services and the clear world leader in financial services.
- Factors behind its success include the availability of qualified staff, access to markets and transport infrastructure.
- London has competed successfully in the global economy over the past 15 years and, provided it remains a place where businesses wish to locate, it can be expected to remain successful.

Global trends have resulted in a job market where the greatest growth is at higher skill levels.

- London has an increasingly highly skilled workforce. Already 43% of jobs require qualifications at level 4 or above.
- By 2020, this will increase to around 50%, when the UK average will be around 42%.
- The demand for low skilled service jobs is expected to remain stable, but there will be a reduction in the number of jobs in the middle.

Many London businesses do not currently face major skills gaps, because of inward migration and commuting. But others do face shortages in key occupations.

- London benefits from the well-qualified people it attracts from within the UK and from abroad.
- Overall, London has fewer skills gaps than elsewhere in the UK because of this international and domestic migration, and because of commuting.
- However, this position does not apply across the whole of London. Many sectors do face skills shortages. For example, the hotel and catering industry has an acute shortage of chefs in London. The Skills for Business Network has also identified a number of cross-sector shortages including management and leadership skills ranging from basic supervisory skills to high level technical and strategic skills.
- Skills are crucial to retaining London's global competitive advantage.

London's challenge is to equip more local people to compete successfully for jobs alongside workers from across the UK and around the world, and to encourage more employers to invest in developing their workforces.

- London's young people need better qualifications and better skills to compete successfully.
- Achieving a good education first time round at school is important because beyond the age of 19 few adults progress through formal learning to any significant degree.
- Most local employers say that, above all else, they need potential recruits to have better attainment from school.
- People skills are, and will remain, important in most aspects of economic activity.

- Employers have a key role to play in encouraging and investing in learning but many are confused by what is available from the public sector.
- Employers in London are likely to have fewer incentives to train local recruits than employers elsewhere because of the availability of good quality recruits at all levels.
- Public funding for training should be targeted at the needs of the most disadvantaged including the workless, those with no qualifications, those at risk of redundancy, lone parents, etc.
- There needs to be increased provision of low cost credit to enable individuals to access training for which full fee remission or other funds are not available.

Worklessness is a bigger problem in London than in the rest of the UK as a result of competition.

- Worklessness is a major problem in London with 30% of working age residents not in employment – more than elsewhere in the UK (though the London population includes a higher proportion of students).
- A key consequence of worklessness is its impact on child poverty and the educational and future work prospects of these young people.
- Lack of skills can be a barrier to work, with high rates of worklessness evident amongst those with no qualifications. The threshold for increased employability is level 1 qualifications; though progression to higher skills is important for sustainable employment and advancement.

Public provision of skills and employment services needs to be better integrated and targeted.

- Public sector provision of employment services are not sufficiently integrated either with each other or with other public services such as health and housing. Services aimed at increasing business productivity (including skills, innovation and other business support) also need to be better integrated.
- The targets for delivery agencies set by central government should encourage and support integrated delivery.
- Employers and other users find the public sector provision of skills and employment services in London cluttered and confusing.

The Board's ambition

The Board wants to sustain and enhance London's successful and globally competitive labour market so that it meets the current and future needs of both employers and Londoners.

It aims to do this by:

- equipping Londoners not in work with the skills they will need to get into long-term, fulfilling employment;
- supporting Londoners already in work to acquire new skills and capabilities so that they can succeed in the workforce; and
- supporting London employers to be increasingly competitive by being able to recruit local people with the right skills and by developing the skills of their existing workforce.

These goals are interrelated and must be underpinned by an effective partnership between employers, further and higher education, and other training providers. They will in turn contribute to:

- supporting and promoting a thriving London economy;
- encouraging social and economic inclusion and cohesion; and
- ensuring that London is able to attract, retain and train the highest quality talent.

How will we know when we've succeeded?

The Board plans to agree a small number of outcome focused and challenging targets to measure the effectiveness of the Strategy over its lifetime. We will monitor progress on these targets where possible through our annual plan. Over the consultation period we will carry out further modelling work on these targets and measures and discuss them with key stakeholders to establish whether they are 'fit for purpose' and achievable given the complex nature of the London labour market.

We propose that these targets should cover employment targets; skills targets and qualitative indicators.

Employment targets

We plan to set a target for improving the overall employment rate (the proportion of Londoners of working age who are economically active) in London, together with a range of subsidiary measures covering key disadvantaged groups and communities.

The employment rate is affected by a large number of UK macro-economic variables which are outside London's control. However, on the basis of continuation of national trends the overall target should be an increase in London's employment rate to 72% by 2013 and to 75% by 2021. This is challenging because of the complex nature of London's working age population with its high proportion of students. It would, however, enable the Board to monitor progress in reducing the number of people in London who are unable to secure employment and London's contribution to achieving the national employment rate aspiration of 80%.

It will be critical that most of the employment gain at the overall level comes from improvements within groups and communities that face the greatest barriers to accessing work. We would therefore want to see the employment rates of key disadvantaged groups in London increase by more than the overall increase in the employment rate in London, over the economic cycle. This includes those of Black, Asian and Minority Ethnic (BAME) origin (who have a current overall employment rate of 58%), women (currently at 62%) and disabled people (currently at 45%). We also want to see significant increases within communities in London where there are very high levels of social deprivation and disadvantage. We will explore further how we can track progress for these groups and communities. Data limitations restrict the extent to which targets for each priority group can be robustly measured on an annual basis. We will therefore explore what survey evidence we can collect to give us information on the changes in the labour market status of particular groups over longer time periods. We would welcome views on this.

Skills targets

We plan to set a small number of skills targets which will give us good proxy measures for progress in improving the skills needed to secure a job, and those skills and opportunities that enable people to progress in work and/or improve their life chances (ie through linear job moves).

We propose three targets in this area:

- **Reduce the proportion of Londoners with no qualifications to 11% by 2013, focusing particularly on improving functional literacy and numeracy.** We have chosen this target because the evidence we have gathered in *The London Story* tells us that people with no qualifications perform particularly poorly in London's labour market. The current (2007) proportion of London's population with no qualifications is 13.3% so this target is stretching.
- **Increase the proportion of the employed workforce engaged in training to 15% by 2013.** Data from the Labour Force Survey suggests that job related training has reduced slightly over the past 6 years or so. The proportion of the employed workforce that has engaged in training in the past 4 weeks has reduced from around 16% in the early 2000s to 14% now.
- **A target to cover progression to higher skills.** We want to develop such a target and will consider options for this during the consultation period. We would welcome ideas and suggestions.

Qualitative indicators

In addition, it will be important to develop qualitative measures of progress against our ambition and goals. We think these should cover employers' attitudes and behaviour in relation to recruitment, engagement in helping out of work Londoners back to work, workforce development, and satisfaction levels with the outputs of the education system. In doing this we would look to identify through surveys the extent to which these activities had impacted on productivity.

In parallel we want to use survey evidence to track changes to the attitudes and outcomes of individual Londoners in relation to skills and employment. This should cover access to opportunities to progress in work for those who want to, and also advancement in their employment choices through other job or career paths (recognising that with the flexibility that exists in today's labour market, not all people want to follow a linear career route).

It is important that these targets and measures are underpinned by strong and effective accountability. We want to ensure that those responsible for delivering these outcomes use resources efficiently and effectively to meet the needs of individuals and employers.

QUESTION:

Do you agree with the Board's ambition?

Are these the right supporting targets?

If not, what alternative targets would you suggest?

03

Supporting London's people

Despite London's success as a world city it continues to suffer unacceptably high levels of deprivation and social exclusion. While the Board accepts that this is a common feature of other major cities, this draft Strategy must address those inequalities in outcomes and raise London's employment rate – or it will have failed.

Furthermore, growth in London's labour market will increasingly be at the high-skilled end. For that reason, we need to equip Londoners with the confidence and skills to progress and advance in work. A key measure of London's success is its capacity to unlock opportunities for Londoners.

This chapter sets out the Board's priorities for supporting London's people to achieve their potential through the creation of a range of employment and skills services which create seamless links between welfare and work and help people to develop the skills that they and London employers need.

