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THE LOCAL SKILLS IMPROVEMENT PLAN FOR LONDON: OPEN CONSULTATION

APRIL 2023

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1. THE LONDON LABOUR MARKET

Recent years have brought with them many challenges, not least the impact of the pandemic on the labour market, which was already struggling to match skills to available vacancies.

London's labour market struggles with a set of complex issues. On the one hand, more Londoners hold higher qualifications than any other UK region or major world city, with 59% of the city's working age population educated to graduate level or higher in 2021. London also has a higher share of its workforce in higher-paying industries, such as Finance, IT and professional services.

Yet at the same time London also struggles with a series of deep structural challenges. Unemployment remains consistently above the national average, with Black and minority ethnic groups, the young, and disabled disproportionately affected. In-work poverty rates, already among the highest in the country, are being exacerbated by the cost-of-living crisis. As of December 2022, 21.4% of working age Londoners are economically inactive. Meanwhile, stubborn skills and labour shortages persist in sectors as diverse as construction, hospitality, and social care.

As we emerge from the pandemic, now is the time to take a fresh look at London's labour market and skills system and see how we could deliver better. The first step is a better and more granular understanding of the data in local employment markets: what are the current – and future skills – needed by businesses and what is the gap with the existing labour force? This will create the information foundation for all participants – employers, Londoners, training providers and policymakers – to act more effectively.

2. THE LONDON LOCAL SKILLS IMPROVEMENT PLAN

The Local Skills Improvement Plan (LSIP) programme, which the Department for Education has put in place on a regional basis across England, is an important step in providing this analysis and deepening understanding of local markets. LSIPs bring together the private sector, providers, the third sector and London government to set out a clear articulation of employers' skills needs, based on a data-driven approach, and the priority changes required to help ensure local training provision is more responsive.

BusinessLDN is proud to be leading the Greater London LSIP, working in partnership with business representatives, London government and local government:

Business representatives – West London Business, London Chamber of Commerce and Industry, Confederation of British Industry, Federation Small Businesses.
London Government – Greater London Authority.
Local Government – Sub Regional Partnerships across London – Central London Forward, Local London, South London Partnership, and West London Alliance.

We are also supported by WPI Economics, the Institute of Employment Studies and a Stakeholder Advisory Group, made up of experts including senior business leaders and educators.

Together, we are creating an business-led plan for better matching training provision to employer skills demand and the needs of London's economy. This will help employers meet their skills gaps, fill vacancies and ultimately get more Londoners into jobs.

The LSIP's primary focus is on post-16 technical education. Training providers are expected to respond to the LSIP through their curriculum and employer directed training. There are several mechanisms in place to support providers to do this, including Accountability Agreements, the Local Skills Improvement Fund and enhanced Ofsted inspections. You can read more here.

As well as using the LSIP to identify current and future employer skills needs, we have three clear objectives: (i) to build stronger relationships between educators and employers so that information can be shared in both directions and acted on better; (ii) raise awareness of existing workforce and training programmes and good practice to drive better behaviours and scale; and (iii) highlight system barriers that are getting in the way of both educators and employers.

3. OUR APPROACH TO DELIVERING THE LSIP

Since BusinessLDN and our partners were selected as the lead for the London LSIP in August 2022, we have conducted extensive qualitative and quantitative research on employer skills needs and local system issues. Through a series of in-person and virtual roundtables, webinars, and consultations over the past five or so months, we have spoken to hundreds of employers from across all sectors, providers and third sector organisations to get their views and suggestions. Our priority now is bringing all of this together.

BusinessLDN and our partners have been asked to produce 5 LSIPs - one pan-London and one for each of London's four sub-regions. BusinessLDN has led on the pan London focus, and the sub-regional partnerships in their areas. At the pan-London level, we have focused our skills priorities so that they align with the Mayor's priorities and our Skills Commission research on the following sectors and cross-cutting themes: construction and the built environment; health & social care; creative; hospitality; digital skills; green skills; transferable skills; and labour market inclusion. The sub-regional partnerships identified sectors and themes that were most relevant to their local areas.

Our consultation presentation sets out our findings on priority skills needs in London and across the sub-regions, and our proposed draft recommendations for inclusion in the final LSIP report to be submitted to the Secretary of State for Education at the end of May. Our proposed pan-London recommendations - what is required of business, providers and government – are set out under four interlocking action areas:

1. *Meeting London's skills needs*
Employers' current and future skills needs, including transferable, digital and green skills, and delivering them.

2. *Supporting & galvanising business action*
Getting employers more engaged with the skills system, and ensuring they have a better understanding of how to interact with it, and appeal to prospective new talent.

3. *Delivering a skills system that is fit-for-purpose*
Making the system more responsive, including more employer-provider partnerships, faster qualification development, and more flexible, locally tailored delivery.

4. *Building an inclusive London workforce*
Local government, businesses and the third sector working together to increase access to training and employment for Londoners furthest from the labour market.