Why action is needed

The main skills and employment challenges for London's people are:

- London's highly competitive labour market where residents are competing with those attracted to London from the rest of the UK and abroad. Competition also takes the form of day commuters, predominantly from the south-east;
- a rapidly changing labour market where increasingly higher skilled work is replacing low skilled jobs;
- exclusion from, or significant barriers to, joining the labour market because of disadvantages such as poor English, a lack of other basic skills, the benefits system and discrimination;
- better access and motivation for individuals to invest in their own skills; and
- poor opportunities to progress when in work due to skills and employment systems that fail to give people adequate help to continue to build up their skills and take them out of poverty.

London has an employment rate (the proportion of Londoners of working age who are economically active) that has lagged persistently behind the national rate over the past 15 years. It currently stands at just under 70%, almost 5 percentage points below the national rate and this gap is growing. To raise it simply to the UK average would require an additional 270,000 residents to be in employment. London's employment rate is also well below the Government's employment rate aspiration of 80%.

In addition, London's overall employment rate hides significant differences for different groups and different parts of the city. A detailed Equalities Impact Assessment¹³ has been carried out to support the development of this draft Strategy, particularly to identify the risks and opportunities in relation to groups that experience disadvantage and exclusion in employment and skills in some or all of the following dimensions:

- Race
- Gender
- Disability
- Sexual orientation
- Religion or belief
- Age

We know for example that London is the most ethnically diverse city in Europe – around 29% of residents are from black, asian and minority ethnic communities, yet employment rates for many ethnic groups are significantly lower than the average. A recent London South Bank University research report on *Barriers to Employment*¹⁴ commissioned by the London Borough of Lambeth found that many of the participants in the study felt let down and disillusioned by the lack of coordinated leadership at a strategic level to meet their specific employment needs.

Lone parents in inner London and outer London, the majority of whom are women, have very low employment rates compared to lone parents in the rest of the UK (41%, 46% and 59% respectively). This is the key reason for London's poor performance in addressing child poverty compared to the rest of the country. At least 40% of children grow up in relative poverty across the capital – 50% in inner London. While relative child poverty has fallen in other parts of the UK it has remained stubbornly high in London. Any progress in meeting national child poverty or employment objectives will need significant improvements in London.

For many people from these disadvantaged groups or communities, the barriers they face are immense, and go well beyond skills and employment. The concentrations of people with multiple barriers are much more severe in London than elsewhere in the country. This demands an across-the-board and personalised approach to helping individuals in London.

However it is important to recognise that not all of London's out of work people are seeking work. Many people choose to take time out of work for a variety of reasons including family responsibilities, full-time education and early retirement. Students in London form a higher proportion of people not in work than anywhere else in the country.

We also know from the evidence that adults in London with low level qualifications are much less likely than adults with higher qualifications to progress in employment or upgrade their skills. This is a major cause for concern both in respect of its impact on the life chances of individuals, and also in terms of its longer term impact on a labour force that is increasingly out of step with opportunities. We know that 70% of the 2020 workforce is already of working age.

In London over 600,000 adults have no qualifications. The position is particularly acute among older people. Of those aged 50-64 almost one in four have no qualifications. We also know that adult learning activities tend to be undertaken by those who already have qualifications. People with no qualifications are much less likely to receive any on the job training. Furthermore, people with poor literacy and numeracy, health problems and some black, asian and minority ethnic groups are less likely to participate in learning.

What is needed?

We need to change the way the employment and skills 'supply chain' works so that it more efficiently and effectively allows people to gain the skills they need to secure and keep a decent job, and to develop their potential. There are good models to build on including that developed by the Employers' Forum on Disability¹⁵.

We think the starting point must be building the motivation of individuals across London and their confidence that the system will work for them. We want all Londoners to understand and value skills in progressing in the labour market.

Second, the system must be ready to support individuals at key points – leaving education, while at college, training or university, entering work and leaving work – and at different stages of their lives, such as when they start a family, or become ill or can no longer find jobs that match their skills. The support available must be broad and personal. The system must also encourage a genuine approach to lifelong learning. Many individuals will need to retrain during their working lives, yet the current system of provision is still geared towards individuals moving from school into further or higher education and then into work. However, if London is to maintain a global position, it needs a workforce that is able to adapt to new markets and changing global conditions.

Third, there needs to be much better opportunities for people who are out of work to gain work experience and an understanding of what they need to function effectively in the work place.

Finally, there needs to be better information about how to improve or gain new skills and the qualifications and training associated with these.

The Board's priorities for action

This draft Strategy seeks to adapt recent Government reforms of skills and welfare provision to meet London's needs. It will also point out to central government where these reforms are inadequate for meeting the challenges facing London and its people.

Priority 1: *Changing the aspirations and behaviours of young people and adults so that they are more motivated and confident that they can fulfill their potential through the skills and employment system*

Action 1.1: *An engagement campaign directed at individuals and those working in the delivery system*

We need all Londoners to understand the benefits of moving from welfare to work and the value of skills for strengthening their employment opportunities and achieving personal ambitions. This must include creating a new understanding of the value of learning so that acquiring skills and undertaking training is seen as useful, and as a way to succeed in employment and life. Londoners must be equipped so that they can compare the quality of learning on offer, and have confidence in its value in the labour market. The campaign must also help individuals to find the assistance they need to get a decent job, opportunities for skills development and to take control of their own futures. It must also encourage people to consider self-employment options and promote entrepreneurial activities.

Priority 2: *Improving information, advice and guidance to point people in the right direction and provide them with the support they need to find and stay in work*

Action 2.1: *Develop an effective London careers advice service*

Comprehensive information, advice and guidance is crucial. The service we need has to help people make the links between jobs, training and longer term career aspirations, with help with accessing other services such as health, transport and businesses start up advice. It must offer more intensive support for particular groups such as those who regularly move between welfare and work, and others at key points in their careers. It must be available to people in work, and to job seekers including those who are not currently taking part in any public employment programmes (such as the New Deals) because they are not receiving benefits. It should build on best practice from elsewhere, such as the information provided on the US 'Career Voyages' website.

Case Study: US 'Career Voyages' website

Career Voyages is a skills and employment website which provides information on high-growth industries and in-demand occupations, along with the skills and education needed to get jobs in those occupations and industries. The 'hot careers' section of the website provides further information on the occupations that are likely to provide the largest number of job opportunities. The website also offers individuals the opportunity to arrange face-to-face meetings with careers advice providers. Since the site's launch in 2003 its hit rate has increased from one million hits per month to over 15 million hits per month.

The Government's broad plans for the adult careers service (set out in the Leitch Implementation document) are in the right direction, but the specifics of how the service will work on the ground are not yet clear. We think that it is particularly important that the service covers skills, jobs and careers advice in an integrated way. In delivering this for London, we would want all the key partners to work together to develop a blueprint for how the new service should operate and a timetable for achieving it, before Government policy is finalised, so that we can influence its implementation.

This service must recognise the very different ways in which different people will arrive at and use the service. It should include an informal system of community-based mentors and support workers to help individuals find their way around the system and get the help that meets their specific needs. Furthermore, this support should not end sharply when people get jobs.

Some industries are also employing workplace co-ordinators to help and support new employees with skills and other needs. The construction industry in London has developed a good model for workplace mentors.

Case Study: Workplace Co-ordinators

Building London, Creating Futures was set up in 2001 to address the shortage of skilled labour in the construction industry in central London and the difficulties local people faced in finding employment. Workplace co-ordinators were recruited in the main contractors and the main construction sites. They identified vacancies, liaised with job agencies, provided pre- and post- employment training and support including mentoring. By 2005 1,380 people had used the programme (against an initial target of 750). 400 had got jobs and 800 provided with training and skills support – around half of them from ethnic minorities. As a result, workplace co-ordinators are becoming more common in the construction industry and are being funded by employers.

Priority 3: *Improving pre-employment training and support, giving priority to communities that are typically excluded from skills and employment*

Action 3.1: *Tailor pre-employment training and support to individual's needs, improving work readiness by offering skills and job search help*

Action 3.2: *Target people with severe barriers to employment such as people for whom English is a second language, offenders and ex-offenders and people with learning difficulties and/or disabilities*

The model we want for London is:

- integrated delivery to **take people seamlessly from pre-employment training into post-employment skills development**. The Government says there should be “no point where ‘job search’ ends and ‘upskilling’ begins”. This is exactly what we need to help tackle many of London's skills and employment problems. We want to turn this rhetoric into the London standard. It must include strong links between organisations such as Jobcentre Plus and programmes like Train to Gain so that as people get jobs, they and their employers are clear that they can carry on training once they are in work.
- **tailored, personalised and broad** community-based support. The multiple barriers faced by many of the people most detached from the labour market often demand personalised solutions. For example, some people who don't speak English need language skills training integrated with employability training. Families and lone parents in training often need childcare. There must also be much greater flexibility in the use of public funding to meet individual needs. While people on benefits can now access English language and other basic skills training from the first day they begin

claiming under the new Employability Skills Programme, places are limited. Furthermore, we recognise there is a role for informal learning in the community that helps people take their first steps into learning.

- help for unemployed people to gain and make better use of **work trials and work experience**. London employers rate work experience as the most important factor when deciding whether to recruit someone – even more than the level or subject of their qualifications. There are a number of ways that people can gain experience, including work trials and temporary jobs, which give individuals without work experience the chance to show their employability. It is important that these trials are connected to permanent work, for example through guaranteed interview schemes (also see chapter 4 for the employer offer).
- good quality, **work-focused literacy and numeracy provision, including English for speakers of other languages (ESOL)**. Almost a half of all Londoners have numeracy skills below level 1, and 19% have literacy skills below the same low level. A number of organisations – such as the Learning and Skills Council, the London Development Agency, Jobcentre Plus and local authorities – are trying to overcome this through a joint Skills for Life Strategy. This includes work-focused provision and clear routes for learners to get on to higher level programmes, or into work. We are concerned about the amount of ESOL training available and its quality. The diversity of learners needs to be matched by a diversity of provision. The needs of those who are not literate in any language are different from those who need to improve their English language skills to get a job. This calls for more specialised, co-ordinated provision across London.

It will be vital that in delivering support for individuals to help them back to work that delivery agencies and providers prioritise resources on people who face the greatest barriers and are the furthest away from the labour market. We have listed above those groups who experience clear disadvantages in securing a job and accessing opportunities to improve their skills. We would expect the delivery and funding agencies, and their providers, to target support towards these groups with measures that recognise the different barriers faced and their complex and multiple needs and experiences. And we would also want the delivery and funding agencies to have arrangements in place to monitor the success of programmes so that their policies and actions can be revised in the light of experience and successful schemes scaled up. We think there are good examples of multi-agency approaches to developing support and provision in relation to learners with learning difficulties and/or disabilities, and offenders and ex-offenders, both these groups of people face severe barriers to securing long-term work. These approaches are described overleaf.

Learners with learning difficulties and/or disabilities

People with learning difficulties and/or disabilities face some of the most severe problems in London's competitive labour market. The Board supports the Learning and Skills Council's plans¹⁶ for a greater multi-agency approach with more strategic planning and funding to improve the quality and work-relevance of support and provision.

Offender learning

Research shows that an ex-offender is less likely to re-offend if he or she is in paid employment. But 76% of offenders currently leave custody with no job to go to. In 2007/2008 the Learning and Skills Council has set a target of creating 4,000 places for offender learners in the community as a way of providing individuals with the skills they need to improve productivity, employability and social cohesion. The Learning and Skills Council is also working to make sure that skills and training provision for offenders while they are still in custody is of value.

Priority 4: *Helping employers and training providers to join forces to develop good quality programmes to ensure employability and advancement for Londoners*

Action 4.1: *Employers to work collaboratively with training providers to develop good quality programmes in key sectors*

Many individuals need personalised and integrated **employability training** to help them to get jobs and progress. This must be designed in partnership with employers, and needs to include help in how to look for jobs and present themselves – particularly for those who have no recent work experience. Many employers are concerned that people coming through colleges, universities and other publicly funded training or from unemployment have poor employability skills. Therefore developing an understanding of the work ethos and the softer skills needed for work, such as team working, needs to begin in education.

For adults, the Employability Demonstration Pilots in eleven colleges have provided a good foundation for a London-wide framework for employability training, which we believe should be developed and rolled out. But this work must be steered by employers.

The London Skills & Employment Board has also been working on a new formal recognition of when an individual has acquired the core behaviours and skills for the workplace. Further development work is needed on this and we think it must be certificated and championed and led by employers. The emerging concept is a programme to help all people – not just the low skilled – to demonstrate that they have the key employability skills, including meeting necessary standards in attendance, punctuality, self-discipline, team working and communications.

Case Study: The Pre-Volunteer Programme for the 2012 Olympic Games and Paralympic Games

The 2012 Olympic Games are a unique opportunity for out-of-work Londoners to gain new skills by working as a volunteer at the Games. The Pre-Volunteer Programme (PVP) will offer opportunities for up to 20,000 individuals from disadvantaged communities across London. The London Organising Committee for the Olympic Games (LOCOG) has agreed that 10% of the Games' Volunteers will be recruited from PVP Programme participants. PVP programme volunteers will develop a range of team and interpersonal skills, emergency and basic fire skills, understanding customer relations, equality and diversity; and this learning will lead to a new qualification in event volunteering. A guaranteed interview will be offered by LOCOG for PVP graduates who apply to be Games volunteers

Action 4.2: *More extensive use of work-based learning and skills development including much better promotion of apprenticeships*

Apprenticeships and other work-based learning are crucial mechanisms to enable young people and adults to acquire work related skills while gaining experience of the work place. The additional benefit of work-based learning is that it offers the opportunity for support from colleagues. We know, for example, that people learning English progress much faster if they are working because they are able to consolidate their learning through conversation in the workplace.

We agree with the London Assembly whose review into apprenticeships in London¹⁷ called for an increase in participation and better promotion of apprenticeships. We also think that unions have a key role to play in this area.

Priority 5: *Enabling individuals to develop their skills*

“Skills are a key driver of fairness: unequal access to skills has contributed to relatively high rates of child poverty and income inequality in the UK. There are clear links between skills and wider social outcomes such as health, crime and social cohesion”

The Leitch Review of Skills. Prosperity for all in the global economy – world-class skills.

Action 5.1: *Creating effective arrangements to enable adults – in work and out of work – to improve their skills*

Many people moving into work with few or no skills become trapped in low paid jobs. We know many Londoners fail to achieve at school the qualifications they need to enable them to progress on to higher skills. We also know that adults in London with low-level qualifications are much less likely to progress in work.

London lacks effective arrangements to help adults, particularly those with low or no skills, gain new skills so that they can progress in their careers or find new opportunities. Such arrangements must take account of the changes to London’s economy as it responds to global and technological change, and must also recognise the different stages that people are at in their lives. The action of employers is critical here and we say more about our plans to improve employer investment in workforce development in the next chapter. But we must also get other aspects of the system working together including individual motivation; relevant, accessible training provision; information about the skills needed for different career routes; and public subsidies for training which encourage and enable people to develop their skills.

A number of Sector Skills Councils have already started to describe what these arrangements should look like for their sector. People 1st – the Sector Skills Council for the Hospitality, Leisure, Travel and Tourism industries has developed a Skills Passport with employees and employers having a shared understanding of the skills needed and how to get them.

Unions and employer bodies also have an important role to play in encouraging and helping the training and development of people in work. A million Londoners are members of a union, with 43% of London employees in a workplace with a trade union presence. London now has over 2,000 union learning reps (ULR) who are assisting over 16,000 workers engage with learning every year.

Case Study: Metroline Buses

Metroline is a bus company based in North London, with nearly 3,700 employees and a fleet of over 1,200 buses.

In 2002, the transport union TGWU made a successful bid for funding from the Union Learning Fund (ULF). Supporting partners in this bid were the TUC, Transport for London, and the College of North East London (CoNEL). The company donated a double-decker bus, ULF paid for the refitting into a learning bus and contributed towards the stand down time of a ULR to drive the bus, and CoNEL provided the computers and tutors for on-board learning.

Metroline have a diverse range of employees from a wide range of ethnic minority groups with many having English as a second language. Due to lack of confidence a large proportion of the staff did not take up learning through the in-house staff development scheme. However, training and development significantly altered after more than a dozen ULRs were trained and the learning bus was in action.

Metroline now pick up all the costs involved – an annual investment of about £150,000 in the learning bus. The company believe that this is a small price to pay, given the impact on retention, morale and employment relations. Better morale, in turn, has helped to cut staff turnover and therefore the cost of recruitment, which is around £5,000 for every driver.

QUESTION:

Do you agree with the priorities and actions in this chapter for improving the support and services available to individuals to improve their skills and employment opportunities? What further priorities and actions would you suggest?