Only by businesses, educators and government working together can we begin to tackle these big challenges. Work on the LSIP does not end with the submission of our final report. In the summer work will begin on stage two of the LSIP programme – implementation and review and refresh. BusinessLDN and our partners look forward to driving forward work across all four strands. The policy context is promising. LSIPs are here to stay for the foreseeable future, with backing from the Government and the Mayor of London. The London LSIP can be a vital cog in the engine that drives greater alignment between the supply of and demand for skills in London.

A summary chapter of the evidence base which underpins our work and draft recommendations, produced by GLA Economics, is available to review here.

We now seek feedback on our findings on skills needs, draft recommendations and evidence base. I urge you to invest some time to help ensure our final LSIP report works for business, for skills providers but most importantly of all for Londoners. The consultation closes Thursday 27th April, and further detail is found in the section below.

Mark Hilton
Policy Delivery Director, BusinessLDN

4. RESPONDING TO THIS CONSULTATION

BusinessLDN and its partner organisations welcome responses from business, government, further education college, independent training providers and other skills providers, universities, think tanks amongst others. We welcome views on the priority skills needs we have set out in this consultation and our proposed recommendations. The questions below set out the type of input that would be most helpful as we put together our final report, to be submitted to the Secretary of State at the end of May. If you identify areas that could be improved, please set out what specifically we need to work on and how we might make it better.

We welcome ideas, suggestions, data and even short observations in response to these, or any other pertinent areas to help develop a more responsive skills system in the capital. Please respond to questions that are relevant to your expertise; we do not expect respondents to answer every single question. We will treat your individual response confidentially, but plan to include in the final report a list of organisations that responded to this consultation.

Our consultation presentation which sets out our findings on priority skills needs in London and across the sub-regions, together with our proposed draft recommendations can be found here.

A summary of our pan-London evidence base can be found here.

4.1 PROPOSED RECOMMENDATIONS

A summary of our proposed pan-London recommendations across our four interlocking action areas is set out here:

Meeting London's skills needs

Action area	Detail	Action for
Transferable skills	Embed transferable skills as a core part of the National Curriculum at age 16 and as funded, accredited qualifications in post-16 FE.	Government
Transferable skills	Make transferable skills a golden thread throughout joined up DfE and DWP skills and employment strategies, including by ensuring the Skills Builder Framework is built into statutory careers guidance and apprenticeships standards.	Government
Transferable skills	Support the scaling up of the Skills Builder Framework in London so that it becomes the primary route for education and business to help build transferable skills in Londoners.	Businesses, training providers and the GLA
Leadership & management	The business community and educators should work together to develop a fresh model for 'training the trainer'.	Businesses and providers

Action area	Detail	Action for
Digital skills	Embed Essential Digital Skills (EDS) as a more practical form of training, including in the school curriculum and more modular Post-16 provision, supported by organisations including Future Dot Now and the Good Things Foundation.	Government
Digital skills	Galvanise more employer/ educator co-design of provision, especially in areas with fast-changing cutting edge technology.	Government, GLA, Employers, Providers
Green skills	Put more focus on driving the delivery and uptake of electrical engineering courses in London.	Government, GLA, Sector Bodies
Green skills	Include a form of 'carbon literacy' or green skills training into the curriculum as standard, similar to British Values.	Government
Green skills	Make the inclusion of green modules compulsory in all new relevant qualifications.	Government
Construction	Ensure that Section 106 agreements work as a single labour market across all 33 boroughs by allowing employers to pool apprentices and making sure Londoners working in the sector are effectively deployed between projects.	GLA, London boroughs

Supporting & galvanising business action

Action area	Detail	Action for
Employer attractiveness	Better co-ordinate the promotion of sectoral initiatives & campaigns designed to improve the attractiveness of the London LSIP priority sectors to Londoners of all ages and backgrounds.	Businesses, Sector Trade Associations, GLA
Employer attractiveness	Showcase more good practice case studies, including of employers who are successfully engaging young people through marketing & social media campaigns.	Businesses, Sector Trade Associations, GLA
Employer attractiveness	Support more employers to sign-up to the Mayor's Good Work Standard, which includes a commitment to lifelong learning.	GLA, BusinessLDN
SME Support	Introduce a 'London Skills Support Hub' including an information, advice and guidance (IAG) function, to help employers esp SMEs navigate the skills system.	GLA
Recruitment	Scope out what good looks like for a more skills-led rather than qualifications-led approach to recruiting, to help attract a more diverse range of applicants.	Business Groups working with Business members

Delivering a skills system that is fit-for-purpose

Action area	Detail	Action for
Employer-Provider Partnerships	Use the LSIP approach as a basis to scope out a sustainable blueprint for developing better educator/employer partnerships.	All
Employer-Provider Partnerships	Scale-up employer-provider collaboration through more co-design of courses and workforce exchange programmes to ensure training keeps up to speed with changing industry training needs.	Businesses and providers
Mapping the landscape	Through the London Skills Support Hub, deliver a clear map of London's skills system, including an accessible infographic on all the relevant training programmes, their target audiences and a guide to the main actors.	GLA
Apprenticeships	Accelerate the review of existing standards and development of new ones to ensure that provision matches the rapidly changing needs of employers.	Government (IfATE)
Apprenticeships	Embed transferable and digital skills across all Apprenticeship Standards.	Government