Notes

- ¹³ *Poorman Skyers Research and Consulting (October 2007). London Skills and Employment Strategy Equalities Impact Assessment (EqIA). London Skills & Employment Board.*
- ¹⁴ *Reynolds, T and Miah, N. Barriers to Employment BAME, IB-BAME Employment Skills research: A Lambeth First Employment and Skills Board study. London South Bank University (April 2007).*
- ¹⁵ *www.employers-forum.co.uk.*
- ¹⁶ *Learning and Skills Council (June 2007). Learning for living and working in London – A strategy for learners with learning difficulties and/or disabilities.*
- ¹⁷ *The London Assembly (July 2006). You're Hired, Apprenticeships in London.*

04 The role of employers

London's employers have a crucial role to play in achieving the Board's ambition. Without their support, many of London's people will not gain the opportunity to acquire skills to compete successfully for jobs and to progress in their careers. And we put at risk London's comparative advantage globally.

London's economic success is reliant on its access to highly skilled national and international sources of labour. Through these routes the London labour market is broadly meeting the current needs of London employers. Businesses and the economy are able to grow, and London's changing skills needs are generally satisfied, although there are shortages in some areas. In this environment, it is perhaps less clear why a London employer should consider investing any additional resources to support a new Skills and Employment Strategy for the capital.

This chapter sets out the case for them to do so and provides a set of priorities and actions for achieving this. The twin central proposals are contained in a new London Employer Programme which will provide employers with a simple, coordinated offer from the public employment and skills services to help them with their recruitment and skills development to support their business needs. In exchange, the employer would commit to up-skill their workforce and help out of work people in London get a foot on the employment ladder.

Why change is needed

London is likely to need increasing numbers of high skilled workers in the future as employment growth will be in the managerial, professional and associated professional occupations¹⁸. Rough estimates suggest that in 2020 around 50% of jobs in London will require higher-level skills (level 4 or above), approximately 36% intermediate skilled (level 2 or 3) and 14% low skill (level 1 and below).

Londoners are increasingly competing in a global talent pool for the very best opportunities and struggle to attain the same standards – particularly in languages, sciences, mathematics and engineering.

Jobs requiring lower skill levels will continue to decline as a proportion of overall employment, though the actual impact is likely to be a stabilising of the number of jobs requiring skills at level 1 and 2, compared to the declines in the 1980s and 1990s. This is because a growing service industry will create demand for basic service jobs such as cleaning, security and customer sales. In addition sectors such as hotel, restaurants and retail are likely to grow helping to meet the needs of the city and its visitors.

Many London employers already recognise their people as their most important asset and invest heavily (currently estimated at £5.8 billion per annum across the capital) in employee training and professional development. They realise that a continuous programme of staff skills improvement is vital for an organisation's future efficiency, productivity and competitiveness, and for maintaining staff loyalty.

There is relentless competition for staff, skills and excellence in the marketplace, coming increasingly from other international cities vying with London for world-class status. This means that standing still is not an option. More investment in employee skills is needed simply to maintain, let alone enhance, an organisation's position relative to its competitors, customers and stakeholders.

And there are self-interest and broader civic reasons why employers in all sectors – public, private and voluntary – should recruit more staff locally in London, provided that they have the right skills for the job. These include:

- lower recruitment costs and staff turnover, together with higher commitment to the organisation and morale associated with a local, as opposed to a dispersed, workforce;
- reductions in time, costs and environmental impacts achievable by taking on employees who would otherwise commute long distances to and from work;
- enhancement of the employer's status and reputation in the local community and/or customer base; and
- increases in employment rates in the local community, contributing both to stronger social stability across London and reductions in the capital's benefits bill (in London public spending on certain benefits is around £2.82 billion)³ that is currently required to maintain 750,000 workless people on benefits.

Accordingly, we need to convince more employers to embrace a supply chain partnership with public and private providers to:

- help get people not in work into employment;
- invest in upskilling their workforces from entry level workers through to higher skills to help people progress;
- co-designing and developing with the delivery agencies programmes and curricula to enable employees to develop the skills and competencies they need.

The Government has introduced a range of reforms through its Leitch¹² implementation plan and its Welfare to Work Green Paper to engage employers in helping people move into work and to increase their investment in skills. We are broadly supportive of the direction of these changes including strengthening the role of Sector Skills Councils

(with core roles around increasing employer investment in skills and the responsiveness of the supply side) and qualifications reform. We have not restated all of these in this draft Strategy, though they are important levers for change. We are committed to supporting their implementation.

The Board wants to give direction through this Strategy by prioritising the things which need to be changed or modified to better address London's needs.

In setting this draft Strategy we recognise that it will be important for the funding and delivery agencies to recognise the different needs of different sectors and to prioritise action according to sector needs. We would look to the agencies to work in partnership with Sector Skills Councils, particularly those that are key to the London economy and its future growth to ensure this happens.

The Board's priorities for action

Priority 1: *Working with employers to tackle London's skills and employment challenges*

We need to engage employers at all stages of an individual's journey into work and then as they progress through employment. That demands three clear points of employer engagement: (i) in pre-employment training and getting meaningful work experience to prepare for work and be able to compete in the labour market; (ii) changed recruitment to encourage employers to consider those often excluded from the labour market where they have the skills to do the job; and (iii) providing incentives for employers to develop their workforce – particularly at the basic skills end.

Action 1.1: *Develop a new London Employer Programme including a new top-notch brokerage service*

We need the right strategic leverage in London to demonstrate to employers the value of getting involved. The Board therefore believes that the best people to define what this should comprise are employers themselves.

We have many world leading employers in London who have developed excellent employment and skills programmes in partnership with the public and private agencies. We want to create an environment where more London employers appreciate the benefits that accrue to them and their people from engaging with this agenda.

The Programme will be developed from the existing London Accord¹⁹, the Government's new Local Employer Partnerships, and its Skills and Jobs Pledges into an integrated service for employers covering employment services and skills training. It will include a single point of contact for employers in London to assist in accessing help and funding from the public and voluntary sector agencies currently active in this arena.

We think the **employer contribution** to the programme will include:

- employer led and designed work placement/trial schemes for young people and adults;
- public commitment to investing in skills and training and fairer recruitment practices (some form of 'London skills and jobs pledge' including commitments to train their workforce);
- working with their suppliers to encourage similar behaviours down their supply chains;
- support programmes to help people through the transition into the work place through systems of mentors/buddies.

The **public sector** elements must include:

- implementing an integrated skills and business support brokerage service for small and medium sized employers and micro-businesses and sole traders (the merged Train to Gain and Business Link brokerage);
- employer recruited, top notch account managers for largest 1,200 employers; and
- flexible public funding subsidies so that tailored skills and employment packages can be developed jointly with employers.

In addition, the Board will explore the option of introducing new financial incentives and/or recognition schemes that will encourage more London employers to follow best practice.

Action 1.2 *Employers to lead the way in employee training and development*

Chapter 3 described how London lacks effective arrangements to help adults, particularly those with low or no skills, gain new skills so that they can progress in their careers or find new opportunities. It proposed that we must get every part of the system working in harmony to help individuals develop economically valuable skills that will benefit them and their employers. Employers need to lead the way in supporting this by:

- showcasing best practice by providing case histories, management time and mentoring support to staff as appropriate. Employers should also make public their commitment to training and development as an example to others to do likewise.
- widening their source of potential suppliers for employee training to include London's further education colleges and universities wherever possible. Act as a genuine partner to these institutions to assist them to develop first-rate employee training services in the future.

Case Study: Bovis Lendlease

Bovis Lendlease has recently founded Be Onsite, a not-for-profit company offering industry specific training and employment for disadvantaged and under represented groups. It is the culmination of eleven years leading the industry linking local people to construction training and jobs, resulting in almost 10,000 people finding construction employment, and a further 11,000 people going into retail jobs. The company identifies skills emerging through technological advance and sustainability that are not integrated into current training provision. This collaborative approach with industry, Jobcentre Plus, Sector Skills Councils and training providers seeks to ensure industry gets the training provision it needs, the individual gains a sustainable career.

Priority 2: *Strengthen the capacity of Sector Skills Councils to respond effectively to London's skills and employment issues*

Action 2.1: *Promote the engagement of London employers with their Sector Skills Council*

The Sector Skills Councils represent an important part of the “employer voice” in shaping responses to skills and employment issues.

The Leitch review⁹ said that Sector Skills Councils should:

- raise employer demand and investment in skills;
- articulate the future skills needs of their sector; and
- ensure that the supply of skills and vocational qualifications is driven by employers.

This gives Sector Skills Councils greater influence,

particularly over determining the qualifications and hence skills that should be funded by the public purse. Each Sector Skills Council has to produce a Sector Skills Agreement (SSA) for its sector(s) (see below). These are agreements between employers, their Sector Skills Council and the funders of education and training, and are designed to ensure that the skills the sector needs are the skills the sector gets. Through the SSA process, Sector Skills Councils will exert significant influence in shaping what training is provided, and raising employer commitment to skills which will significantly help the achievement of the Board's objectives. We think SSAs are an important lever for change.

Sector Skills Agreement

SSAs are based on a five stage process comprising:

- 1. Assessment of current and future skill needs:** a sophisticated analysis of sector trends, drivers of productivity, workforce development and skills needed to increase competitiveness.
- 2. Assessment of current provision:** assessment of the range and effectiveness of current workforce development activity, both publicly and privately funded.
- 3. Analysis of the gaps and weaknesses** in current workforce development activity in light of the sector's needs analysis, leading to agreed objectives.
- 4. An assessment of the scope for collaborative action** by employers to tackle skill deficiencies and what form the action might take.
- 5. Development of an action plan** with key delivery partners which would include quantified outputs.

It is therefore important for London's employers to get involved with the Sector Skills Councils and support the implementation of Sector Skills Agreements. This will ensure that the demands and challenges of the London labour market are well represented in how each sector responds to emerging issues. These include raising employer demand and investment in skills, developing relevant qualifications and achieving better alignment in employer investment in skills and the supply of skills.

Action 2.2: *Ensure Sector Skills Councils have the capacity and support to be responsive to London's needs*

We want Sector Skills Councils to have the necessary resources and support for expressing their sectors' needs in London and stimulating employer demand for training. We look to the funding and delivery agencies to work with key Sector Skills Councils in London and provide the necessary resources and support for action in London.

Notes

¹⁸ *Cambridge Econometrics/Institute for Employment Research. Working Futures 2004-2014: Spatial Report.*

¹⁹ *The Employer Accord was developed as part of a set of initiatives by the London Employment and Skills Taskforce for 2012 (LEST) and launched in October 2006. It is a partnership between employers and public sector employment and training agencies (JCP/LSC) to tackle London's worklessness. Employers signing up to the Accord choose a level of commitment and in return the employment and training agencies commit to providing a more integrated and bespoke service to employers.*

QUESTION:

Do you agree with the priorities and actions in this chapter for involving more employers in London's employment and skills challenges?

What further priorities and actions would you suggest?

05 An education and skills system for the future

Learning and skills training for adults in London is currently delivered through a blend of employer provision, self-guided learning by individuals, private and voluntary service provision and the 'public offer' from the capital's colleges and universities. Each has its own strengths and position within the learning market. This chapter sets out our priorities for action to ensure that the whole supply service – employer, private and public – is able to respond to London's ambition for meeting changing skills and employment needs.

Why is change needed?

The Board has argued throughout this draft Strategy that two things need to happen:

- people without work must have access to skills provision that boosts their employability and enables them to get a secure job with prospects; and
- individuals in work and their employers can access suitable provision to develop themselves and advance their careers, and in the case of employers to improve their business performance and productivity.

For this to be achieved, London needs a new form of responsiveness from providers to meet demand. In addition, we want to open up the market for publicly funded provision to improve quality and generate innovation.

London is renowned for the excellence of its higher education institutions. We believe that London's further education colleges, training providers and employers can match this reputation in the development of skills in the city's population.

What needs to happen?

Most training in London is delivered directly by employers in-house or through working with private providers. Our research found that around 86% of employers said they primarily used in-house training provision. On the other hand, many individuals rely on the public services to help them develop the skills they need to access work and advance. We now want to ensure that these private and public services work efficiently and effectively, and where appropriate in partnership, to build a vibrant learning and skills offer that is high quality, expert, personalised and able to adapt to London's changing economy.

Why improving participation and attainment below 19 is so important.

The Board's job is to improve adult skills and employment for people over the age of 19. But we believe that improving aspirations and attainment in young people in London is crucial for the success of this draft Strategy.

London employers believe that better educational outcomes from young people would ease their recruitment problems more than any other single factor. There are over 400,000 young people aged 14-19 in London. They, and their successors, will form a key part of the capital's future labour market, and this Strategy will depend upon a leap forward in their performance across the board.

The direction in which London's economy is moving implies an increasing demand for highly skilled workers, and competition in finding them in an increasingly global recruitment market. This issue is not yet at the forefront of the debate shaping the capital's education system. The reality is that young Londoners will need to consistently achieve better outcomes than their peers in other parts of the country if they are to succeed here because of the high skilled nature of the London job market.

From a very poor position in the late 1990s, many London schools have made impressive progress in terms of increasing pupil attainment. Over the past decade, London students' GCSE results have improved faster than in England as a whole. However, it is still the case that less than 50% of London school children achieve five GCSEs (including English and Mathematics) at grades A*-C (the minimum standard needed to progress to A levels and beyond); and only 30% achieve three good A levels. Although these rates are broadly in line with national averages, they are far below what is needed to equip Londoners for the job market of the future.

Too many young people are consigned by low expectations and system failure to miss out on the opportunities the capital presents. Employers have to look further afield for recruits. The gap between where we are and where we need to be is stark at level 3 (equivalent to three good A levels). This is unsustainable when forecasts predict that by 2020, 50% or more of London's jobs will need level 4 skills. Urgent intervention, not gradual improvement is needed, coupled with a step change in expectations by and of our young people.

The expectations and qualifications of young Londoners leaving education with a level 2 or below also need to be ramped up. Migration and other factors mean they face unprecedented competition in the labour market. To prosper they need to leave school with solid numeracy and literacy skills. The curriculum in London needs to motivate them and unlock their full potential. Greater emphasis must be given to work-related learning and job readiness. More apprenticeship opportunities also need to be in place throughout the region and across all sectors.

Given the flexible and dynamic nature of our regional economy, many young Londoners will be self-employed. Enterprise and entrepreneurship therefore need to be at the heart of every young Londoner's learner entitlement, equipping them to 'go it alone' and exploit emerging opportunities.

Employers in London also want young people to be better informed as they progress toward the labour market. Impartial and thorough information, advice and careers guidance should give them a clear sense of direction; a realistic appreciation of the world of work and the confidence to succeed.

The most immediate task however is to address the needs of those 'Not in Education, Employment or Training' or those at risk of becoming so. Improving their basic and soft skills, and providing second chance learning opportunities is critical to helping them on to the employment ladder.

Finally, there are strong links between young people's achievements and the skills needs of the London economy. We think there is a good case to consider whether this Board's brief should include young people as well as adults. Furthermore, the Government's plans to transfer funding responsibility for 16-19 from the Learning and Skills Council to local authorities will create a need in London for a regional overview. The Board plans to discuss with the Government their possible role in relation to young people during the consultation period on this draft Strategy.

The Board's priorities for action

Priority 1: *Ensure provision is aimed at employability and progression*

Action 1.1: *Improve the further education offer for adults to promote a focus on employability and progression*

Over the past 15 years, London's colleges have dealt with the challenges of incorporation in 1993, widened participation when pressed to do so by the government in the late 1990s and have expanded their courses for young people in the early years of this decade. This flexibility will enable the further education sector to meet the challenges of the future.

The Board appreciates that many staff in further education (FE) already go beyond their traditional role. Many are helping with workforce development for local employers. We want to build on the best practice that exists across London, and expect this as a core standard for all who deliver learning.

However, many colleges and other public providers are still primarily geared towards pre-employment training, often aimed at delivering full qualifications. This is where the bulk of their staff resource is allocated. Many have little capacity to deliver a consultancy or tailored service to employers. Employers have therefore generally looked towards the private, specialised market to meet their job-related training needs. We want London's further education colleges to collectively develop change management programmes to remodel the sector and develop closer links with

employers in order to support improving employability and progression to higher levels – which is so critical for London. This re-modelling should be supported by pump-priming funding from the Learning and Skills Council and undertaken in partnership with employers and Sector Skills Councils.