Action area	Detail	Action for
Functional skills	Make the curriculum for functional skills, more applied and less theoretical to ensure it benefits a greater range of learners.	Government
Adult Education Budget	Retain and consider expanding the 10% London Recovery Flexibility in the Adult Education Budget to support the delivery of more locally relevant skills programmes to help more Londoners into work.	GLA
Adult Education Budget	Maintain the relaxed residency requirements on learner access in the Adult Education Budget to ensure a broader range of Londoners have access to training	GLA
Modular training	Continue to introduce a more modular, flexible approach to the delivery of existing training, including AEB funded programmes and skills bootcamps	GLA & Government
Skills Academies Hubs	Commit to long-term funding for the Mayor's Skills Academies Hubs, which play an important role connecting employers, providers and sector bodies to work together to develop clear pathways into employment.	GLA
Careers advice	Drive more engagement between business and schools/colleges in a sustainable way, working closely with the Careers & Enterprise Company to ensure schools are promoting all sectors.	GLA
Good Work Standard	Drive take up of Good Work Standard through committing to a concerted campaign with business groups targeting London's employers.	GLA

Building an inclusive London workforce

Action area	Detail	Action for
Employment support	Scope out a plan for the co-location of employment support (Job Centre Plus), careers advice (National Careers Service) and skills support (training providers) modernised through private sector expertise, to create a one stop shop for job seekers.	Government, GLA
Employment support	Test marketing and communcations strategies and tactics to hone key messaging that can reach and engage those furthest from the labour market.	GLA
Black and minoritised communities	Work with employers to help boost engagement with black and minoritised communities as well as disabled Londoners and care leavers.	GLA, Third sector, Business
Community Learning	Work with training providers to explore options for increasing the availability and accessibility of local community learning spaces for all.	GLA, Boroughs
Digital Poverty	Amplify the London Office of Technology & Innovation's (LOTI) 'Get London Online' campaign to help disadvantaged Londoners gain access to devices, connectivity, and learn digital skills.	GLA, Boroughs
Transport poverty	Create a targeted campaign, promoted through the boroughs and local community learning, to increase awareness of the availability of travel bursaries in London.	GLA, boroughs

4.2 QUESTIONS

1. What are your reactions to our findings, both at a pan-London and sub-regional level?
2. Do the priority sector and general skills needs that employers have told us about resonate with you? Are there any surprises, or anything missing?

   Questions 3-5 specifically targeted at training providers including colleges:

3. How do the priority sector and general skills needs map onto existing training provision?
4. What is your capacity as a training provider to respond to these priority skills needs? Please explain
5. How are you planning to respond to these skills needs? For example, establishing new training facilities, working with partners, aligning apprenticeships and other provision to these priorities, deliver current programmes differently.

6. Have we pitched our emerging draft recommendations correctly, and achieved a good balance of actions for business, government, the GLA, and other stakeholders?
7. Which of our draft recommendations might have the greatest impact in tackling the challenges we have identified? What should we prioritise?
8. Is there anything else you think we have missed or should be pushing for inclusion?
9. Any other comments or suggestions?

Please email your consultation response by **11.59PM on Thursday 27th April** to:

skills@businessldn.co.uk

If you have questions or would like to talk to the LSIP team, please also email:
skills@businessldn.co.uk

If you have specific questions on the sub regional findings, please contact:

Central London Forward: Aleyna.Prokudina@cityoflondon.gov.uk
Local London: Philip.Doyle@redbridge.gov.uk
South London Partnership: Kirsty.Hogg@richmondandwandsworth.gov.uk
West London Business: charlie.boyd@westlondon.com

A copy of this consultation will also be available on our microsite, which also lists members of our Stakeholder Advisory Group.

AT BUSINESSLDN, OUR MISSION IS TO MAKE LONDON THE BEST CITY IN THE WORLD IN WHICH TO DO BUSINESS, WORKING WITH AND FOR THE WHOLE UK.

We work to deliver the bigger picture, campaigning to tackle today's challenges and to secure the future promise of London.

We harness the power of our members, from sectors that span the economy, to shape the future of the capital so Londoners thrive and businesses prosper. We support business to succeed — locally, nationally, globally. We link up with other cities around the UK, to ensure the capital supports a thriving country.

We campaigned for the creation of the office of London Mayor and Transport for London, for the Elizabeth Line, for congestion charging, we incubated Teach First and run the UK's largest annual jobs and careers fair, Skills London.

We create opportunities for our members, from sharing insights to providing platforms, from making introductions to finding new talent. We facilitate collective, organisational, and individual ambition.

Becoming a member of BusinessLDN helps to keep London and the UK working — for business, for Londoners, for the whole country.

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