We see the key elements of the remodelling of FE to be:

- **Deeper engagement with employers.** The FE sector will need to continuously improve and monitor its involvement with employers, and measure its effectiveness in terms of increased employer demand and satisfaction, together with increases in the employability skills acquired by learners, and the vocational relevance of provision. This will involve more partnership working with employers; co-designing and developing the curriculum; greater involvement of employers in delivery; and employer support in the development of FE staff to ensure that skills are up-to-date. It will also increasingly involve more work-based, rather than classroom-based teaching.
- A **personalised curriculum** that encourages the learner to take responsibility for their own learning, focuses on learner ambition and London's opportunities, takes into account individual experience and equips individuals to get a job, and progress in their career.
- Much greater **availability of e-learning** in the workplace as this offers a flexible, customer focused way of gaining skills.

- **Greater specialisation.** Many large FE colleges teach across a broad range of subject areas. In future, it would make sense for there to be a higher degree of specialisation and for providers to focus provision on their strengths. There is already a specialist network for Manufacturing, Engineering and Process Industries with one in the Transport and Logistics sector to follow soon. This model should be extended to other sectors. And National Skills Academies – national centres of excellence – are also important developments which are bringing greater employer involvement into the development of curriculum and delivery in specific sectors.
- Supporting **the FE workforce and leaders** to develop their teaching and learning expertise so that they meet the new demands of employer related provision and new operating environment (including increasingly employer based rather than classroom based provision) and enable learners to develop the skills and attributes needed for the workplace.

Action 1.2: *Improved employer involvement with the delivery of higher-level skills in London to produce graduates with the skills the London economy needs*

Just as for further education, if we are to continue to meet London's higher skills needs we also need greater involvement by employers in the design, development, and even the delivery, of higher education. Employer engagement, for example, is fundamental to the Foundation Degree qualification that links opportunities for work-based learning and higher-level study. We want to see the extension of this type of qualification across all economic sectors because it offers an excellent chance for progress to individuals who are often following non-traditional routes to higher education, including part-time study. It will support our goal of widening participation in higher education.

Case Study: Kingston University's Foundation Degree in Aircraft Engineering. *This Foundation Degree is delivered in partnership with KLM and British Airways. Much of the training takes place at one or other of the airlines' training centres. In addition to academic modules, students take work-based modules that provide hands-on experience of aircraft components and equipment replacement, inspection, condition monitoring and fault diagnosis and rectification. They gain an understanding of the work environment and legal requirements relating to the operation of commercial aircraft.*

A further development of the policy of employer involvement has been looking at employers co-funding the provision of higher education. Pilot programmes are being run to assess the potential of this. This is as much about proportion as principle; employers have long sponsored individual students but the new policy direction anticipates employers contributing as much as 50% of the cost of tuition. In return, employers should expect to be involved in curriculum development, have the learning delivered in their own work place if appropriate, and tailored to their particular requirements. We expect to see increasing numbers of students being co-funded in the future.

Other aspects of higher skills development which are particularly relevant for London are continuing professional development and postgraduate provision, especially taught-Masters courses. We would want to see growth in this level of provision encouraged by additional Government funding through the Higher Education Funding Council for England, targeted at the needs of London and its employers.

Evidence shows that there is more that universities and other higher education providers (including FE colleges) could be doing to work with employers. Equally, we would encourage greater involvement of employers at all levels of higher education. Sector Skills Councils have an important brokerage role to play here.

Action 1.3: *Support actions to widen participation in higher education*

We want to improve progression to higher education from further education. Lifelong Learning Networks are partnerships of further education colleges and higher education institutions which are working to ‘join together’ the qualifications and awards between further education and higher education so that students on vocational courses can continue their learning to higher levels. The objective of the Networks is to widen participation in higher education.

In London there are five Lifelong Learning Networks:

- Linking London: led by Birkbeck College and covering central and north-eastern areas of the region;
- South London: led by Kingston University;
- West London: led by Thames Valley University;
- South East London: led by King’s College London; and
- The Creative Way: led by University of East London and covering the Thames Gateway.

We want to encourage partners to support the continued growth and development of these networks and see increasing numbers of London students progressing to higher education through vocational routes, particularly those from disadvantaged groups and communities.

Priority 2: *Promoting innovation in delivery of services*

Action 2.1: *New ways of involving employers and others in governing further and higher education*

We want the Learning and Skills Council and the Higher Education Funding Council for England (working with the Association of Colleges, London Higher, Sector Skills Councils and others) to look at governance options for publicly funded further and higher education provision in London in order to encourage greater employer involvement and responsiveness. New forms of governance are already being developed including employer-led National Skills Academies²⁰. We would like to explore what other governance models might help deliver the ambitions of this strategy.

Action 2.2: *Opening up of the publicly funded learning and skills market*

London’s fast changing skills requirement can only be met by a highly responsive and innovative supply side. There are many good examples of where this happens now across the public and private sectors. But we think the market needs constant stimulation to change and develop. The public side of the market has changed little in size or shape over the past five years. We think creating new competitive pressures, including by bringing new providers into the market, will improve the range and quality of provision. To do so might require support to help new private or public providers develop a foot in a market where the barriers to entry are high because of high capital costs. We think the Learning and Skills Council, working with Jobcentre Plus/the Department for Work and Pensions, the London Development Agency, the Higher Education Funding Council for England and the Sector Skills Councils should develop a plan for the development of a more open and innovative supply side in London.

QUESTION:

Do you agree with the priorities and actions in this chapter for creating an education and skills system for the future?

What further priorities and actions would you suggest?

Notes

²⁰ *National Skills Academies are employer-led, world-class centres of excellence delivering the skills required by each major sector of the economy. The Government aims to have 12 National Skills Academies up and running by 2008. So far, 8 academies have been approved or are preparing to launch.*

06 Integrating employment and skills delivery

The current network of skills and employment services in London has evolved over many years in response to Government policy and other local factors. Therefore, we are not necessarily dealing with a system that is fit-for-purpose and capable of responding to the challenges set out in this draft Strategy. The Board's view is that we need to build on what works and get rid of those parts of the system that no longer help Londoners find their way into the world of work and progress within it. This chapter sets out the system changes we think are needed to deliver the ambitions of the Strategy.

Why action is needed

Until recently the welfare-to-work arrangements in London focused primarily on getting people into work as quickly as possible and did not systematically address the help people needed to stay in work and progress. The welfare system is disconnected from in-work support programmes such as Train to Gain.

Employers and individuals find the skills system in London hard to find their way around, incoherent and disjointed. The employers' organisation – the Confederation of British Industry – has listed a number of barriers which employers face, in terms of the bureaucracy of the public-sector systems. Businesses, and in particular small businesses, need a skills network that talks to them in their language. The East London City Strategy pilot²¹, for example, found more than 300 service outlets delivering some aspect of local employment services. Very little of this provision is 'joined up' either in terms of planning, funding or delivery. Referrals between agencies can be limited and no single agency has responsibility for, or an overview of, where clients come from or go to next. Many of these 'clients' are the most excluded from the labour market, and those at greatest risk of falling between the cracks of fragmented services.

Overall the delivery system is crowded and confusing with many agencies (public, private and the third sector) working with competing and overlapping objectives.

We are not proposing, at this stage, major structural change of the funding and delivery agencies in order to achieve our goals. But we would want to review the position each year and if delivery does not improve the Board may look at what organisational changes are required to improve the effectiveness of the system. Some have suggested that it is unlikely the current institutional arrangements can ever be made to work effectively. This would be of great concern to the Board as it could prevent the achievement of our objectives.

Priorities for action

Priority 1: *A unified employment and skills system focused on providing long-term employment for all Londoners*

Action 1.1: *The key agencies and authorities commit to working in an integrated and co-ordinated way through regional level targets, joint commissioning of programmes and joint investment planning*

Action 1.2: *Promote integration at a local level through planning agreements, local area agreements and other arrangements which link the support of employment and skills action with regeneration and other policies*

We want to deliver a seamless service for London's individuals and employers, from skills to employment and from employment to skills. To do this we need clarity of roles and responsibilities and for agencies to work in partnership.

We therefore want all those responsible for investing public money in skills and employment to commit to working together through shared targets. This can be brought about by the joint commissioning of programmes to ensure that there is a meaningful and streamlined offer. To make the most of the resources available they should develop joint investment plans to deliver these and to put in place strong accountability arrangements. The key partners include the Learning and Skills Council, Jobcentre Plus, the London Development Agency, the London boroughs and voluntary and private service providers. We do not want to be too rigid about how this should happen, but there are some things we would expect and these are set out below.

We would expect all agencies to take into account the content of the Strategy when developing plans and distributing resources. This will require significant agreement from senior management across agencies and authorities, and funding arrangements and targets that lead to outcomes that support the Strategy.

A joint investment plan involving the Learning and Skills Council, Jobcentre Plus (and where more appropriate its parent department the Department for Work and Pensions), the London Development Agency and the Higher Education Funding Council for England would be the first step in setting out the priorities for action to achieve the Strategy. The plan should evolve over time as the Strategy is implemented and in response to feedback on the proposals from employers and Sector Skills Councils.

Through this joint investment plan we would expect the agencies to agree roles and responsibilities (to minimise overlap and duplication), joint priorities, shared data and consistent funding rules. We also want to see a clear timetable and implementation plans with joint objectives and targets.

Involving local authorities in this process will be critical, particularly with their responsibilities for compulsory education, their new responsibilities for the funding of education and training for 16-19 year-olds and their increasing role in economic development. The funding used by local authorities for economic regeneration, enterprise and business support and skills, must be connected with this draft Strategy. As a minimum, we would therefore expect to see local planning agreements to address community-level issues and local area agreements (LAAs) to deal with broader borough and sub-regional issues. This would require working with other agencies, such as local health authorities and the police. These agreements should set out how local authorities will deliver the draft Strategy and link employment and skills to planning, economic development and regeneration to create sustainable futures for local communities. We also want the skills and employment agencies to work closely with other public service agencies and authorities in London to ensure that wider systems are not a barrier to skills or employment, and that policies complement each other. For many individuals, lack of work or skills is only one of the barriers they face in improving their opportunities, and indeed may not be the most important to them.

As mentioned above, local planning agreements and LAAs are a good way of achieving this locally, but we would also want to see regional and sub-regional level links being made to ensure coherence in policy as well as delivery. Some good examples of where this needs to happen are:

- **Health services.** There are clear links between ill health and being out of work. Indeed Freud's report on welfare to work found that *"There is a strong evidence base showing that work is generally good for physical and mental well-being. Work can be therapeutic and can reverse the adverse affects of unemployment"*. GPs potentially have an important role to play helping people get back to work before confidence, skills and employability are compromised. The NHS is looking at options for a stronger role for health practitioners in supporting people with health problems back into work. We support this type of initiative, and expect public funding from employment and health sources to be joined up to deliver it.
- **Childcare.** Addressing childcare costs, quality and availability in the capital will be key to helping parents (including lone parents) back to work and to tackling child poverty. The London Development Agency's pilot Childcare Affordability Programme is reducing the cost of full-time childcare and subsidising the cost of flexible care. In evaluating the success of this programme it will be important to look at its impact on enabling people to get long-term jobs.
- **Housing issues.** Housing benefits and the availability of social housing, have a significant impact on the ability of people to move from welfare to work. 600,000 people without paid employment in London live in social housing, and there is a strong correlation between living in social housing and being economically inactive.

- **Transport issues.** Good progress has been made in London to improve the cost and accessibility of London's transport infrastructure including a free bus fares scheme for young people to help them stay in education and learning. Despite this, transport can act as major barrier for people seeking work outside their immediate neighbourhood because of cost and/or accessibility. We need to make it as easy as possible for Londoners, particular those living in areas where there is high competition for jobs or a lack of low skilled opportunities to seek work in other areas. It will be essential that multi area arrangements consider transport and employment issues to ensure co-ordination and compatibility. And it is important that London's Transport Strategy continues to make progress on the cost, accessibility and coherence of the transport network.

Action 1.3: *London Development Agency to set up a London skills observatory to provide better information on skills needs (now and future) to help public and private providers to plan*

Agencies that provide skills and employment advice and guidance need good information about the current and future labour market to help them make decisions. The London Story starts to define London's skills needs for the future. In addition, skills information is produced in varying formats and levels of detail by the Greater London Authority, the London Development Agency, the Learning and Skills Council and by individual Sector Skills Councils. As it is notoriously difficult to predict future skills needs, it will be important that these forecasts are kept up-to-date and informed by an understanding of wider developments in London including major infrastructure projects which can demand new or additional skills, along with demographic changes.

Other regions have skills observatories with responsibility for producing and updating skills information that is used by employers, individuals, skills providers, delivery organisations and career services. London needs this too.

QUESTION:

Do you agree with the priorities and actions in this chapter for integrating employment and skills delivery systems?

What further priorities and actions would you suggest?

Notes

²¹ *One of London's two City Strategy Pilots – consortia of local partners including the boroughs, Jobcentre Plus, Learning and Skills Council, the voluntary and health sectors and employers as well as the Greater London Authority (GLA) and London Development Agency (LDA) looking at better ways of delivering welfare services.*

07 Making the public sector system work for London

To deliver this new approach to handling employment and skills in London we need the Government to recognise London's particular opportunities and challenges in the way that it allocates public funding, and in the targets set for education and skills. Government targets send powerful signals about how public and voluntary sector agencies could respond to many of the challenges set out in this draft Strategy. We need Whitehall to loosen the reins of funding and targets and allow genuine focus on results. This chapter makes the case for re-thinking the relationship with central Government to provide flexibility for providers to work on delivering results rather than expending energy trying to meet national targets.

Why change is needed?

London has a higher proportion of people out of work than any other region. It has more people who face multiple barriers to work and it has a fiercely competitive labour market that faces many global challenges. The current basis of allocating funding makes some allowance for London's needs but fails to address some of our most vital areas of need. A much cleverer system must be developed which takes into account London's specific priorities for public funding, such as the need for sufficient funding to improve employability and support progression to higher levels for many more Londoners. The Government, the Learning and Skills Council, Jobcentre Plus and/or the Department for Work and Pensions and the London Development Agency must take into account the Strategy in setting funding and targets.

We also need more individuals and employers to invest in skills so that there is shared responsibility for achieving our overall skills and employment goals.

What needs to happen?

First we need the strategic importance of London to be recognised in the way Government departments operate. We want to see not just the core departments (the Department for Innovation, Universities and Skills and the Department for Work and Pensions) but a whole range of departments acting in a co-ordinated way to define the policy framework needed.

We also want to ensure that where the market is not able to deliver, public funding is available to overcome this failure. This means much better alignment between public funding and the priorities identified in the Strategy. We must see a much more efficient and effective use of the very significant public resources that are already available to London's funding and delivery agencies.

Priority 1: *Sharpening the Government's incentive and target system to improve skills and employment outcomes for Londoners*

Action 1.1: *Develop a more flexible funding and target system for skills and employment delivery and funding agencies to ensure they focus on getting people into long-term employment and progression*

We therefore want the Government to:

- **Give London a fair and appropriate share of the public investment cake.** This may seem obvious but we need a level of public funding for employment and skills activities that recognises London's unique challenges. In return, through the Strategy we will ensure that it is directed at London's priorities.
- **Put in place incentives that support the delivery of the Strategy.** Targets and objectives must be the right ones to meet London's challenges. These must be reflected in the incentives and funding systems that govern the way funding and delivery agencies and service providers operate. These incentives must drive

how services are planned and delivered, and the way frontline staff deal with clients. Without the right signals the market will never operate effectively. Targets must also reinforce each other: employment targets must support skills goals and skills targets must support employment goals. Getting a job is only a success if it is a long-term job. Gaining a skill is only worthwhile if it is economically useful or helps progress in learning or work.

- **Funding flexibly to meet London's needs.**

The current Train to Gain programme is a good example of where the current eligibility rules are inflexible and do not meet London's needs. We know from the evidence base that public funding for London needs to be focused on improving employability. For example, we want to see flexibilities agreed for London in the application of Train to Gain funding so that it can be used to fund people who already have qualifications but need further training to improve their employability and progress.

What the Board will deliver in return?

Through this Strategy the Board will create a shared vision of what needs to happen to improve employment and skills in London, and make progress towards the Government's national targets and aspirations in these areas. We will support, champion and speed up the delivery of the Government's Leitch and Welfare to Work reforms in the capital so that London is considered the country's leading region. We will galvanise employers into action to support initiatives such as the Skills and Jobs Pledges and to maximise the opportunities arising from major projects such as the 2012 Olympic and Paralympic Games and Crossrail.

The Board will also support wider sustainability and equality objectives.

We are publishing alongside this consultation document an Equality Impact Assessment (EqIA). This will help ensure that the Strategy can take account of the changing and diverse needs of London's communities. At the heart of the Strategy is action to tackle the barriers that put particular groups and communities within London at a disadvantage within the labour market and ensure they have fair and equal access to employment and progression opportunities. The EqIA looks at these issues in more detail and we would welcome views on specific actions that need to be highlighted in the final Strategy.

We are also publishing alongside this draft Strategy a Sustainability Appraisal²². Sustainable development – meeting the needs of the present without compromising the ability of future generations to meet their own needs – poses a huge challenge for London. In his Climate Change Action Plan²³ the Mayor has set out a wide range of measures that need to be taken by individuals, businesses and agencies to reduce carbon emissions in London. The London Skills & Employment Board can make an important contribution by ensuring Londoners and London employers develop the skills for sustainable living and working.

First, we want all London employers to consider their 'commuting footprint' when considering their recruitment policies. Recruiting locally will contribute to reducing the carbon footprint of their workforce.

Second, working with the Sector Skills Councils, it will be important to ensure that the London workforce has people with the skills to advise on, install and service energy saving and renewable energy products, and with skills in sustainable construction and management. But we must also keep pace with technological and other developments so that we can supply new green skills as environmental priorities change.

Third, it is vital that the Strategy supports sustainable development practices in all London's skills and training providers including in their use of resources and in their curriculum delivery.

Finally we need to ensure that all London employers and residents have access to learning development opportunities that broaden their understanding of sustainable development practices and inspire them to adopt them at work and in the way they lead their lives.

Notes

- ²² *CAG Consultants (October 2007). Sustainability Appraisal of Draft London Skills and Employment Strategy. London Skills & Employment Board.*
- ²³ *Greater London Authority (February 2007). Action Today to Protect Tomorrow – The Mayor's Climate Change Action Plan.*

QUESTION:

Do you support the priorities and actions in this chapter for making the public sector system work for London?

What further priorities and actions would you suggest?

08 Consultation

arrangements and next steps

Status of this document

The draft Strategy is issued by the London Skills & Employment Board for consultation with employers, Londoners and other partners. The Board has agreed it is a suitable document for consultation.

We want to make sure we get views about our proposals from as broad a range of people as possible. We have also invited ideas and thoughts on the development and implementation of many of the changes we want to achieve.

Consultation

The Board will be consulting on the draft for twelve weeks and welcomes views on the document. The Consultation begins on 30 October and ends on 21 January 2008. There are questions about the Strategy throughout the report and the Board is looking forward to hearing views on all of the topics discussed, together with thoughts on the overall draft Strategy. Any responses will help determine the final Strategy which the Board aims to produce by early 2008.

Confidentiality

Please note that your response to this consultation exercise will be made publicly available, however it will not be attributable. However, if your submission contains a reference to yourself, to colleagues or to your organisation, in the main body of your response, that reference will be displayed on the consultation website. Under Freedom of Information requirements we may be required to provide, upon request, full details of individuals and organisations who have made those submissions.

What will we do after consultation?

We will consider fully all the comments and contributions received during the consultation period. The results and a summary report will be made available on the consultation website, and we plan to publish our full Strategy document in early 2008.

How to give your views

Organisations and individuals can submit their views on the draft London Skills & Employment Strategy in the following ways:

Online

Visit our website at www.london.gov.uk/lseb. The online consultation has been designed to make it easy to submit responses to the questions. On registration you will be provided with a user name and password to enable you to edit or update your submission as many times as you wish while the consultation is open. Please note that if you respond online, it is not necessary for you to also send in a hard copy.

By letter or email

If you are unable to use the online consultation tool, a response can be submitted by letter or email to:
London Skills & Employment Board –
consultation responses
FREEPOST SEA 12430
Thornton Heath
CR7 7XT
Email: lsebconsultation@london.gov.uk.

If you are responding by letter or email we recommend that you use the consultation questions to structure your response. If you send in a response by email it is not necessary for you to also send in a hard copy.

Responses to the consultation must be received by 21 January 2008.

Appendix

Board Members

Chair

Ken Livingstone Mayor of London

Vice Chair

Harvey McGrath Chair, London First

Board Members

Lucy Adams	Group HR Director, SERCO Group plc
Surinder Arora	Chair, Arora International
Ozward Boateng OBE	Chief Executive, Bespoke Couture Ltd
David Butcher	Director, Operational Integrity, BT Operate
Ruth Carnall CBE	Chief Executive, NHS London
Paul Cuttill OBE	Chief Operating Officer (Networks), EDF Energy plc
Richard Cousins	Group Chief Executive, Compass Group plc
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Grant Hearn	Chief Executive, Travelodge
Keith Faulkner CBE	Managing Director, Working Links
David Fison	Chief Executive, Skanska UK plc
Barry Francis	London Regional Manager, Unionlearn
Tracey Hahn	Managing Director (Leadership and Talent Management), Merrill Lynch
Jack Morris OBE	Chair, Business Design Centre Group
Ian Smith	Regional Senior Vice President, Oracle UK Region
Dame Ruth Silver DBE	Principal, Lewisham College
Nick Turner	Managing Director – European Strategy, Morgan Stanley
James Wates	Deputy Chairman, Wates Group Ltd

Ex officio Board Members

Chris Hayes	Director for London, Jobcentre Plus
David Hughes	London Regional Director, Learning and Skills Council
Jeremy Long	Board Member, London Development Agency

Advisers

Dinah Caine	Chief Executive, Skillset
Neil Fletcher	Education and Training Consultant
Paul Head	Principal and Chief Executive, College of North East London
Professor Deian Hopkin	Vice Chancellor and Chief Executive, London South Bank University

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Other languages and formats

This document is also available in large print, braille, on disk, audio cassette and in the languages listed below.

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Arabic

إذا أردت نسخة من هذه الوثيقة بلغتك، الرجاء
الاتصال برقم الهاتف أو الكتابة الى العنوان
أدناه:

Punjabi

ਜੇ ਤੁਹਾਨੂੰ ਇਸ ਦਸਤਾਵੇਜ਼ ਦੀ ਕਾਪੀ ਤੁਹਾਡੀ ਆਪਣੀ ਭਾਸ਼ਾ ਵਿਚ ਚਾਹੀਦੀ ਹੈ, ਤਾਂ ਹੇਠ ਲਿਖੇ ਨੰਬਰ 'ਤੇ ਫ਼ੋਨ ਕਰੋ ਜਾਂ ਹੇਠ ਲਿਖੇ ਪਤੇ 'ਤੇ ਰਾਬਤਾ ਕਰੋ:

Bengali

আপনি যদি আপনার ভাষায় এই দলিলের প্রতিলিপি (কপি) চান, তা হলে নীচের ফোন নম্বরে বা ঠিকানায় অনুগ্রহ করে যোগাযোগ করুন।

Turkish

Bu broşürü Türkçe olarak edinmek için lütfen aşağıdaki numaraya telefon edin ya da adrese başvurun.

Chinese

如果需要此文档的您的母语拷贝，
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Urdu

اگر آپ اس دستاویز کی نقل اپنی زبان میں چاہتے
ہیں، تو براہ کرم نیچے دیئے گئے نمبر پر فون کریں
یا دیئے گئے پتہ پر رابطہ قائم کریں۔

Greek

Αν θα θέλατε ένα αντίγραφο του
παρόντος εγγράφου στη γλώσσα
σας, παρακαλώ να τηλεφωνήσετε
στον αριθμό ή να επικοινωνήσετε
στην παρακάτω διεύθυνση.

Vietnamese

Nếu bạn muốn bản sao của tài liệu này bằng
ngôn ngữ của bạn, hãy gọi điện theo số hoặc
liên lạc với địa chỉ dưới đây.

Gujarat

જો તમને આ દસ્તાવેજની નકલ તમારી ભાષામાં
જોઈતી હોય તો, કૃપા કરી આપેલ નંબર ઉપર
ફોન કરો અથવા નીચેના સરનામે સંપર્ક સાધો.

Hindi

यदि आप इस दस्तावेज़ की प्रति अपनी भाषा में चाहते हैं,
तो कृपया निम्नलिखित नम्बर पर फोन करें अथवा दिये
गये पता पर सम्पर्क करें।

